AKSHAY RATHI & ASSOCIATES
CHARTERED ACCOUNTANTS

601, VIGNESH SQUARE, OPP. DINANATH
SCHOOL, DHANTOLI, NAGPUR-440012
Mob No :- 9730076897

INDEPENDENT AUDITOR'S REPORT

To the Members of

Economic Explosives Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of **Economic Explosives Limited** ("the Company"), which comprise the balance sheet as at March 31, 2022 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2022. These

matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

5. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.
6. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Carrying value of trade receivables (as described in note 2.2 h (iv) of the Ind AS financial statements)	
As at March 31, 2022, trade receivable constitutes approximately 18% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates which is also outlined in note 2.2 h (iv) of the Ind AS financial statements. This is a key audit matter as significant judgement is involved to establish the provision matrix. The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in Notes 6 to the Ind AS financial statements.	Our audit procedures included and were not limited to the following: Assessed the Company's accounting policies relating to impairment of financial assets and compliance with those policies in terms of Ind AS 109 (Financial Instruments). Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss. Assessed management's assumption and judgment relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision. Assessed management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. Reviewed the disclosures made by the Company in the Ind AS financial statements.
Receivables under Package Scheme of Incentives 2007 (PSI)	
The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for	Our audit procedures included and were not limited to the following:

Key audit matters	How our audit addressed the key audit matter
the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From 1 July, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated 12 June 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra. Total outstanding receivable of PSI incentive as at 31 March 2022 is INR 61.01 crore. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amounts.	We have read the PSI scheme and assessed the eligibility of the Company to claim incentives. As per the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and assessed its impact on Company's eligibility of PSI incentive. We have verified the letter issued to Company by The Industry, Energy and Labour Department, Government of Maharashtra relating to granting of reimbursement of expenses incurred on Provident Fund paid by the eligible Unit. Assessed the historical trend of receiving amounts under PSI Scheme as against the claims filed. Read the correspondences with the government department relating to incentive claims filed by the Company. Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables.

Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

8. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

9. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

11. In preparing the financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

14. 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 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

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, 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 the statement of other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to the Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

g) In our opinion, the managerial remuneration for year ended Mar 31, 2022 has been paid/ provided by the company to its Directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its Ind AS financial statement. Refer note 29 to the Ind AS financial statements.

   ii. The Company did not have any long-term contracts for which there were any material foreseeable losses.

   iii. There were no amounts which are 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 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, 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 have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

For Akshay Rathi & Associates
Chartered Accountants
Firm's Registration Number: 139703W

AKSHAY CHANDRASHEKHAR RATHI
Digitally signed by AKSHAY CHANDRASHEKHAR RATHI
Date: 2022.05.02 15:24:42 +05'30'

Akshay Rathi
Proprietor
Membership No. 161910
UDIN: 22161910AIGGTU8429

Place: Nagpur
Date: May 2, 2022

“Annexure A” referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory requirements” of our report of even date.

Economic Explosives Limited (“the Company”)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All property, plant & equipment(Including Right of Use Asset) have been physically verified by the management during the year and there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us by the management, all the title deeds of immovable properties included in Property, plant and equipment are held in the name of the Company.

(d) The company has not revalued any of its Property , Plant and Equipment (Including Right of Use Asset) or Intangible asset during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31 2022 for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management has conducted physically verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. In our opinion, the coverage and procedure of such verification by the management is appropriate.

(b) The company has been sanctioned working capital working capital limit in excess of Five Crore Rupees, in aggregate from Banks or Financial Institutions on the basis of security of current assets . The quarterly statements filed by the company with Bank are in agreement with Books of Accounts.

iii. According to information and explanations given to us, during the year the Company has not made any investment in, provided any guarantee or security or granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the provisions of clause 3(iii) (a), (b) (c) (d) (e) and (f) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors/ to a Company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans/ guarantees in compliance with the provision of section 186 of the Companies Act 2013.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules 2014(as amended). Accordingly clause 3 (v) of the Order is not applicable to the Company and hence not commented upon.

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, undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, goods & service tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities and no such undisputed statutory dues have been outstanding for more than 6 months as on the last day of the financial year.

b. According to the records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited with concerned authorities as on 31st March 2022 on account of dispute are given below-

Name of the statute	Nature of dues	Amt under dispute not deposited (Amount in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax, 2002	Value Added Tax	0.03	2015-16	Joint Commissioner of Sales Tax Appeal, Nagpur
Income Tax Act, 1961	Income Tax	0.00*	2017-18	Commissioner of Income Tax (Appeals)
Central Sales Tax Act	CST	0.01	2015-16	Commissioner of Income Tax (Appeals)

*Amount is less than Rs 1 Lakhs

viii. According to the information and explanation given to us by the management, no transactions relating to previously unrecorded income have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks or Financial Institution during the year.

(b) According to the information and explanations given to us by the management, the company has not been declared willful defaulter by any Bank or Financial Institution or other lenders.

(c) According to the information and explanations given to us by the management, the term loans were applied by the company for the purpose for which they were obtained.

(d) According to the information and explanations given to us by the management, no short term funds have been utilized for long term purposes.

(e) According to the information and explanations given to us by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries associates or joint ventures.

(f) According to the information and explanations given to us by the management, the company has not raised any loan during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

x. (a) According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments.

(b) According to the information and explanations given to us by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us by the management, no whistleblower complaint has been received by the company upto the date of this report, hence reporting under this clause is not required.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given to us by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable and the details thereof have been duly disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the report of internal auditors for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company and hence not commented upon.

xvii. According to the information and explanations given to us and on the basis of our examination of books of accounts, the company has not incurred any cash loss during the financial year and in the immediately preceding financial year.

xviii. There has not been any resignation of Statutory auditors during the year , hence reporting under this clause is not required

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) According to the information and explanations given to us by the management , there are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.

(b) According to the information and explanations given to us by the management, there are no ongoing projects relating to Corporate Social Responsibility (CSR), hence reporting under this clause is not required

xxi. The Company is not required to prepare consolidated financial statements, hence reporting under this clause is not required.

For Akshay Rathi & Associates
Chartered Accountants
Firm's Registration Number: 139703W

AKSHAY CHANDRASH EKHAR RATHI

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Date: 2022.05.02 15:25:43 +05'30'

Akshay Rathi
Proprietor
Membership No. 161910
UDIN: 22161910AIGGTU8429
Place: Nagpur
Date: May 2, 2022

"Annexure B" referred to in the Independent Auditor's report of even date on the financial statements of Economic Explosives Limited

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

1. We have audited the internal financial controls over financial reporting of **Economic Explosives Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ('the Guidance Note'). 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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.

4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

   a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   b. 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 authorizations of management and directors of the company; and

   c. provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to these Ind AS financial statements

7. 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

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the 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.

For Akshay Rathi & Associates
Chartered Accountants
Firm's Registration Number: 139703W
AKSHAY CHANDRASHEKHAR RATHI
Digitally signed by AKSHAY CHANDRASHEKHAR RATHI
Date: 2022.05.02 15:30:46 +05'30'
Akshay Rathi
Proprietor
Membership No. 161910
UDIN : 22161910AIGGTU8429
Place: Nagpur
Date: May 2, 2022

Economic Explosives Limited
Balance Sheet as at March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3A	455.50	413.64
Capital work-in-progress	3A	53.07	46.85
Intangible assets	3B	33.36	31.62
Intangible in progress	3B	9.09	8.22
Right-of-use assets	3C	2.63	-
Financial assets			
Loans	4	-	-
Other financial assets	5	39.21	24.50
Current tax assets (net)		22.83	8.56
Other non-current assets	8	21.28	9.16
Total non-current assets		**636.97**	**542.55**
Current assets			
Inventories	9	111.72	76.18
Financial assets			
Trade receivables	6	171.06	116.94
Cash and cash equivalents	7	8.68	35.67
Bank balances other than cash and cash equivalents	7	7.32	4.25
Loans	4	-	-
Other financial assets	5	17.21	12.72
Other current assets	8	19.19	16.07
Total current assets		**335.18**	**261.83**
Total assets		**972.15**	**804.38**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	4.80	4.80
Other equity	11	693.31	526.52
Total equity		**698.11**	**531.32**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	64.03	74.76
Lease Liabilities	3C	2.23	-
Deferred tax liabilities	13	46.56	37.94
Total non-current liabilities		**112.82**	**112.70**
Current liabilities			
Financial liabilities			
Borrowings	12	81.83	70.09
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	14	3.26	1.56
b) total outstanding dues of creditors other than micro enterprises and small enterprises	14	20.49	19.34
Other financial liabilities	15	14.64	11.58
Lease Liabilities (refer Note 3C)		0.43	-
Liability for current tax (net)		-	-
Other current liabilities	16	37.10	55.43
Provisions	17	3.47	2.36
Total current liabilities		**161.22**	**160.36**
Total liabilities		**274.04**	**273.06**
Total equity and liabilities		**972.15**	**804.38**
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm's Registration Number: 139703W

AKSHAY CHANDRASHEKHAR RATHI Digitally signed by AKSHAY CHANDRASHEKHAR RATHI Date: 2022.05.02 15:31:13 +05'30'
Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 02, 2022

