

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Rajasthan Explosives and Chemicals Limited**

**Report on the Standalone Ind AS Financial Statements**

### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of Rajasthan Explosives and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March 2024, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities" 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.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

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 standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit and loss (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 Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibility**

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) 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, 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 on its financial position in its standalone Ind AS financial statements - Refer Note 35 to the standalone Ind AS financial statements.





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

iii. The Company did not have any dues on account of Investor Education and Protection Fund.

iv) a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 or entity, 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 person or entity identified in any manner whatsoever by or 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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity 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 person or entity identified in any manner whatsoever by or 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 representations under sub clause (a) and (b) contain any material misstatement.


v) The Company has neither declared nor paid any dividend during the year; as such the compliance with section 123 of the Companies Act’ 2013 does not arises.

vi) Based on our examination which included test checks, the Company, in respect of financial year commencing on or after 1 April 2023, has used an accounting software for maintaining its books of account, however, due to lack of adequate Information Technology General Controls, we are unable to rely on automated controls related to financial reporting in the accounting software and consequently, we are unable to comment on whether the audit trail feature operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of audit trail feature being tampered with.

**For Raman Chawla and Associates**

*Chartered Accountants*

Firm Registration No. 450114



**Shivam Bansal**

*Partner*

Membership No.: 450114

**Place: New Delhi**

**Date: 15-05-24**

**UDIN: 24450114BKADMR4683**

## Annexure A to the Independent Auditor's Report

With reference to the Annexure A referred to in the Independent Auditor's Report to the members of the Rajasthan Explosives and Chemicals Limited on the standalone Ind AS financial statements for the year ended 31 March 2024, we report the following:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) The company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.





- (iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- (b) During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
- (c) In respect of loans granted, payment of interest has been stipulated on regular basis and the loan has been closed during the year.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There are no instances where company has granted any loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment as defined in clause (76) of section 2 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to ensure whether they are adequate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2024, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) outstanding on account of any disputes other than those mentioned here:

Name of Statute	Amount (Rs.in Lacs)	Forum where the dispute is pending
Sales Tax	563.80 207.95	CTO, Bharatpur Honourable Tax Board, Ajmer
Provident Fund	67.68	Assistant P.F. Commissioner, Jaipur

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) In our opinion and according to the information and explanations given to us, the Company has not taken loans or other borrowings from any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and on the basis of the books and records examined by us, the company has not taken any term loans taken during the year.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.





- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- (xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has an internal audit system commensurate with the size and nature of its business;
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.





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

(xvii) The Company has not incurred cash losses in the current year however there were cash losses in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year.

(xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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) In our opinion and according to the information and explanations given to us, the Company does not have any amount unspent under sub-section 135(5) of the Companies Act. Accordingly, clause 3(xx)(a) & (b) of the Order is not applicable.

**For Raman Chawla and Associates**

*Chartered Accountants*

Firm Registration No. 035545



**Shivam Bansal**

*Partner*

Membership No.: 450114

**Place: New Delhi**

**Date: 15-05-24**

**UDIN: 24450114BKADMR4683**

## **Annexure B to the Independent Auditor's Report**

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

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

We have audited the internal financial controls over financial reporting of **Rajasthan Explosives and Chemicals Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2024, 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 issued by the ICAI.

*For Raman Chawla and Associates*  
*Chartered Accountants*

Firm Registration No.: 0350439



**Shivam Bansal**

*Partner*

Membership No.: 450114

**Place: New Delhi**

**Date: 15-05-24**

**UDIN: 24450114BKADMR4683**

Particulars	Note no.	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4A	29.88	26.31	47.52
Capital work-in-Progress	4B	16.12	0.09	0.09
Intangible Assets under development	4C	-	-	0.47
<b>Financial assets</b>				
Investments	5	-	-	37.74
Other financial assets	6	3.31	1.75	2.27
Deferred Tax Assets	7	9.46	13.57	14.87
Current Tax Asset (net)	8	0.22	0.39	0.21
Other non-current assets	9	8.20	0.14	0.22
<b>Total non-current assets</b>		<b>67.19</b>	<b>42.25</b>	<b>103.39</b>
<b>Current assets</b>				
Inventories	10	11.11	14.88	5.50
<b>Financial assets</b>				
Trade receivables	11	0.84	3.13	6.80
Cash & Cash equivalents	12A	0.63	0.85	0.19
Other Bank Balances	12B	16.99	2.11	0.67
Loans	13	-	6.89	-
Other financial assets	6	0.32	0.26	0.51
Other current assets	9	0.25	1.56	1.59
<b>Total current assets</b>		<b>30.14</b>	<b>29.68</b>	<b>15.26</b>
<b>Total assets</b>		<b>97.33</b>	<b>71.93</b>	<b>118.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	14	59.74	59.74	59.74
Other equity	15	(66.74)	(77.71)	(33.65)
<b>Total equity</b>		<b>(7.00)</b>	<b>(17.97)</b>	<b>26.09</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	16	85.64	52.67	60.84
Other Financial Liability	18	-	-	-
Provisions	19	1.09	1.30	2.60
Other non-current liabilities	20	-	-	-
<b>Total non-current liabilities</b>		<b>86.73</b>	<b>53.97</b>	<b>63.44</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	17	-	-	5.44
Trade payables	21	-	-	-
Total outstanding dues of micro-enterprises and small enterprises; and		0.53	0.71	1.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		7.34	27.92	7.55
Other financial liabilities	18	5.09	2.99	3.00
Other current liabilities	20	3.76	2.82	5.40
Provisions	19	0.88	1.48	1.23
<b>Total current liabilities</b>		<b>17.60</b>	<b>35.92</b>	<b>29.12</b>
<b>Total liabilities</b>		<b>104.33</b>	<b>89.89</b>	<b>92.56</b>
<b>Total equity and liabilities</b>		<b>97.33</b>	<b>71.93</b>	<b>118.65</b>

Significant accounting policies

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The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Raman Chawla & Associates  
 Chartered Accountants  
 ICAI Firm Registration No. 43543N



Shivam Bansal

Membership No.: 450114  
 UDIN: 24450114BKADMR4683  
 Date: May 13, 2024  
 Place: New Delhi

For and on behalf of the Board of Directors of  
 Rajasthan Explosives And Chemicals Limited

Signatures of Someshwar Mundhada, Sanjay Singh, and Sanjay Sharadrao Deogaonkar.

Someshwar Mundhada  
 Director  
 DIN: 07112092

Sanjay Singh  
 Director  
 DIN: 06641334

**Sanjay Sharadrao Deogaonkar**  
 Managing Director  
 DIN : 10442247

Signature of Shreya Ajay Agrawal  
 Shreya Ajay Agrawal  
 Company Secretary  
 Membership No.:

Signature of Dhanushree Chachada  
 Dhanushree Chachada  
 Chief Financial Officer  
 PAN BOCPCRS22L





Rajasthan Explosives and Chemicals Limited  
CIN: U24292MH1979PLC409419  
Statement of Profit and Loss for the year ended March 31, 2024  
(All amounts are in Rupees crores, unless otherwise stated)

Statement of Profit and Loss	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Continuing Operations</b>			
Revenue from operations	22	195.09	139.25
Other income	23	2.17	0.58
<b>Total Revenue</b>		<b>197.26</b>	<b>139.83</b>
<b>Expenses</b>			
Cost of material consumed	24	142.61	119.72
Changes in inventories of work-in-progress, stock-in-trade and finished goods	25	2.97	(3.93)
Employee benefit expense	26	12.54	9.51
Finance costs	27	8.24	6.15
Depreciation and amortisation expense	4	2.78	2.48
Other expenses	28	13.10	11.91
<b>Total expenses</b>		<b>182.24</b>	<b>145.84</b>
<b>Profit before exceptional items and tax</b>		<b>15.02</b>	<b>(6.00)</b>
Exceptional Items			
Loss on sale of investments		-	36.56
<b>Profit before tax</b>		<b>15.02</b>	<b>(42.57)</b>
Tax expense :			
a) Current tax		-	-
b) Earlier year tax		-	-
c) Deferred tax		4.10	1.35
<b>Total tax expense</b>		<b>4.10</b>	<b>1.35</b>
<b>Profit for the year</b>		<b>10.92</b>	<b>(43.92)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		0.07	(0.19)
Income tax relating to items above		(0.02)	0.05
<b>Total Comprehensive income for the period, net of tax</b>		<b>0.05</b>	<b>(0.14)</b>
<b>Total comprehensive income for the year</b>		<b>10.97</b>	<b>(44.06)</b>
<b>Earnings per equity share</b>			
Basic and Diluted earnings per share	29	1.77	(7.11)

Significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Raman Chawla & Associates

Chartered Accountants

ICAI Firm Registration No: 0355430



Shivam Bansal

Partner

Membership No.: 450114

UDIN: 24450114BKAMR4683

Date: May 15, 2024

Place: New Delhi

For and on behalf of the Board of Directors of  
Rajasthan Explosives And Chemicals Limited