For and on behalf of the Board of Directors of
Economic Explosives Limited

SATYANARAYAN NANDLAL NUWAL Digitally signed by SATYANARAYAN NANDLAL NUWAL Date: 2022.05.02 15:05:12 +05'30'
S.N. Nuwal
Director

Manish Satyanarayan Nuwal Digitally signed by Manish Satyanarayan Nuwal Date: 2022.05.02 15:15:01 +05'30'
Manish Nuwal
Director

Place: Nagpur
Date: May 02, 2022

Economic Explosives Limited
Statement of Profit and Loss for the Year ended March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Continuing operations			
Revenue from operations	18	809.66	504.28
Other income	19	7.62	1.35
Total income		**817.28**	**505.63**
Expenses			
Cost of materials consumed	20	201.15	118.41
Purchases of stock-in-trade		176.84	109.19
Changes in inventories of finished goods, stock-in-trade and semi finished goods	21	(5.58)	(3.92)
Employee benefit expenses	22	63.89	51.43
Depreciation and amortization expenses	23	30.74	27.89
Other expenses	24	120.51	78.87
Finance costs	25	10.52	11.92
Total expenses		**598.07**	**393.79**
Profit before tax		**219.21**	**111.84**
Tax expense :			
- Current tax	26	52.37	27.47
- Tax in respect of earlier years	26	(0.92)	0.01
- Deferred tax	26	(0.64)	6.03
Total tax expense		**50.81**	**33.51**
Profit for the year		**168.40**	**78.33**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements (loss)/gain on defined benefit plans		(2.15)	(0.54)
Income tax relating to these iterms		0.54	0.16
		(1.61)	(0.38)
Items that will be reclassified to profit or loss			
Net movement on cash flow Hedges		-	-
Income tax relating to these items		-	-
		-	-
Total Other comprehensive income for the year, net of tax		**(1.61)**	**(0.38)**
Total comprehensive income for the year		**166.79**	**77.95**
Earnings per equity share			
Basic and Diluted earnings per share [Nominal value of ₹ 10]	27	350.83	163.19
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm's Registration Number: 139703W

AKSHAY CHANDRASHEKHAR RATHI
Digitally signed by AKSHAY CHANDRASHEKHAR RATHI Date: 2022.05.02 15:26:34 +05'30'

Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 02, 2022

For and on behalf of the Board of Directors of
Economic Explosives Limited

SATYANARAYAN NANDLAL NUWAL
Digitally signed by SATYANARAYAN NANDLAL NUWAL Date: 2022.05.02 15:05:36 +05'30'

S.N. Nuwal
Director

Manish Satyanarayan Nuwal
Digitally signed by Manish Satyanarayan Nuwal Date: 2022.05.02 15:15:31 +05'30'

Manish Nuwal
Director

Place: Nagpur
Date: May 02, 2022

Economic Explosives Limited
Statement of cash flows for the Year ended March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flows from operating activities		
Profit before tax	219.21	111.84
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and ammortisation expense	30.74	27.89
(Profit) / Loss on Sale / Discard of property, plant and equipment (net)	0.01	(0.48)
Profit on sale of financial assets carried at fair value through profit or loss	(0.09)	-
Interest income	(3.35)	(0.87)
Finance costs	10.52	11.92
Impairment loss on assets	0.85	0.88
Bad debts written off	0.23	0.04
Provision on Balance with revenue authorities	1.33	-
Payables written back	(0.02)	(0.03)
Effect of exchange rate Change	(2.39)	0.03
Operating profit before working capital changes	**257.03**	**151.22**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(51.26)	(44.77)
(Increase)/Decrease in inventories	(35.76)	(18.99)
Increase/(Decrease) in trade payables	2.84	2.29
(Increase)/Decrease in other assets	(18.92)	(18.18)
Increase/(Decrease) in other liabilities	(18.17)	50.85
Cash generated from operations	**135.76**	**122.42**
Less : Income taxes paid	55.91	25.32
Net cash flows from operating activities	**79.85**	**97.10**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(94.09)	(56.83)
Proceeds from disposal of property, plant and equipment*	0.00	0.72
Loan Recovered /(Loan Given) to others	-	0.18
Proceeds from sale/(Purchase) of current investments(net)	0.09	-
(Investment)/Redemption in fixed deposits	(3.07)	16.38
Interest income received	0.24	0.83
Net cash flows used in investing activities	**(96.83)**	**(38.72)**
Cash flows from financing activities		
Proceeds from non-current borrowings	32.10	32.91
Repayment of non-current borrowings	(34.25)	(50.13)
Proceeds from / (Repayment of) current borrowings	3.17	2.75
Payment of principal portion of lease liabilities	(0.11)	-
Interest paid	(10.92)	(13.60)
Net cash flows used in financing activities	**(10.01)**	**(28.07)**
Net increase / (decrease) in cash and cash equivalents	(26.99)	30.31
Add:-Cash and cash equivalents at the beginning of the year	35.67	5.36
Cash and cash equivalents at end of the year (refer note 7)	**8.68**	**35.67**

* Amount is less than ₹ 0.01

Economic Explosives Limited
Statement of cash flows for the Year ended March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)
Changes in liabilities arising from financing activities

Particulars	Year ended March 31, 2021	Cash Flows	Foreign exchange impact	Year ended March 31, 2022
Current borrowings	36.71	3.17	-	**39.88**
Non-current borrowings	108.14	(2.15)	-	**105.99**
Total liabilities from financing activities	**144.85**	**1.02**	-	**145.87**

Particulars	Year ended March 31, 2020	Cash Flows	Foreign exchange impact	Year ended March 31, 2021
Current borrowings	33.96	2.75	-	**36.71**
Non-current borrowings	125.36	(17.22)	-	**108.14**
Total liabilities from financing activities	**159.32**	**(14.47)**	-	**144.85**

* Amount is less than ₹ 0.01 for 31 March 2022.

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number:139703W

per Akshay Rathi
Proprietor
Membership No.- 161910

AKSHAY CHANDRASHEKHAR RATHI
Digitally signed by AKSHAY CHANDRASHEKHAR RATHI
Date: 2022.05.02 15:27:37 +05'30'

Place : Nagpur
Date: May 02, 2022

For and on behalf of the Board of Directors of
Economic Explosives Limited

SATYANARAYAN NANDLAL NUWAL
Digitally signed by SATYANARAYAN NANDLAL NUWAL
Date: 2022.05.02 15:06:06 +05'30'

S.N. Nuwal
Director

Manish Satyanarayan Nuwal
Digitally signed by Manish Satyanarayan Nuwal
Date: 2022.05.02 15:16:03 +05'30'

Manish Nuwal
Director

Economic Explosives Limited
Statement of changes in equity
(All amounts in ₹ Crores , unless otherwise stated)

A. Equity share capital

	No of Shares	Amount
As at April 1, 2020	0.48	4.80
(Equity shares of ₹ 10 each issued subscribed & fully paid)		
Changes in equity share capital	-	-
As at March 31, 2021 (Equity shares of ₹ 10 each issued subscribed & fully paid)	**0.48**	**4.80**
As at April 1, 2021	0.48	4.80
(Equity shares of ₹ 10 each issued subscribed & fully paid)		
Changes in equity share capital	-	-
As at March 31, 2022 (Equity shares of ₹ 10 each issued subscribed & fully paid)	**0.48**	**4.80**

B. Other equity

	Reserve and Surplus			Total other equity
	Retained earnings	Capital Reserve	General Reserve	
Balance as at April 1, 2020	**220.80**	**1.26**	**226.51**	**448.57**
Profit for the year	78.33	-	-	78.33
General Reserve Transfer	-	-	-	-
Other comprehensive income	(0.38)	-	-	(0.38)
Balance at April 1, 2021	**298.75**	**1.26**	**226.51**	**526.52**
Profit for the year	168.40	-	-	168.40
General Reserve Transfer	-	-	-	-
Other comprehensive income	(1.61)	-	-	(1.61)
				-
Balance at March 31, 2022	**465.54**	**1.26**	**226.51**	**693.31**

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm's Registration Number: 139703W

AKSHAY CHANDRASHEKHAR RATHI Digitally signed by AKSHAY CHANDRASHEKHAR RATHI Date: 2022.05.02 15:31:38 +05'30'

Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 02, 2022

For and on behalf of the Board of Directors of
Economic Explosives Limited

SATYANARAYAN NANDLAL NUWAL Digitally signed by SATYANARAYAN NANDLAL NUWAL Date: 2022.05.02 15:08:03 +05'30'

S.N. Nuwal
Director

Manish Satyanarayan Nuwal Digitally signed by Manish Satyanarayan Nuwal Date: 2022.05.02 15:16:28 +05'30'

Manish Nuwal
Director

Place: Nagpur
Date: May 02, 2022

Note 1: Corporate Information

Economic Explosives Limited (the 'Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Solar Industries India Limited, which is listed in India. The Company is primarily involved in manufacturing of complete range of explosives initiating devices & defence ammunitions.

Note 2: Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Property, Plant and Equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready for intended use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period / year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

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

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Product related intangibles is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

De-recognition of intangible assets.

Intangible assets are de-recognized either on their disposal or where no future economic benefits are expected from their use. Losses arising on such de-recognition are recorded in the statement of profit and loss, and are measured as the difference between the net disposal proceeds, if any, and the carrying amount of respective intangible assets as on the date of de-recognition.