**Sanjay Sharadrao Deogaonkar**  
Managing Director  
DIN : 10442247

Someshwar Mundhada  
Director  
DIN: 07112092



Sanjay Singh  
Director  
DIN: 06641334

Shreya Ajay Agrawal  
Company Secretary  
Membership No.: A67172

Dhanushree Chachada  
Chief Financial Officer  
PAN: BOCPC2522L

Rajasthan Explosives and Chemicals Limited

CIN: U24292MH1979PLC409419

Cash flow statement for the year ended March 31, 2024

(All amounts are in Rupees crores, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	15.02	(42.57)
<b>Adjustments for :</b>		
Depreciation and amortisation expense	2.78	2.48
Impairment loss on financial assets	(0.09)	(0.04)
Finance cost	8.24	6.15
Foreign exchange loss	0.01	-
(Profit)/loss on sale of investments	-	36.56
(Profit)/ loss on sale of fixed assets	-	-
Interest income	(1.44)	(0.58)
<b>Operating profit before working capital changes</b>	<b>24.52</b>	<b>2.00</b>
Decrease/(increase) in inventories	3.77	(9.38)
Decrease/(increase) in trade receivables	2.38	3.70
Decrease/(increase) in other assets	(0.43)	0.77
Increase/(decrease) in trade payables	(20.76)	19.63
Increase/(decrease) in other liabilities	3.78	(10.39)
<b>Cash generated from operations</b>	<b>13.26</b>	<b>6.33</b>
Income taxes paid	0.18	(0.18)
<b>Net cash inflow from operating activities</b>	<b>13.44</b>	<b>6.15</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(31.85)	(2.56)
Proceeds from sale of fixed assets	-	23.40
Proceeds from sale of investments	-	1.19
Investments in fixed deposits with remaining maturity of less than 12 months	(14.88)	(1.44)
Loan given (received back)	6.89	(6.89)
Interest income	1.44	0.58
<b>Net cash outflow from investing activities</b>	<b>(38.40)</b>	<b>14.28</b>
<b>Cash flows from financing activities</b>		
Increase/(decrease) in long term borrowings	32.98	(8.18)
Increase/(decrease) in short term borrowings	-	(5.44)
Finance cost	(8.24)	(6.14)
<b>Net cash inflow (outflow) from financing activities</b>	<b>24.74</b>	<b>(19.76)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(0.22)</b>	<b>0.66</b>
Add: Cash and cash equivalents at the beginning of the financial year	0.85	0.19
<b>Cash and cash equivalents at end of the year (note 11A)</b>	<b>0.63</b>	<b>0.85</b>

Significant accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Raman Chawla & Associates

Chartered Accountants

ICAI Firm Registration No: 045588

Shivam Bansal

Partner

Membership No.: 450114

UDIN: 2445011BKADM4683

Date: May 15, 2024

Place: New Delhi



For and on behalf of the Board of Directors of  
Rajasthan Explosives And Chemicals Limited

*[Signature]*

Someshwar Mundhada

Director

DIN: 07112092

*[Signature]*

Shreya Ajay Agrawal

Company Secretary

Membership No.: A67172

*[Signature]*  
**Sanjay Sharadrao Deogaonkar**  
Managing Director

DIN: 10442247

*[Signature]*

Sanjay Singh

Director

DIN: 06641334

*[Signature]*

Dhanushree Chachada

Chief Financial Officer

PAN: BOCFC2522L





A. Equity Share Capital

Particulars	No. of shares	Amount
As at April 01, 2022	6,19,73,672	59.74
As at March 31, 2023	6,19,73,672	59.74
As at March 31, 2024	6,19,73,672	59.74

B. Other Equity

Particulars	Securities premium	Revaluation reserve	Retained earnings	Total other equity
Balance at April 01, 2022 as per IGAAP	10.10	-	(88.95)	(78.85)
Ind AS first time adoption adjustments (Refer note 39)	-	-	45.20	45.20
Balance at April 01, 2022 (as per Ind AS)	10.10	-	(43.75)	(33.65)
Profit for the year	-	-	(43.92)	(43.92)
Other Comprehensive Income	-	-	(0.14)	(0.14)
Movement during the year	-	-	-	-
	-	-	(44.06)	(44.06)
Balance at March 31, 2023	10.10	-	(87.80)	(77.71)
Profit for the year	-	-	10.92	10.92
Other Comprehensive Income	-	-	0.05	0.05
Movement during the year	-	-	-	-
	-	-	10.97	10.97
Balance at March 31, 2024	10.10	-	(76.84)	(66.74)

Significant accounting policies

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Raman Chawla & Associates

Chartered Accountants

ICAI Firm Registration No. 088543N



Shivam Bansal

Partner

Membership No.: 450114

UDIN: 24450114BKADMR4683

Date: May 15, 2024

Place: New Delhi

For and on behalf of the Board of Directors of  
Rajasthan Explosives And Chemicals Limited

Someshwar Mundhada

Director

DIN: 07112092

Shreya Ajay Agrawal

Company Secretary

Membership No.: A67172

Sanjay Sharadrao Deogaonkar

Managing Director

DIN: 10442247

Sanjay Singh

Director

DIN: 06641334



Dhanushree Chachada

Dhanushree Chachada

Chief Financial Officer

PAN: BOCPCRS22L

**Note 1: Corporate Information**

Rajasthan Explosives Chemicals Ltd (the 'Company') is a company domiciled in India, with its registered office situated at 11, Bharat Nagar, Zade Layout, Amravati Road, Nagpur-440033. The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Emul Tek Pvt Ltd. The Company is primarily involved in the manufacturing of bulk explosives. It manufactures bulk explosives.

**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 periods mentioned in the financial statements.

The financial statements have been prepared in accordance with the 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 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: -

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 to be put to 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 will be measured on initial recognition at cost. Following initial recognition, intangible assets will be 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.

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

### 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)
<b>Buildings:</b>		
Factory buildings	30	30
<b>Plant and Machinery:</b>		
Factory Plant and Machinery	15 to 20	15 to 20
Furniture and fixtures	10	10
Vehicles	8 to 10	8 to 10
Office and other equipment	3 to 6	3 to 6

The management has estimated, supported by independent assessment by professionals, the useful lives of the above classes of assets.

Leasehold Land is amortized over the period of the lease.

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

The carrying amounts of assets will be reviewed at each balance sheet date if there will be any indication of impairment based on internal/external factors.

An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows will be discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**f. Borrowing costs:**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction 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.

**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 and leases of low-value assets**

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



**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 will measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss will be expensed in the Statement of Profit and Loss.

**A. Debt instruments:**

Subsequent measurement of debt instruments will depend on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company will classify 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 will be measured at amortised cost. Interest income from these financial assets will be 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 will be measured at fair value through Profit and Loss. Interest income from these financial assets will be included in other income.

**B. Equity instruments:**

The Company will measure its equity investment other than in subsidiaries and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there will be no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.



**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 will be measured at fair value with all changes to be recognized in the statement of profit and loss.

### iii) Impairment of financial assets

The Company will apply Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company will measure 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 will be applied depending on whether there has been a significant increase in credit risk.

For trade receivables, the Company will follow '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 will recognise impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company will use a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix will be based on its historically observed default rates over the expected life of the trade receivables and will be adjusted for forward-looking estimates. At every reporting date, the historical observed default rates will be updated and changes in the forward-looking estimates will be analysed.

### 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 22.

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 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.

**a. 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.

**b. 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.

##### 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. Inventories :-

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

Costs incurred in bringing each product to its present location and conditions 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.



#### k. 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 will be charged to the statement of profit and loss for the period / year when the contributions are due.

**(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. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses will be recognized in full in the statement of other comprehensive income in the reporting period in which they occur and are not reclassified to profit and loss.

**(iii) Leave encashment**

Accumulated leave, which will be expected to be utilized within the next twelve months, will be treated as short-term employee benefit. The Company will measure the expected cost of such absences as the additional amount that it will expect 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. Remeasurements, comprising of actuarial gains and losses will be recognized in full in the statement of profit and loss.

The Company will present 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.

**I. 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.

**m. Segment reporting:-**

**(i) Identification of segment**

Operating segments will be 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 will prepare its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**n. 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.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**o. 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.