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Company's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
Buildings:		
Factory buildings	10 to 30	30

Other buildings	3 to 60	60
Roads (RCC and WBM)	3 to 30	3 to 10
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 25
Electrical installation and Lab equipment	10	10
Furniture and fixtures	10	10
Vehicles	5 to 10	8 to 10
Office equipment and Computers	2 to 6	3 to 6
Transfer of Technology (TOT)	As per Agreement	As per Agreement
Software	3 to 6	3 to 6
Product development	5	As per Ind AS 38 Intangible Assets

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment and other intangible assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation surplus.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f. Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to acquisition, or construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets'.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (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).

h. Financial instruments

i) Investments and other 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 the Statement of Profit and Loss), and
- those measured at amortised cost

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

Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

A. Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

1. Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using effective interest rate method.

2. Fair value through profit and loss:

Assets that do not meet the criteria of amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets is included in other income.

B. Equity instruments:

B.1 Fair value through OCI:

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed a to pay the received cash flows in full without material delay to a third party under a 'pa arrangement; and either (a) the Company has transferred substantially all the risks and rew asset, or (b) the Company has neither transferred nor retained substantially all the risks and rev asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

ii) Financial liabilities

Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the Statement of Profit and Loss, and
- those measured at amortised cost

Measurement

A. Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

B. Financial liabilities at fair value through profit and loss:

Financial liabilities at fair value through profit and loss are measured at fair value with all changes recognized in the statement of profit and loss.

C. Financial guarantee contracts :

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

iii) Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

iv) Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company follows ‘simplified approach’ for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

i. Revenue

Revenue from Contract with Customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note no. 37.

The specific recognition criteria described below must also be met before revenue is recognised.

I. Sale of products:

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30-60 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of good or rendering of service, the Company considers the effects of variable consideration and provisional pricing, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

Volume rebates and discounts

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

Significant financing component

In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Hence, there is no financing component which needs to be separated.

II. Interest Income:

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

III. Dividend:

Revenue is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

IV. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no.2.2 (i) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

j. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy/Reimbursement of Provident Fund has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

k. Foreign currency translation

(i) **Functional and presentation currency**

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

(ii) **Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in Statement of Profit and Loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

l. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) **Raw materials**: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

(iii) **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

m. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Parent Company and its Indian Subsidiaries for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance company in the form of qualifying insurance policy. Re-measurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Re-measurements are not reclassified to profit and loss subsequently.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Re-measurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

n. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

<u>Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses</u>

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
b) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes

o. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker of the Company.

(ii) Segment accounting policies

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

r. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

s. 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 Company's cash management.

t. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

u. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.
For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

v. Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Expenditure on research and development eligible for capitalization are carried as Capital Work-in-Progress where such assets are not yet ready for their intended use.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The depreciation period and the depreciation method for intangible assets with a finite useful life are reviewed at each reporting date.

w. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Receivables under Package Scheme of Incentives 2007 (PSI)

(a) The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002.

From 1 July, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated 12 June 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra.

(b) On March 25, 2019, The Industry, Energy and Labour Department, Government of Maharashtra (Department), granted the Company to reimburse 75% of the provident fund paid by the Company under Package Scheme of Incentives 2007. Accordingly, the Company is accruing reimbursement @75% of provident fund paid by the Company in Maharashtra.

Estimation Uncertainty due to Global Health Pandemic on COVID-19

Refer Note 39 of the Financial Statements.

(All amounts in ₹ Crores , unless otherwise stated)

3(A): Property, plant and equipment

	Freehold Land	Factory Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipments	Total
Year ended March 31, 2021							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2020[1]	60.54	236.07	2.96	150.19	3.29	3.11	456.16
Additions	0.02	23.77	0.56	20.93	0.21	0.53	46.02
Transfer	-	0.06	-	0.22	0.06	-	0.34
Disposals	-	(0.13)	-	(0.54)	(0.15)	-	(0.82)
Closing Gross Carrying Amount as at March 31, 2021	**60.56**	**259.77**	**3.52**	**170.80**	**3.41**	**3.64**	**501.70**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2020[1]	-	30.76	1.01	31.09	1.64	1.53	66.03
Depreciation charge for the year	-	10.45	0.27	10.72	0.30	0.53	22.27
Transfer	-	0.06	-	0.22	0.06	-	0.34
Disposals	-	(0.08)	-	(0.36)	(0.14)	-	(0.58)
Closing Accumulated Depreciation as at March 31, 2021	**-**	**41.19**	**1.28**	**41.67**	**1.86**	**2.06**	**88.06**
Net carrying amount as at March 31, 2021	**60.56**	**218.58**	**2.24**	**129.13**	**1.55**	**1.58**	**413.64**
Period ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2021	60.56	259.77	3.52	170.80	3.41	3.64	501.70
Additions	-	30.21	0.56	34.19	0.72	1.58	67.26
Impairment of assets	-	(2.62)	(0.17)	(0.22)	-	(0.00)	(3.01)
Transfer	-	1.13	0.02	0.05	-	0.28	1.48
Disposals / Sale	-	-	-	(0.01)	-	(0.36)	(0.37)
Closing Gross Carrying Amount as at March 31, 2022	**60.56**	**288.49**	**3.93**	**204.81**	**4.13**	**5.14**	**567.06**
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2021	-	41.19	1.28	41.67	1.86	2.06	88.06
Depreciation charge for the year	-	10.37	0.34	12.40	0.32	0.67	24.10
Impairment	-	(1.44)	(0.14)	(0.14)	-	(0.00)	(1.72)
Transfer	-	1.13	0.02	0.05	-	0.28	1.48
Disposals	-	-	-	(0.01)	-	(0.35)	(0.36)
Closing Accumulated Depreciation as at March 31, 2022	**-**	**51.25**	**1.50**	**53.97**	**2.18**	**2.66**	**111.56**
Net carrying amount the Year ended March 31, 2022	**60.56**	**237.24**	**2.43**	**150.84**	**1.95**	**2.48**	**455.50**

Capital Work-in-Progress as at March 31, 2022	**53.07**
Capital Work-in-Progress as at March 31, 2021	**46.85**

[1] Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.

The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (refer note 12A).

The amount of borrowing costs capitalised during the year ended March.31, 2022 was ₹ 0. 55 (March 31, 2021: ₹ 0.98) The average rate used to determine the amount of borrowing costs eligible for capitalisation was 6.73 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset.

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

Capital Work in Progress Tangible (CWIP) Ageing Schedule

As at 31 March 2022

(a) CWIP ageing as on March 31, 2022

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	44.48	5.29	3.30	-	**53.07**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	-	-	-	-	-

As at 31 March 2021

(a) CWIP ageing as on March 31, 2021

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	32.20	12.41	1.73	0.51	**46.85**

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	-	-	-	-	-

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

3(B) : Other Intangible assets

	Transfer of Technology (TOT)	Software & Licence	Product Development Cost	Total
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount	29.40	0.09	11.64	41.13
Additions	2.34	0.05	4.34	6.73
Disposals	-			-
Closing gross carrying amount	**31.74**	**0.14**	**15.98**	**47.86**
Accumulated amortization				
Opening Amortization of Intangible Assets	7.18	0.01	3.27	10.46
Amortization for the year	3.14	0.03	2.61	5.78
Closing accumulated amortization	**10.32**	**0.04**	**5.88**	**16.24**
Net carrying amount March 31, 2021	**21.42**	**0.10**	**10.10**	**31.62**
Period ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	31.74	0.14	15.98	47.86
Addition	8.15	0.16	-	8.31
Disposals	-	-	-	-
Closing gross carrying amount	**39.89**	**0.30**	**15.98**	**56.17**
Accumulated amortization				
Opening amortization of intangible assets	10.32	0.04	5.88	16.24
Amortisation for the year	3.33	0.05	3.19	6.57
Disposals				-
Closing accumulated amortization	**13.65**	**0.09**	**9.07**	**22.81**
Net carrying amount the Year ended March 31, 2022	**26.24**	**0.21**	**6.91**	**33.36**

Intangible assets under development as at March 31, 2022	**9.09**
Intangible assets under development as at March 31, 2021	**8.22**

Economic Explosives Limited
Statement of changes in equity
(All amounts in ₹ Crores , unless otherwise stated)

Intangible Asset Under development(IAUD) ageing as on March 31, 2022

(a) IAUD ageing schedule					
IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	4.20	3.38	0.69	0.82	**9.09**

Intangible Asset Under development(IAUD) ageing as on March 31, 2021

(a) IAUD ageing schedule					
IAUD	Amount in IAUD for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Project in Progress	3.45	0.69	4.08	-	**8.22**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

Note 3C. Leases

Company as Lessee

The Company has lease contracts for Office/Factory buildings. Leases of office/factory building have lease terms of 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

A. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Buildings	Total
Year ended March 31, 2021		
As at April 1, 2020		**-**
Additions	-	**-**
Termination	-	**-**
Depreciation	-	**-**
As at March 31, 2021	**-**	**-**
Year ended March 31, 2022		
As at April 1, 2021	**-**	**-**
Additions	2.77	**2.77**
Termination	-	**-**
Depreciation	(0.14)	**(0.14)**
As at March 31, 2022	**2.63**	**2.63**

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	March 31, 2022	March 31, 2021
As at April 1, 2021	-	
Additions	2.77	-
Termination	-	
Accretion of interest	0.04	-
Payments	(0.15)	-
As at March 31, 2022	**2.66**	**-**
Current	0.43	-
Non-current	2.23	-

The maturity analysis of lease liabilities are disclosed in Note 34
The effective interest rate for lease liabilities is 6.73%, with maturity between 2021-2099

The following are the amounts recognised in profit or loss:

	March 31, 2022	March 31, 2021
Depreciation expense of right-of-use assets	0.14	-
Interest expense on lease liabilities	0.04	-
Expense relating to short-term leases (included in other expenses)	0.24	-
Total amount recognised in profit or loss	**0.42**	**-**

The Company had total cash outflows for leases of ₹ 0.39 Crores in March 31, 2022 (₹ 0.00 in March 31, 2021).