**p. 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. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

**q. 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.





Note 4A: Property, Plant and Equipment

Particulars	Land	AC and other equipments	Vehicles	Office equipment	Furniture and Fixtures	Plant and Machinery	Building	Land Leasehold**	Total
Gross carrying value									
Carrying value as at April 1, 2022 as per IGAAP	9.36	0.21	0.94	1.45	0.43	25.94	12.42	0.06	50.81
Fair Value Adjustment	11.41	(0.18)	(0.87)	(1.28)	(0.33)	(13.43)	1.42	(0.02)	(3.28)
Carrying value as at April 1, 2022 as per Ind AS	20.78	0.02	0.07	0.16	0.09	12.52	13.84	0.04	47.52
Additions	-	-	-	0.08	0.01	3.16	1.19	-	4.44
Deductions	(20.78)	-	-	-	-	(0.94)	(1.55)	-	(23.27)
Closing gross carrying value as at March 31, 2023	-	0.02	0.07	0.24	0.10	14.74	13.48	0.04	28.69
Accumulated depreciation									
Accumulated Depreciation as at April 1, 2022 as per IGAAP	-	0.18	0.87	1.28	0.33	19.48	5.39	0.02	27.55
Fair Value Adjustment	-	(0.18)	(0.87)	(1.28)	(0.33)	(19.48)	(5.39)	(0.02)	(27.55)
Accumulated Depreciation as at April 1, 2022 as per Ind AS	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	0.01	0.01	0.05	0.01	1.45	0.95	-	2.48
Deductions	-	-	-	-	-	(0.09)	(0.01)	-	(0.10)
Closing accumulated depreciation as at March 31, 2023	-	0.01	0.01	0.05	0.01	1.36	0.94	-	2.38
Net carrying value as at March 31, 2023	-	0.01	0.06	0.19	0.09	13.38	12.54	0.04	26.31
Gross carrying value									
Carrying value as at April 1, 2023	-	0.02	0.07	0.24	0.10	14.74	13.48	0.04	28.69
Additions	-	-	0.09	0.27	0.03	5.64	0.32	-	6.35
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying value as at March 31, 2024	-	0.02	0.16	0.51	0.13	20.38	13.80	0.04	35.04
Accumulated depreciation									
Accumulated Depreciation as at April 1, 2023	-	0.01	0.01	0.05	0.01	1.36	0.94	-	2.38
Depreciation charge for the year	-	-	0.01	0.10	0.01	1.68	0.98	-	2.78
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation as at March 31, 2024	-	0.01	0.02	0.15	0.02	3.04	1.92	-	5.16
Net carrying value as at March 31, 2024	-	0.01	0.14	0.36	0.11	17.34	11.88	0.04	29.88

Notes:

1. The Company has elected to measure property, plant and equipment at its fair value at the transition date

\*\* The company has taken this land on lease in parts from Rajasthan State Industrial Development and Investment Corporation Ltd since 1980 onwards, and this land consist of 1500 acres (approx) however initial lease premium as well as the annual lease rent payment being immaterial therefore Company has decided to amortise the same in profit and loss a/c for the remaining period.

Note 4B: Capital-work-in progress

Particulars	Civil	Plant and Machinery	Other Road Assets	Total
Year ended March 31, 2023				
Gross carrying value				
Carrying value as at April 1, 2022*	0.09	-	-	0.09
Additions	-	-	-	-
Capitalised	-	-	-	-
Closing gross carrying value as at March 31, 2023	0.09	-	-	0.09
Year ended March 31, 2024				
Gross carrying value				
Carrying value as at April 1, 2023	0.09	-	-	0.09
Additions	7.68	7.56	0.79	16.03
Capitalised	-	-	-	-
Closing gross carrying value as at March 31, 2024	7.77	7.56	0.79	16.12

\* Note on CWIP

Amortise schedule for the year 2023-24-

CWIP	Amount of CWIP				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.03	-	-	0.09	16.12

Amortise schedule for the year 2024-25-

CWIP	Amount of CWIP				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	16.03	-	-	0.09	16.12

Note 4C: Intangible Assets under development

Particulars	Software	Total
Year ended March 31, 2023		
Gross carrying value		
Carrying value as at April 1, 2022	0.47	0.47
Additions	-	-
Capitalised	-	-
Deductions	(0.24)	(0.24)
Expensed out	(0.23)	(0.23)
Closing gross carrying value as at March 31, 2023	-	-

Amortise schedule FY 22-23

CWIP	Amount of CWIP				Total
	Less Than 1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	-	-	-	-	-



Note 5: Investments

Particulars	Face value	Number of shares/ units	Amount	Number of shares/ units	Amount	Number of shares/ units	Amount
		As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at April 01, 2022	As at April 01, 2022
Unquoted Investments carried at cost Investment in equity instruments (fully paid-up): Investment in associates: XLR Enterprises (Cyprus) Limited STK Energies Private Limited	Euro 1 INR 10	- -	- -	- -	- -	24,000 4,900	37.74 -
<b>Total</b>							<b>37.74</b>

Note 6: Other financial assets

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Fixed Deposits with maturity of more than 12 months	-	2.46	-	1.00	-	2.05
Security Deposits	0.32	0.85	0.26	0.75	0.51	0.22
<b>Total</b>	<b>0.32</b>	<b>3.31</b>	<b>0.26</b>	<b>1.75</b>	<b>0.51</b>	<b>2.27</b>

Note 8: Current Tax assets (net)

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Income tax receivable	-	0.22	-	0.39	-	0.21
<b>Total</b>	<b>-</b>	<b>0.22</b>	<b>-</b>	<b>0.39</b>	<b>-</b>	<b>0.21</b>

Note 9: Other Non-Current assets

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Balances with government authorities						
GST Refund Receivable	-	-	1.18	-	-	-
Sales Tax Refund Receivable	-	0.09	-	0.09	-	0.09
Prepaid Expenses	0.15	0.16	0.08	0.05	0.19	0.01
Advances to suppliers	0.06	-	0.28	-	1.29	-
Advances to staff	0.04	-	0.02	-	0.11	-
Capital Advances	-	7.95	-	-	-	0.12
<b>Total</b>	<b>0.25</b>	<b>8.20</b>	<b>1.56</b>	<b>0.14</b>	<b>1.59</b>	<b>0.22</b>

Note 10: Inventories

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
(Valued at Lower of Cost or Net Realisable Value)			
Raw Materials	7.06	8.65	3.56
Packing Material	1.20	1.02	0.69
Finished Goods	0.95	4.22	0.27
Stock in Process	0.68	0.38	0.40
Stores, spares and consumables	1.22	0.61	0.58
<b>Total</b>	<b>11.11</b>	<b>14.88</b>	<b>5.50</b>





Note 11: Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade receivables	1.26	3.76	7.46
Trade receivables of related party	0.12	-	-
Less: Impairment allowance	(0.54)	(0.63)	(0.66)
<b>Total</b>	<b>0.84</b>	<b>3.13</b>	<b>6.80</b>

Break-up of security details

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Secured, considered good			
Unsecured, considered good	0.84	3.13	6.80
Trade Receivables- credit impaired	0.54	0.63	0.66
	<b>1.38</b>	<b>3.76</b>	<b>7.46</b>
<b>Impairment Allowance</b>			
Trade Receivables- credit impaired	(0.54)	(0.63)	(0.66)
<b>Total</b>	<b>0.84</b>	<b>3.13</b>	<b>6.80</b>

Ageing of Trade Receivables:

Particulars	As at March 31, 2024					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	0.29	0.01	0.22	0.17	0.16	0.84
(ii) Undisputed Trade Receivables which are having significant credit risk	-	-	0.03	0.03	0.48	0.54
<b>Total Trade Receivable</b>	<b>0.29</b>	<b>0.01</b>	<b>0.25</b>	<b>0.20</b>	<b>0.64</b>	<b>1.38</b>

Particulars	As at March 31, 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1.29	0.61	0.98	0.20	0.06	3.13
(ii) Undisputed Trade Receivables which are having significant credit risk	0.03	0.04	0.12	0.03	0.41	0.63
<b>Total Trade Receivable</b>	<b>1.32</b>	<b>0.65</b>	<b>1.10</b>	<b>0.23</b>	<b>0.47</b>	<b>3.76</b>

Particulars	As at April 01, 2022					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	5.78	0.19	0.73	0.04	0.05	6.80
(ii) Undisputed Trade Receivables which are having significant credit risk	0.15	0.01	0.09	-	0.41	0.66
<b>Total Trade Receivable</b>	<b>5.93</b>	<b>0.20</b>	<b>0.82</b>	<b>0.04</b>	<b>0.46</b>	<b>7.46</b>

Notes:

1. Trade receivables are non-interest bearing

Note 12: Cash and bank balances

Note 12A: Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
<b>Cash and cash equivalents</b>			
Balances with banks			
in current accounts	0.53	0.74	0.05
Bank deposits with original maturity of less than 3 months	-	-	-
Cash in hand	0.10	0.11	0.14
<b>Total</b>	<b>0.63</b>	<b>0.85</b>	<b>0.19</b>

Note 12B: Other Bank balances

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Bank deposits with maturity of less than 12 months but more than 3 months	16.99	2.11	0.67
<b>Total</b>	<b>16.99</b>	<b>2.11</b>	<b>0.67</b>

Note 13: Loans

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Loans to related party	-	6.89	-
<b>Total</b>	<b>-</b>	<b>6.89</b>	<b>-</b>