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

4: Loans

	March 31, 2022		March 31, 2021	
	Current	**Non-Current**	**Current**	**Non-Current**
Unsecured, considered good				
Loan to Others	0.15	-	0.15	-
Provision of Loan written -off	(0.15)	-	(0.15)	-
	-	**-**	**-**	**-**

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.

2. No loans receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

3. The Company has no loans and advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) which are either repayable on demand or are without specifying any terms or period of repayment, hence, details for the same is not disclosed.

5: Other financial assets

	March 31, 2022		March 31, 2021	
	Current	**Non-Current**	**Current**	**Non-Current**
Others				
Sales tax Subsidy receivables	16.90	37.67	12.47	23.52
Security deposits	0.01	1.54	-	0.98
Receivable from vendor	0.13	-	0.16	-
Interest accrued on Other deposits	0.03	-	-	-
Interest accrued but not due	0.14	-	0.09	-
	17.21	**39.21**	**12.72**	**24.50**
	17.21	**39.21**	**12.72**	**24.50**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

6: Trade receivables

	March 31, 2022	March 31, 2021
Trade receivables	78.88	55.89
Receivables from related parties (refer note 31)	95.23	64.77
Less: Impairment Allowance	(3.05)	(3.72)
Total Trade receivables	**171.06**	**116.94**

Break-up of security details

	March 31, 2022	March 31, 2021
Trade receivables		
Secured, considered good	15.00	1.91
Unsecured Considered good	158.45	117.32
Trade Receivables - credit impaired	0.66	1.43
	174.11	**120.66**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(2.39)	(2.29)
Trade Receivables - credit impaired	(0.66)	(1.43)
	(3.05)	**(3.72)**
Total Trade receivables	**171.06**	**116.94**

TRADE RECEIVABLE

Particulars	Outstanding for following periods from due date of payment - March 31, 2022						
	Not Due	<6 month	6 month-1 year	1-2 Years	2-3 Years	>3year	Total
(i) Undisputed Trade receivables - considered good	76.14	71.54	22.32	2.69	0.76	-	**173.45**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired		0.00	-	-	0.01	0.65	**0.66**

Particulars	Outstanding for following periods from due date of payment - March 31, 2021						
	Not Due	<6 month	6 month-1 year	1-2 Years	2-3 Years	>3year	Total
(i) Undisputed Trade receivables - considered good	48.61	45.53	22.80	2.29	-	-	**119.23**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables – credit impaired	-	0.00	0.12	0.11	0.57	0.63	**1.43**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

Set out below is the movement in the allowance for expected credit losses of trade receivables :

	March 31, 2022	March 31, 2021
As at April 1, 2021	3.72	2.83
Provision for expected credit losses	(0.67)	0.89
As at March 31, 2022	**3.05**	**3.72**

7: Cash and bank balances

	March 31, 2022	March 31, 2021
Cash and cash equivalents		
Balances with banks		
On current accounts	8.67	35.66
Cheque in hand	-	-
Cash on hand	0.01	0.01
(A)	**8.68**	**35.67**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than 3 months but less than 12 months	-	-
Balances with Bank held as margin money or security against guarantee and other commitments	7.32	4.25
(B)	**7.32**	**4.25**
Total (A+B)	**16.00**	**39.92**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

08: Other assets

	March 31, 2022		March 31, 2021	
	Current	Non-Current	Current	Non-Current
Capital advances	-	21.28	-	7.52
Advances other than capital advances				
Prepayments	1.37	-	0.62	-
Advances to suppliers for goods and services	11.92	-	9.76	-
Advances to staff	0.18	-	0.09	-
Balances with revenue authorities	5.72	-	5.60	1.64
	19.19	**21.28**	**16.07**	**9.16**

9: Inventories

	March 31, 2022	March 31, 2021
Raw materials & Packing materials (includes stock in transit of ₹ 4.38 crores (March 31, 2021: Rs 3.64 crores))	65.56	37.61
Semi finished goods	7.25	10.20
Finished goods (includes stock in transit ₹ 0.54 crores (March 31, 2021: Rs 0.32 crores))	23.85	21.59
Stock-in-trade (includes stock in transit ₹ 9.72 crores (March 31, 2021: Rs 3.45 crores))	9.72	3.45
Stores and spares	5.34	3.33
	111.72	**76.18**

During the year ended March 31, 2022 ₹ 0.22 Crores (March 31, 2021 : ₹ 0.00) was recognised as an expense on account of impairment of inventory.

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

10: Equity share capital

	Number of Shares in crores		Amount	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Authorised equity share capital (face value ₹ 10 each)	0.66	0.66	6.60	6.60
			6.60	**6.60**
Issued, Subscribed and fully paid share capital (face value ₹ 10 each)	0.48	0.48	4.80	4.80
			4.80	**4.80**

(a) Movements in equity share capital

	Number of Shares in crores		Amount	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Number of Shares at the beginning of the year	0.48	0.48	4.80	4.80
Additions	-	-	-	-
Number of Shares at the end of the year	**0.48**	**0.48**	**4.80**	**4.80**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.
Whenver, the dividend propose 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, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by ultimate holding/ holding company

	Number of Shares in crores		Amount	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Ultimate holding/ Holding Company				
Solar Industries India Limited (par value ₹ 10 each fully paid)	0.48	0.48	4.80	4.80
	0.48	**0.48**	**4.80**	**4.80**

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% holding		Number of Shares in crores	
	March 31, 2022	**March 31, 2021**	**March 31, 2022**	**March 31, 2021**
Solar Industries India Limited	100	100	0.48	0.48

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

Economic Explosives Limited
Statement of changes in equity
(All amounts in ₹ Crores , unless otherwise stated)

(e). Details of Shares held by promoters

As at March 31, 2022

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ₹ 10 each fully paid						
1	Solar Industries India Limited	0.48	-	0.48	100%	0.00%
Total		**0.48**	**-**	**0.48**		

As at March 31, 2021

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ₹ 10 each fully paid						
1	Solar Industries India Limited	0.48	-	0.48	100.00%	0.00%
Total		**0.48**	**-**	**0.48**		

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

11: Other Equity

Particulars	**Amount**
Retained earnings	
April 1, 2020	**220.80**
Add : Profit for the year	78.33
Less: General Reserve Transfer	-
Remeasurement loss on defined benefit plans	(0.38)
As at March 31, 2021	**298.75**
Add : Profit for the year	168.40
Less:General Reserve Transfer	-
Remeasurement loss on defined benefit plans	(1.61)
As at March 31, 2022	**465.54**
Capital reserve	
As at March 31, 2021	**1.26**
As at March 31, 2022	**1.26**
General reserve	
As at March 31, 2021	**226.51**
As at March 31, 2022	**226.51**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)
Nature and purpose of reserves

1 Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

2 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

3. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend.

(All amounts in ₹ Crores , unless otherwise stated)

12: Borrowings

Non-current borrowings

	March 31, 2022	March 31, 2021
Secured Borrowings carried at amortised cost		
Term loans from banks		
Indian rupee term loan	105.85	107.91
Interest accrued but not due	0.50	0.47
Sales tax deferral loan	0.13	0.23
	106.48	**108.61**
Less : Amount clubbed under "Current Borrowings & other current Financial liabilities"		
Current maturities of long-term debt	(41.95)	(33.38)
Interest accrued but not due on non-current borrowings (refer note 15)	(0.50)	(0.47)
	64.03	**74.76**

Current borrowings

	March 31, 2022	March 31, 2021
Secured		
From banks		
Current maturities of long-term debt (refer note 12)	41.95	33.38
Indian rupee working capital loan	-	25.00
Unsecured		
From related parties		
From holding company	39.88	11.71
Interest accrued on current borrowings - related party	1.01	0.90
	82.84	**70.99**
Less : Amount clubbed under "Other current financial liabilities"		
Interest accrued on current borrowings (refer note 15)	(1.01)	(0.90)
	81.83	**70.09**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

Note 12A : Maturity Profile

	Maturity date	Terms of repayment	March 31, 2022	March 31, 2021
Non-Current Borrowings				
Secured				
Indian rupee term loan	Dec 17, 2024	Repayable in twelve equal quarterly installment	45.83	50.00
Indian rupee term loan	Aug 01, 2021	Repayable in eight equal quarterly installment	-	25.00
Indian rupee term loan*	Dec 21, 2023	Repayable in eight equal quarterly installment after 1 year moratorium	35.01	32.91
Indian rupee term loan**	May 31, 2026	Repayable in 48 equal monthly installment after 1 year moratorium	25.00	-
Sales tax deferral loan	Apr 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.13	0.23
			105.97	**108.14**

The above loans from Banks carries an interest rate of 1 yr MCLR
*The above loans from Bank carry interest linked to Repo rate +250 bps
**The above loans from Bank carry interest of 5.50% pa

	Maturity date	Terms of repayment	March 31, 2022	March 31, 2021
Current Borrowings				
Secured				
Indian rupee working capital loan from Bank	On Demand	Repayable on demand		
Indian rupee working capital loan from Bank	Apr 15, 2021	Repayable at end of the term	-	25.00
Indian rupee working capital loan from Bank	Oct 12, 2021	Repayable at end of the term		
Unsecured				
Loan from related parties	On Demand	Repayable on demand	39.88	11.71
			39.88	**36.71**

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable fixed assets and second pari passu charge on the Company's current asset. Working capital loans have first Pari Passu charge on Company's entire current asset, both present and future and second Pari Passu charge on Company's fixed assets.