Note 14: Equity share capital

Particulars	Number of Shares		Amount		Number of Shares		Amount	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022
Authorised Equity Share Capital								
Equity Share Capital (Face Value of Rs 1 each)	24,79,730	0.25	24,79,730	0.25	24,79,730	0.25	24,79,730	0.25
Equity Share Capital (Face Value of Rs 10 each)	6,47,52,027	64.75	6,47,52,027	64.75	6,47,52,027	64.75	6,47,52,027	64.75
	<b>6,72,31,757</b>	<b>65.00</b>	<b>6,72,31,757</b>	<b>65.00</b>	<b>6,72,31,757</b>	<b>65.00</b>	<b>6,72,31,757</b>	<b>65.00</b>
Issued, Subscribed and fully paid Equity share capital (face value Rs.1 each)	24,79,730	0.25	24,79,730	0.25	24,79,730	0.25	24,79,730	0.25
Issued, Subscribed and fully paid Equity share capital (face value Rs.10 each)	5,94,93,942	59.49	5,94,93,942	59.49	5,94,93,942	59.49	5,94,93,942	59.49
	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>

(a) Movements in equity share capital

Particulars	Number of Shares		Amount		Number of Shares		Amount	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022
Number of Shares at the beginning of the year	6,19,73,672	59.74	6,19,73,672	59.74	6,19,73,672	59.74	6,19,73,672	59.74
Add: issued during the year	-	-	-	-	-	-	-	-
Number of Shares at the end of the year	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>	<b>6,19,73,672</b>	<b>59.74</b>

(b) Terms/ rights attached to equity shares

The Company has two classes of equity shares having par value of Rs.1 per share for 24,79,730 number of shares and Rs. 10 per share for 6,47,52,027 number of shares. Each shareholder is eligible for one vote per share held. Each shareholder is entitled for dividend declared/ proposed if any, by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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 and/ or their subsidiaries/ associates

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

Name of the shareholder	% holding		No of shares		% holding		No of shares	
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022	As at April 01, 2022
Global Minetec Limited	62.01%	3,84,32,619	62.01%	3,84,32,619	62.01%	3,84,32,619	62.01%	3,84,32,619
Maneesha Finlease Limited	29.28%	1,81,43,403	29.28%	1,81,43,403	29.28%	1,81,43,403	29.28%	1,81,43,403

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.

(e) Shareholding of Promoters

Promoters Name	No. of Shares	% of total shares	As at March 31, 2024	
			% Change during the year	
Global Minetec Limited	3,84,32,619	62.01%	-	-
Maneesha Finlease Limited	1,81,43,403	29.28%	-	-
Shri Kuldeep Singh Solanki	23,84,147	3.85%	-	-
Smt. Indu Solanki	1,97,501	0.32%	-	-
Ms. Manisha Solanki	12,001	0.02%	-	-
Shri Sawal Singh	1	0.00%	-	-
<b>Total</b>	<b>5,91,69,672</b>	<b>95.48%</b>		

Promoters Name	No. of Shares	% of total shares	As at March 31, 2023	
			% Change during the year	
Global Minetec Limited	3,84,32,619	62.01%	-	-
Maneesha Finlease Limited	1,81,43,403	29.28%	-	-
Shri Kuldeep Singh Solanki	23,84,147	3.85%	-	-
Smt. Indu Solanki	1,97,501	0.32%	-	-
Ms. Manisha Solanki	12,001	0.02%	-	-
Shri Sawal Singh	1	0.00%	-	-
<b>Total</b>	<b>5,91,69,672</b>	<b>95.48%</b>		

Promoters Name	No. of Shares	% of total shares	As at April 01, 2022	
			% Change during the year	
Global Minetec Limited	3,84,32,619	62.01%	-	-
Maneesha Finlease Limited	1,81,43,403	29.28%	-	-
Shri Kuldeep Singh Solanki	23,84,147	3.85%	-	-
Smt. Indu Solanki	1,97,501	0.32%	-	-
Ms. Manisha Solanki	12,001	0.02%	-	-
Shri Sawal Singh	1	0.00%	-	-
<b>Total</b>	<b>5,91,69,672</b>	<b>95.48%</b>		





Note 15: Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
<b>Securities Premium</b>			
Balance at the beginning of the year	10.10	10.10	10.10
<b>Balance at the end of the year</b>	<b>10.10</b>	<b>10.10</b>	<b>10.10</b>
<b>Revaluation Reserve</b>			
Balance at the beginning of the year	-	-	9.31
Movement during the year	-	-	(9.31)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained earnings</b>			
Balance at the beginning of the year	(87.81)	(43.75)	(74.71)
Add: Profit for the year	10.92	(43.92)	(14.24)
Other Comprehensive Income	0.05	(0.14)	-
Ind AS Adjustments	-	-	45.20
<b>Balance at the end of the year</b>	<b>(76.84)</b>	<b>(87.81)</b>	<b>(43.75)</b>
<b>Total Other Equity</b>	<b>(66.74)</b>	<b>(77.71)</b>	<b>(33.65)</b>

Nature and purpose of reserves

1. Securities Premium

Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. Retained Earnings

Retained earnings are the profits that the Company has earned till date.