Loan covenants

Bank loan contains certain debt covenants relating to Total outside liabilities , tangible net worth, current ratio and debt service coverage ratio (DSCR) . The Company has satisfied all debt covenants prescribed in the terms of bank loans.

The other loans do not carry any debt covenants. The company has not defaulted on any loans payable.

(All amounts in ₹ Crores , unless otherwise stated)

13: Tax expenses

The major components of tax expense for the Year ended March 31, 2022 and March 31, 2021 are :

Statement of profit and loss:

Profit or loss section

	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	52.37	27.47
Tax in respect of earlier years	(0.92)	0.01
Deferred tax:		
Relating to origination and reversal of temporary differences	(0.64)	6.03
Relating to change in Tax Rate		-
Tax expense reported in the statement of profit or loss	**50.81**	**33.51**

OCI section

Deferred tax related to items recognised in OCI during in the year :

	March 31, 2022	March 31, 2021
Net (loss)/gain on remeasurements of defined benefit plans	(0.54)	(0.16)
Net gain/(loss) on revaluation of cash flow hedges	-	-
Income tax charged to OCI	**(0.54)**	**(0.16)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021 :

	March 31, 2022	March 31, 2021
Accounting profit before tax	219.21	111.84
Enacted income tax rate in India	25.17%	29.12%
Computed expected tax expense	55.17	32.57
Effect of :		
Income tax for earlier years	(0.92)	0.01
CSR, Donation and penal interest	3.43	1.71
Reduction in opening deferred taxes resulting from reduction in tax rate	(6.48)	-
Other items	(0.39)	(0.78)
Total income tax expense	**50.81**	**33.51**

Deferred tax
Deferred tax relates to the following :
Balance sheet

	March 31, 2022	March 31, 2021
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	50.21	50.67
Provision for discounting of Non current asset	(1.62)	(1.11)
Leases	(0.01)	-
Employee benefits	(0.88)	(0.69)
Provision towards trade receivables	(0.77)	(1.08)
Provision towards Vat receivables	(0.34)	-
MAT credit	-	(9.81)
Provision for advances w/off	(0.03)	(0.04)
Net deferred tax (assets)/ liabilities	**46.56**	**37.94**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

Statement of profit or loss

	March 31, 2022	March 31, 2021
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	(0.46)	6.97
Provision for discounting of Non current asset	(0.51)	(0.86)
Leases	(0.01)	-
Employee benefits	(0.19)	(0.00)
Provision towards trade receivables	0.31	(0.25)
Provision towards Vat receivables	(0.34)	-
Provision for advances w/off	(0.01)	0.01
Other	0.57	0.16
Deffered tax expense/(income)	**(0.64)**	**6.03**

Reconciliation of deferred tax liabilities (net):

	March 31, 2022	March 31, 2021
Opening balance as of April 1	**37.94**	**24.97**
Tax (income)/expense during the period recognised in profit or loss	(0.64)	6.03
Tax (income)/expense during the period recognised in OCI	(0.54)	(0.16)
On account of MAT credit adjuted with earlier years	9.80	-
On account of MAT credit	-	7.10
Closing balance as at March 31	**46.56**	**37.94**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liablities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

14: Trade payables

	March 31, 2022	March 31, 2021
Current		
Trade payables (refer note 38)*		
a) total outstanding dues of micro enterprises and small enterprises	3.26	1.56
b) total outstanding dues of creditors other than micro enterprises and small enterprises	15.94	14.67
Trade payables to related parties (refer note 31)	4.55	4.67
Total Trade payables	**23.75**	**20.90**

Break up of trade payables

	March 31, 2022	March 31, 2021
Trade Payables other than related parties (including acceptances)	19.20	16.23
Trade payables to related parties (refer note 31)	4.55	4.67
	23.75	**20.90**

Trade payables Ageing

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment - March 31, 2022				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undesputed dues - MSME	-	2.76	0.50	-	-	-	**3.26**
(ii) Undisputed dues - Others	-	14.91	5.58	-	-	-	**20.49**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment - March 31, 2021				
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undesputed dues - MSME	-	1.13	0.41	0.00	0.02	-	**1.56**
(ii) Undisputed dues - Others	-	16.93	2.40	0.01	0.00	-	**19.34**

*Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.
For trade payables due to Micro and Small enterprises development, refer note 38
For terms and conditions with related parties, refer note 31
For explanations on the Company's credit risk management processes, refer note 34

15: Other financial liabilities

	March 31, 2022	March 31, 2021
Other financial liabilities at amortised cost		
Interest accrued on Non-current Borrowings (refer note 12)	0.50	0.47
Interest accrued on Current Borrowings (refer note 12)	1.01	0.90
	1.51	**1.37**
Others		
Capital creditors	3.56	1.85
Employee related payables (Including Contract Labour)	9.43	8.08
Liabilities towards Trade Discount	0.14	0.28
	13.13	**10.21**
	14.64	**11.58**

16: Other current liabilities

	March 31, 2022	March 31, 2021
Statutory dues payables	1.80	0.98
Contract Liabilities - Others	35.30	53.77
Contract Liabilities - Related Party	-	0.68
	37.10	**55.43**

17: Provisions

	Provision for Gratuity	Provision for leave encashment	Total
Provision for employee benefits			
At April 1, 2021	0.26	2.10	2.36
Arising during the year	3.23	0.78	4.01
Utilised during the year	(2.58)	(0.32)	(2.90)
At March 31, 2022	**0.91**	**2.56**	**3.47**
Current	0.91	2.56	3.47

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)

18: Revenue from operations

	March 31, 2022	March 31, 2021
Sale of products - Domestic	539.01	324.66
Sale of products - Export	235.94	159.20
Other operating revenue*	34.71	20.42
	809.66	**504.28**

The company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*inclusive of accrual income Package Scheme of Incentives of ₹ 31.71 (previous year ₹ 18.17) and reimbursement of provident fund under Package Scheme of Incentives of ₹ Nil (previous year ₹ 1.07)

19: Other income and other gains/(losses)

(a) Other income

	March 31, 2022	March 31, 2021
Interest Income		
On financial assets carried at amortised cost		
On deposit with Banks	0.25	0.62
On other Deposits and Loans	0.05	-
On Income tax refund*	-	0.00
On Others	3.04	0.25
Profit on disposal of fixed asset	-	0.48
Profit on sale of financial assets carried at fair value through profit or loss	0.09	-
Miscellaneous Income	0.05	-
	3.48	**1.35**

* Amount is less than ₹ 0.01 Crore

(b) Other gains/(losses)

	March 31, 2022	March 31, 2021
Net gain on financial assets mandatorily measured at fair value through profit or loss		
Net gain on foreign currency transaction	4.14	-
	4.14	**-**
Total (a+b)	**7.62**	**1.35**

20: Cost of materials consumed

	March 31, 2022	March 31, 2021
Raw materials and packing materials at the beginning of the year	37.61	22.48
Add: Purchases during the year	229.10	133.54
Less: Raw material and packing material at the end of the year	65.56	37.61
	201.15	**118.41**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)
21: Changes in inventories of Semi finished goods, stock-in-trade and finished goods

	March 31, 2022	March 31, 2021
Opening balance		
Semi finished goods	10.20	12.05
Finished goods	21.59	12.70
Stock-in-trade	3.45	6.57
	35.24	**31.32**
Closing balance		
Semi finished goods	7.25	10.20
Finished goods	23.85	21.59
Stock-in-trade	9.72	3.45
	40.82	**35.24**
	(5.58)	**(3.92)**

22: Employee benefit expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	36.38	27.49
Remuneration to Directors	0.22	0.54
Contribution to Provident and other funds	3.91	2.61
Staff welfare expenses	1.04	0.87
Total - A	**41.55**	**31.51**
Contract Labour (including bonus)	22.34	19.92
Total - B	**22.34**	**19.92**
Total expense (A+B)	**63.89**	**51.43**

23: Depreciation and Amortization Expenses

	March 31, 2022	March 31, 2021
Depreciation on Property, plant and equipment	24.10	22.27
Amortization of Intangible	6.56	5.78
Depreciation of Right-of-use assets (refer note 3C)	0.14	-
Less : Transfer to Product Development Cost	(0.06)	(0.16)
	30.74	**27.89**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)
24: Other expenses

	March 31, 2022	March 31, 2021
Consumption of stores and spares	7.73	5.06
Repairs and maintenance		
Plant and machinery	3.23	2.04
Buildings	2.38	1.09
Others	0.50	0.39
Water and electricity charges	7.28	5.73
Rates and taxes	2.42	2.10
Legal and professional fees	8.17	4.09
Travel and conveyance	2.56	1.76
Sales Commission expenses	3.17	1.01
Freight & forwarding charges	52.62	31.96
Security Service Charges	1.57	1.33
Sales promotion expenses	0.14	0.65
Donations	11.76	9.79
Director's sitting fees	0.08	0.03
Advertisement expenses	0.14	0.01
Transportation Expenses	3.93	2.87
Bad debts written-off	0.23	0.04
Impairment loss/(gain) on trade receivables	(0.67)	0.88
Property Plant & Equipment discarded	1.29	-
Impairment of stock of Raw Material	0.22	-
Net foreign exchange (gain)/ losses	-	1.54
Loss on disposal of fixed asset	0.01	-
Corporate social responsibility expenditure (refer note 24 (b) below)	1.88	1.45
Payments to auditors (refer note 24 (a) below)	0.25	0.19
Provision for Advance written off/back	(0.02)	(0.03)
Testing Charges	0.62	0.03
Miscellaneous expenses (mainly includes printing, communication,postage, office expenses etc)	9.02	4.86
	120.51	**78.87**

24 (a): Details of payments to auditors

	March 31, 2022	March 31, 2021
As auditor:		
Audit fee	**0.22**	0.18
Tax audit fee	-	-
In other capacities		
Taxation matters	-	-
Certification fees	0.03	0.01
	0.25	**0.19**

24 (b) : Corporate social responsibility expenditure

	March 31, 2022	March 31, 2021
a) Gross amount required to be spent by the Company during the year	1.86	1.43
b) Amount approved by the Board to be spent during the year	1.86	1.43
c) Amount spent during the year		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above		
d) Details related to spent / unspent obligation :		
i) Contribution to Disaster management and health care	0.01	0.20
ii) Contribution to rural development and animal welfare	0.31	-
iii) Promotion of Education	1.56	1.00
iv) Environmental sustainability	-	0.25
	1.88	**1.45**

Economic Explosives Limited
Notes to Financial Statements
(All amounts in ₹ Crores , unless otherwise stated)
25: Finance costs

	March 31, 2022	March 31, 2021
Interest on Borrowings		
To Banks*	7.66	8.40
To Related Party	2.81	3.52
Interest on lease liabilities	0.05	-
	10.52	**11.92**

***Net of borrowing costs capitalised**

26: Tax expenses

	March 31, 2022	March 31, 2021
Current tax		
Current tax on profits for the year	52.37	27.47
Adjustments for current tax in respect of earlier years	(0.92)	0.01
Total - A	**51.44**	**27.48**
Deferred tax		
Decrease (increase) in deferred tax liabilities	(0.46)	6.97
(Decrease) increase in deferred tax asset	(0.18)	(0.94)
Total - B	**(0.64)**	**6.03**
Total tax expense (A+B)	**50.80**	**33.51**

27: Earnings per share

	March 31, 2022	March 31, 2021
Basic and Diluted EPS		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS	168.40	78.33
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	0.48	0.48
Basic and Diluted EPS attributable to the equity holders of the company (₹)	**350.83**	**163.19**
Nominal value of shares (₹)	**10.00**	**10.00**

Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)

Note 28: Employee Benefit obligations

(i) Post-employment obligations

a) Gratuity

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy . Under the gratuity plan, Company makes contribution to Economic Explosives Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 31). The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Expense Recognized in Statement of Profit and Loss

	March 31, 2022	March 31, 2021
Service cost	1.06	0.56
Net Interest Cost	0.02	0.05
Expenses Recognized in the statement of Profit & Loss	**1.08**	**0.61**

Other Comprehensive Income

	March 31, 2022	March 31, 2021
Opening amount recognized in OCI outside profit and loss account		-
Actuarial gain / (loss) on liabilities	(2.18)	(0.52)
Actuarial gain / (loss) on assets	0.03	(0.02)
Closing of amount recognized in OCI outside profit and loss account	**(2.15)**	**(0.54)**

The amount to be recognized in Balance Sheet Statement

	March 31, 2022	March 31, 2021
Present value of obligations	8.90	5.46
Fair value of plan assets	7.98	5.20
Net defined benefit liability / (assets) recognized in balance sheet	**0.92**	**0.26**

Change in Present Value of Obligations

	March 31, 2022	March 31, 2021
Opening of defined benefit obligations	5.46	4.24
Service cost	1.06	0.56
Interest Cost	0.36	0.29
Benefit Paid	(0.17)	(0.15)
Actuarial (Gain)/Loss on total liabilities:	2.18	0.52
Closing of defined benefit obligation	**8.90**	**5.46**

Change in Fair Value of Plan Assets

	March 31, 2022	March 31, 2021
Opening fair value of plan assets	5.20	3.59
Actual Return on Plan Assets	0.37	0.22
Employer Contribution	2.58	1.54
Benefit Paid	(0.17)	(0.15)
Closing fair value of plan assets	**7.98**	**5.20**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	March 31, 2022	March 31, 2021
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2022	March 31, 2021
Discount Rate	6.92% per annum	6.53% per annum
Rate of increase in Compensation levels	10.70% per annum	5.00% per annum
Rate of Return on Plan Assets	6.53% per annum	6.65% per annum
Average Future Service (in years)	27.48 Yeras	26.40 Years

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

The expected contribution for defined benefit plan for the next finanacial year will be in line with financial year 2021-22

Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2022	Impact (Absolute)	Impact (%)
Base Liability	8.90		
Increase Discount Rate by 0.50%	8.61	(0.29)	-3.25%
Decrease Discount Rate by 0.50%	9.21	0.31	3.48%
Increase Salary Inflation by 1%	9.49	0.59	6.63%
Decrease Salary Inflation by 1%	8.36	(0.54)	-6.07%
Increase in Withdrawal Assumption by 5%	8.26	(0.64)	-7.19%
Decrease in Withdrawal Assumption by 5%	10.02	1.12	12.58%

Notes :

1. Liabilities are very sensitive to discount rate, salary escalation rate and withdrawal rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

(All amounts in ₹ Crores , unless otherwise stated)

Note 29: Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances)	12.19	16.56

Contingent liabilities

Particulars	March 31, 2022	March 31, 2021
Claims against the Company not acknowledged as debts (note a)		
Value Added tax	0.03	2.43
Income tax	0.11	-
Central Sales tax*	0.00	0.25

* Amount is less than ₹ 0.01

note a -The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.

Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2022
(All amounts in ₹ Crores , unless otherwise stated)

Note : Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

1 Shri Satyanarayan Nuwal (Executive Director)
2 Shri Kailashchandra Nuwal (Executive Director)
3 Shri Manish Nuwal (Executive Director)
4 Shri Sanjay Singh (Executive Director) (appointed as an Executive Director w.e.f July 29, 2021)
5 Shri Anil Kumar Jain (Executive Director) (Ceased to be an Executive Director w.e.f August 21, 2021)

II A Relatives of KMP (with whom transactions have taken place)
N.A

III Non executive Independent directors
1 Shri Dilip Patel
2 Shri Ajai Nigam
3 Shri Amrendra Verma
4 Smt. Madhu Vij

Non executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2021-2022

The Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

IV Key Management Personnel of Holding Company

1 Shri Suresh Menon (Executive Director)
2 Shri Milind Deshmukh (Executive Director) (appointed as an Executive Director w.e.f July 29, 2021)
3 Shri Moneesh Agrawal [(Joint Chief Financial Officers (CFO)] (appointed as Joint CFO w.e.f May 27, 2021.)
4 Smt.Shalinee Mandhana [(Joint Chief Financial Officers (CFO)] (appointed as Joint CFO w.e.f May 27, 2021.)
5 Smt. Khushboo Pasari (Company Secretary and Compliance Officer)

V Step down overseas subsidiaries of Holding Company (with whom transactions have taken place)

1 Nigachem Nigeria Limited - (a)
2 Solar Explochem Zambia Limited - (a)
3 Solar Mining Services Pty Limited (South Africa) -(a)
4 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)
5 Solar Venture Company Limited (Tanzania)**(c)
6 Solar Nitro Ghana Limited -(b)
7 Solar Mining Services Pty Ltd. (Australia) - (e)
8 Solar Nitrochemicals Limited -(d)

VI Subsidiaries, step down Subsidiaries and Associates of Holding Company

A. Wholly Owned Subsidiaries
1 Solar Defence Limited. - (Note 1)
2 Solar Defence Systems Limited - (Note 1)
3 Solar Avionics Limited- (Note 1)
4 Emul Tek Private Limited - (Note 5)
5 Solar Overseas Mauritius Limited

B. **Step Down Subsidiaries**

1 Solar Overseas Netherlands B.V. - (a)
2 Solar Explochem Zambia Limited - (a)
3 Solar Mining Services Pty Limited- (a)
4 Nigachem Nigeria Limited- (a)
5 P.T. Solar Mining Services - (Note 1) & (b)
6 Solar Madencilik Hizmetleri A.S (b)
7 Solar Nitro Ghana Limited -(b)
8 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 2) & (b)
9 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)
10 Solar Overseas Netherlands Cooperative U.A - (c)
11 Solar Overseas Singapore Pte Ltd. - (c)
12 Solar Industries Africa Limited - (c)
13 Solar Nitro Zimbabwe (Private) Limited)- (Note 1) (c)
14 Solar Venture Company Limited (Tanzania)** (c)
15 Solar Nitrochemicals Limited - (d)
16 Solar Mining Services Burkina Faso SARL (Note 1;6) & (d)
17 Solar Mining Services Pty Ltd, Australia (e)
18 Solar Mining Services Cote d'Ivoire Limited SARL (Note -1) & (e)
19 Solar Mining Services Albania- (Note-7) & (e)

C. **Associates**

1 Solar Bhatgaon Extension Mines Pvt. Limited - (Note 3)
2 SMS Bhatgaon Mines Extension Pvt. Limited -(Note 4)
3 Zmotion Autonomous Systems Private Limited (Note 8)

VII **Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above (with whom transactions have taken place)**

N.A

VII **Entities with joint control or significant influence over the entity.**

1 Astra Resources (Pty) Limited

IX **Post Employment benefit plan**

Economic Explosives Limited employee group gratuity assurance scheme

Solar Industries India Limited employee group gratuity assurance scheme

Note 1: The Entity has not commenced its business operations
Note 2: The entity is under liquidation
Note 3: The entity struck off on 25.10.2021
Note 4: The entity struck off on 29.10.2021
Note 5: Blastec (India) Private Limited merged with Emul Tek Private Limited pursuant to an order dated September 21, 2021.
Note 6: The entity incorporated on 06.04.2021

Note 7: The entity incorporated on 22.04.2021
Note 8 Associate Company w.e.f 06.04.2022

(a) Majority owned and controlled subsidiaries of Solar Overseas Netherlands Cooperatie U.A
(b) Majority owned and controlled subsidiaries of Solar Overseas Netherlands B.V.
(c) Majority owned and controlled subsidiaries of Solar Overseas Mauritius Limited
(d) Majority owned and controlled subsidiaries of Solar Industries Africa Limited
(e) Majority owned and controlled subsidiaries of Solar Overseas Singapore PTE Ltd.

** Formerly known as Laghe Venture Company Limited

Note 31: Transactions with related parties during the year

Nature of Transaction	March 31, 2022	March 31, 2021
Sales of products and services		
Solar Industries India Limited	161.41	139.05
Nigachem Nigeria Limited	26.00	16.05
Solar Explochem Zambia Limited	12.12	7.07
Solar Mining Services Pty Limited - South Africa	7.49	5.97
Solar Mining Services Pty Limited - Australia	37.10	14.02
Solar Venture Company Limited (formerly known as Laghe Venture Company Limited)	1.95	3.95
Solar Nitro Ghana Limited	4.46	3.68
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	11.12	12.33
Solar Nitro Chemicals Limited	0.70	-
Total	**262.35**	**202.12**
Other operating income		
Solar Industries India Limited- License	1.95	-
Solar Industries India Limited- Income from GTA	0.81	0.62
Total	**2.76**	**0.62**
Purchase of raw material and components		
Solar Industries India Limited	209.48	126.94
Solar Synthetics Private Limited	-	0.03
Solar Mining Services Pty Limited - SA	0.36	-
Total	**209.84**	**126.97**
Other Expenses		
Solar Mining Services Pty Limited Australia	0.34	-
Solar Industries India Limited-cross charges recovered	0.40	0.17
Solar Industries India Limited-Outward Delivery freight	2.49	1.41
Total	**3.23**	**1.58**
Loans taken/ (repaid) during the year (net)		
Taken		
Solar Industries India Limited	740.00	594.48
	740.00	594.48
Repaid		
Solar Industries India Limited	711.84	588.58
	711.84	588.58
Total	**28.16**	**5.90**
Interest on loans (net)		
Solar Industries India Limited	2.81	3.52
Total	**2.81**	**3.52**
Sitting Fees		
Shri Ajay nigam	0.02	0.01
Shri Dilip Patel	0.03	0.01
Smt.Madhu Vij	0.01	0.00
Shri Amrendra Verma	0.03	0.01
	0.09	**0.03**
Remuneration to KMP**		
Shri Sanjay Singh	0.22	-
Shri Sartaj Singh	-	0.54
Total	**0.22**	**0.54**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured except Rs 3.91 crores and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. There have been no impairment of related party receivable during the year.This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

** This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Company as a whole and individual amounts are not determinable.

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2022	March 31, 2021
Loans Taken		
Solar Industries India Limited	39.88	11.71
Total	**39.88**	**11.71**
Trade receivables		
Solar Industries India Limited	2.83	10.06
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	8.72	4.19
Solar Mining Services Pty Limited - South Africa	9.06	8.07
Solar Mining Services PTY LTD-Australia	43.27	14.89
Solar Nitro Ghana Limited	3.57	3.62
Nigachem Nigeria Limited, Lagos	24.03	22.51
Solar Nitro Chemicals Limited	0.69	-
Solar Explochem Zambia Ltd.	2.06	-
Solar Venture Company Limited (formerly known as Laghe Venture Company Limited)	1.00	1.45
Total	**95.23**	**64.79**
Trade payables		
Solar Mining Services Pty Limited - South Africa	0.37	-
Solar Mining Services PTY LTD-Australia	0.34	-
Solar Industries India Ltd.	3.84	4.67
Total	**4.55**	**4.67**
Interest and Other Payables		
Solar Industries India Ltd.	1.01	0.90
Solar Explochem Zambia Limited	-	0.68
Total	**1.01**	**1.58**

Note 32: Segment Information

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. The CODM evaluates the Company's performance and allocates the resources. The Company is exclusively engaged in the business of manufacturing of explosives accessories. The entire operation is governed by the same set of risk and returns confirmed as representing a single operating segment and not analysed separately.

Geographical Information

The Company is domiciled 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	March 31, 2022	March 31, 2021
India	539.01	324.66
Rest of the World	235.94	159.20
Total	**774.95**	**483.86**

(All amounts in ₹ Crores , unless otherwise stated)

Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% change	Explanation
Current Ratio	Current Asset	Current Liabilities	2.08	1.63	27.61%	Current ratio has improved due to higher increase in Current Assets with no material increase in Current Liabilities .
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.21	0.27	-22.22%	
Debt Service Coverage Ratio	Earnings before Interest+ Tax and Exceptional Items+Depreciation and Amortisation expense	Interest Expense + Principal Repayments made during the period for long term loans	5.78	2.43	137.86%	Debt service coverage ratio improved on account of increase in EBITDA.
Return on Equity Ratio	Net Profit after taxes - Preference Dividend	Average shareholder's Equity	27.40%	15.91%	72.28%	Return on Equity ratio improved on account of increase in EBITDA and due to adoption of new corporate regime taxation @ 25.17% for the financial year 2021-22.
Inventory Turnover Ratio	Cost of Goods Sold (cost of material consumed+Purchases of stock in trade+changes in Inventory+Manufacturing expenses)	Average Inventories of Finished Goods, Semi finished goods & Stock in trade	11.74	8.48	38.44%	Inventory turnover ratio improved on account of increase in COGS along with higher efficiency in Inventory management during the year ended March 31, 2022
Trade Receivable Turnover Ratio	Net Credit Sales = Gross Credit sales- sales return	Average Trade Receivable	5.26	4.92	6.71%	
Trade Payable Turnover Ratio	Net Credit Purchases = Gross Credit Purchases- Purchase return	Average Trade Payable	18.18	12.28	47.63%	Trade Payable Turnover Ratio has increased on account of higher purchase, and which have been timely settled in accordance with the usual business arrangement.
Net Capital Turnover Ratio	Net Credit Sales = Gross Credit sales- sales return	Working Capital = Current Assets- Current liabilities	3.59	3.59	0.00%	
Net Profit Ratio	Net Profit after taxes (after exceptional items)	Revenue from operations	20.80%	15.53%	33.99%	Favourable Net Profit ratio is on account of improved PAT due to reduction in effective tax rate @6.78% in light of adoption of new corporate tax regime @ 25.17% in the current financial year.
Return on Capital Employed	Earning Before Interest and Taxes	Average Capital Employed = Net Worth + Total Debt + Deferred Tax Liability	28.63%	18.31%	56.47%	Return on capital employed ratio improved on account of improved EBIT .
Return on Investment	Non operating income from Investment	Investment= Total Average cash & cash equivalent+Average Investment	5.86%	4.99%	-49.50%	Return on Investment Ratio has reduced due to reduction in strategic Business Deposit.

(All amounts in ₹ Crores , unless otherwise stated)

Note 33: Fair Value Measurements

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1 The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, bank deposits, trade receivables, other financial assets (except derivatives) , trade payables, other financial liabilities (except derivatives), because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2 The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

3 The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 2 fair values in the fair value hierarchy.

4 Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values , accordingly non-current borrowings are classified as level 2 fair value in the fair value hierarchy.The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

A. Fair Value Hierarchy

Level 1- This hierarchy uses quoted (unadjusted) prices in active markes for identical assets and liabilities.
Level 2- The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.

Level 3- IF one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2022** is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	-	**4**	-	-	-
Other financial assets	56.42	**5**	-	-	-
Trade receivables	171.06	**6**	-	-	-
Cash and cash equivalents	8.68	**7**	-	-	-
Bank balances other than above	7.32	**7**	-	-	-
Total Financial assets	**243.48**		**-**	**-**	**-**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	64.03	**12**	-	64.03	-
Current	81.83	**12**	-	-	-
Trade payables	23.75	**14**	-	-	-
Lease Liabilities	2.66				
Other financial liabilities	14.64	**15**	-	-	-
Total Financial liabilities	**186.92**		**-**	**64.03**	**-**

There have been no transfers among Level 1, Level 2 and Level 3 during the year.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2021** is as follows:

Particulars	**Carrying Value**	**Notes**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets					
Amortised cost					
Loans	-	**4**	-	-	-
Other financial assets	37.21	**5**	-	-	-
Trade receivables	116.94	**6**	-	-	-
Cash and cash equivalents	35.67	**7**	-	-	-
Bank balances other than above	4.25	**7**	-	-	-
Total Financial assets	**194.07**		**-**	**-**	**-**
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	74.76	**12**	-	74.76	-
Current	70.09	**12**	-	-	-
Trade payables	20.90	**14**	-	-	-
Other financial liabilities	11.58	**15**	-	-	-
Total Financial liabilities	**177.33**		**-**	**74.76**	**-**

Note 34: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.
It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All the derivative activities for risk management purposes are carried out by specialist teams that have appropriate sklls, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings Term Loans	Sensitivity Analysis	Interest Rate Swaps
Market Risk-Foreign Exchange	Recognised financial assets and liabilities not denominated in INR	Cash Flow Analysis Sensitivity Analysis	Foreign exchange options/forward contracts
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis Credit Analysis	Diversification of credit limits and letters of credit and bank guarantees
Liquidity Risk	Borrowing ,trade payables and other financial liabiltiies	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market Risk is the risk that the fair value of future cash flows will fluctuate becasue of changes in market price. Market risk comprises three types of risk:interest rate risk, currency risk and other price risk, such as equity risk.FInancial instruments affected by market risk include loans and borrowings , deposits, FVTPL investments and derivative financial instruments. Market risk is attributable to all market risk sensitive financial instruments .

The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The Company's exposure to the risk of changes in market interest rates relates primarily other Company's debt obligations with floating interest rates.The Company is not very significantly exposed to interest rate risk except the variations in RBI Repo rate or Bank's MCLR rates as most of the borrowings are linked to these. 0.5% changes in interest rate will increase the borrowing cost by Rs 0.53 crores.

The Company does not have significant investment in Bank Deposits and hence not significantly exposed to Interest rate sensitivity.
0.5% changes in interest rate will decrease the other income by ₹ 0.03 crores

Foreign Currency Risk

Foreign Currency risk is the risk that the future earnings, fair values of future cash flows will fluctuate because of changes in foreign exchange rates. The Company operates globally and portion of the business is transacted in USD, SEK ,ZAR and Euro. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.
The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

Derivative instruments and unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Company has no borrowings in foreign currency as on March 31, 2022 (March 31, 2021: ₹ Nil crores)and hence no foreign currency risk.

b) Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2022			March 31, 2021		
	USD	SEK	ZAR	USD	SEK	ZAR
Trade Receivable	126.38	-	5.88	81.19	-	4.26
Trade Payables	4.58	-	0.37	1.27	-	-
Capital Creditors	-	-	-	-	-	-

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

In Rupees

	March 31, 2022	March 31, 2021
Impact of change in USD	1.22	0.80
Impact of change in ZAR	0.06	0.04
Impact of change in SEK	-	-

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.The Company is exposed to credit risk from its operating activities(primarily trade receivable)and from its financing activities, including deposits with banks and financial institutions,foreignexchange transactions and other financial instruments.The Company only deals with parties which has good credit rating/worthiness given by external rating agencies or based on Company's internal assessment.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

Cash and cash equivalents and deposits:

Balances and deposits with banks are subject to low credit risks due to good credit ratings assigned to the banks.

Loans:

The Company has given loans to certain unrelated parties. The Company has made provisions in case where there is risk of loan recovery.

Trade and other receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend,indsutry practices and business environment in which the entity operates.Loss rates are based on actual credit loss experience and past trends.

The ageing analysis of the receivables(gross of provisions) has been considered from the date the invoices falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2022	111.41	16.32	46.38	**174.11**
As at March 31, 2021	65.51	16.39	38.76	**120.66**

The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2022	March 31, 2021
Opening balance	3.72	2.83
Provided during the year		0.89
Reversals of provisions	0.67	-
Closing balance	**3.05**	**3.72**

During the year the Company has written off an amount of ₹ 0.23 crores as the same were not recoverable

No significant changes in estimation techniques or assumptions were made during the year

Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2022						
Borrowings						
From related party	39.88	-	-	-	-	**39.88**
From Banks	-	9.69	32.19	63.97	-	**105.85**
Sales tax deferral loan	-	0.07	-	0.06		**0.13**
Trade payables	-	23.75		-	-	**23.75**
Lease liabilities (Gross)		0.15	0.46	2.56		**3.17**
Other financial liabilities	-	9.73	4.91	-	-	**14.64**
March 31, 2021						
Borrowings						
From related party	11.71	-	-	-	-	**11.71**
From Banks	-	37.50	20.78	74.63	-	**132.91**
Sales tax deferral loan	-	0.10	-	0.13		**0.23**
Trade payables	-	20.90	-	-	-	**20.90**
Lease liabilities (Gross)	-	-	-	-	-	-
Other financial liabilities	0.90	7.24	3.44	-	-	**11.58**

(All amounts in ₹ Crores , unless otherwise stated)

Note 35: Capital Management

For the purpose of Company's capital management, capital includes issued share capital, share premium and all other equity reserves. The primary objective of capital management is to maximise shareholder value.
The company manages its capital structure and makes adjustment in light of changes in economic conditions and the requirements of financial covenants.To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.The Company monitors capital using a gearing ratio, which is net debt, divided by total capital plus net debt.The Company includes within net debt,interest bearing loans and borrowings,less cash and cash equivalents.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

	March 31, 2022	**March 31, 2021**
Net debt	137.18	109.18
Equity	698.11	531.32
Capital and net debt	**835.29**	**640.50**
Gearing ratio	**16.42%**	**17.05%**

Calculation of Net Debt is as follows:

	March 31, 2022	**March 31, 2021**
Borrowings		
Non Current	64.03	74.76
Current	39.88	36.71
Current maturities of long-term debt	41.95	33.38
	145.86	**144.85**
Cash and cash equivalents	8.68	35.67
Bank balances other than cash and cash equivalents(excluding earmarked balances)	-	-
	8.68	**35.67**
Net Debt	**137.18**	**109.18**

Note 36: Research and Development Expenditure:

Capital Expenditure incurred on R&D is included in Property, Plant and Equipment

Revenue expenditure incurred on R&D has been included in the respective account heads in statement of profit and loss and intanglible assets

Particulars	March 31, 2022	March 31, 2021
In the nature of Revenue Expenditure	5.23	5.59
In the nature of Capital Expenditure	-	1.48
Total	**5.23**	**7.07**

Note 37: Revenue from operations

A Disaggregated Revenue information

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	March 31, 2022	March 31, 2021
India	539.01	324.66
Rest of the World	235.94	159.20
Total	**774.95**	**483.86**

B Contract balances

Particulars	March 31, 2022	March 31, 2021
Trade Receivables	171.06	116.94
Contract Liabilities	35.30	54.46

C Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

Particulars	March 31, 2022	March 31, 2021
Revenue as per contracted price	776.85	484.19
Adjustments for:		
Rebates /Discounts and others	1.90	0.33
Revenue from contract with customers	**774.95**	**483.86**

D Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2022 amounts to ₹ 473.35. crore

(All amounts in ₹ Crores , unless otherwise stated)

Note 38: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2022	March 31, 2021
Principal amount outstanding (whether due or not) to micro and small enterprises	3.26	1.56
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succedding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note: Dues to Micro & Small Enterprises have been determined to the extend such parties have been identified on the basis of information collected by the management.This has been relied upon by the auditors.

Note 39 : The outbreak of Coronavirus (COVID-19) pandemic globally and in India has caused significant disturbance and slowdown of economic activity.

The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets and financial position based on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at March 31, 2022 and fulfil its obligations as and when they fall due. are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus includes travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

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

Note 40. Other Statutory Information:

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami
(ii) The Company do not have any transactions with companies struck off.
(iii) The Company do 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 have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
(viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 41 : Previous year figures have been reclassified, as considered necessary, to confirm with currrent year presentation, wherever applicable.

Note 42. The financial statements were approved for issue by the Board of Directors on May 02, 2022

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm's Registration Number: 139703W

AKSHAY CHANDRASHEKHAR RATHI
Digitally signed by AKSHAY CHANDRASHEKHAR RATHI
Date: 2022.05.02 15:29:49 +05'30'

Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 02, 2022

For and on behalf of the Board of Directors of
Economic Explosives Limited

SATYANARAYAN NANDLAL NUWAL
Digitally signed by SATYANARAYAN NANDLAL NUWAL
Date: 2022.05.02 15:11:31 +05'30'

S.N. Nuwal
Director

Manish Satyanarayan Nuwal
Digitally signed by Manish Satyanarayan Nuwal
Date: 2022.05.02 15:19:57 +05'30'

Manish Nuwal
Director

Place: Nagpur
Date: May 02, 2022