Note 16: Non-current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
<b>Secured</b>			
Term loan from Banks	-	-	1.11
<b>Unsecured</b>			
From related party (refer note 31)	85.64	44.73	47.11
From others	-	7.94	13.16
Less: Current maturities of non-current borrowings	-	-	(0.54)
<b>Total</b>	<b>85.64</b>	<b>52.67</b>	<b>60.84</b>

Note 17: Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
<b>Secured</b>			
Term loan from Banks	-	-	-
Working capital loan	-	-	4.90
Current maturities of long term debt	-	-	0.54
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5.44</b>

Note 18: Other financial liabilities

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Capital Creditors	0.75	-	2.26	-	0.75	-
Employee related payables	0.56	-	0.73	-	0.37	-
Security Deposit	0.01	-	-	-	6.88	-
Interest payable to related party (refer note 31)	3.77	-	-	-	-	-
<b>Total</b>	<b>5.09</b>	<b>-</b>	<b>2.99</b>	<b>-</b>	<b>8.00</b>	<b>-</b>

Note 19: Provisions

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Provision for employees benefit</b>						
Provision for Gratuity	0.80	0.89	1.39	1.10	1.19	2.36
Provision for Leave Encashment	0.08	0.20	0.09	0.20	0.10	0.24
<b>Total</b>	<b>0.88</b>	<b>1.09</b>	<b>1.48</b>	<b>1.30</b>	<b>1.29</b>	<b>2.60</b>





Note 20: Other non-current liabilities

Particulars	As at March 31, 2024		As at March 31, 2023		As at April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance from customers	1.92	-	1.92	-	3.81	-
TDS and TCS Payable	0.58	-	0.82	-	0.70	-
GST Payable	1.18	-	-	-	0.80	-
Other statutory taxes payable	0.08	-	0.08	-	0.09	-
<b>Total</b>	<b>3.76</b>	<b>-</b>	<b>2.82</b>	<b>-</b>	<b>5.40</b>	<b>-</b>

Note 21: Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Total outstanding dues of micro enterprises and small enterprises	0.53	0.71	1.44
Total outstanding dues of creditors other than micro enterprises and small enterprises	7.34	27.92	7.55
<b>Total</b>	<b>7.87</b>	<b>28.63</b>	<b>8.99</b>

Break-up of trade payables

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Trade payables other than related party	3.31	27.99	8.99
Trade payables to related party (refer note 31)	4.55	0.64	-
<b>Total</b>	<b>7.87</b>	<b>28.63</b>	<b>8.99</b>

Ageing of Trade Payables:

Particulars	As at March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	0.53	-	-	-	0.53
(ii) dues of other than micro enterprises and small enterprises	7.34	-	-	-	7.34
<b>Total Trade Payable</b>	<b>7.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.87</b>

Particulars	As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	0.71	-	-	-	0.71
(ii) dues of other than micro enterprises and small enterprises	26.98	0.43	0.24	0.27	27.92
<b>Total Trade Payable</b>	<b>27.69</b>	<b>0.43</b>	<b>0.24</b>	<b>0.27</b>	<b>28.63</b>

Particulars	As at April 01, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	1.44	-	-	-	1.44
(ii) dues of other than micro enterprises and small enterprises	6.76	0.03	0.42	0.34	7.55
<b>Total Trade Payable</b>	<b>8.20</b>	<b>0.03</b>	<b>0.42</b>	<b>0.34</b>	<b>8.99</b>

Notes:

- Trade payables are non-interest bearing



Rajasthan Explosives and Chemicals Limited  
Notes to Financial Statements  
(All amounts are in Rupees crores, unless otherwise stated)

Note 22: Revenue from operations

Particulars	As at March 31, 2024	As at March 31, 2023
Sale of products	193.62	138.52
Other operating revenues	1.47	0.73
<b>Total</b>	<b>195.09</b>	<b>139.25</b>

Note 23: Other income

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on-	-	-
Deposits with banks	1.20	0.13
Others	0.24	0.45
Income tax refund	0.03	-
Sales commission income	0.66	-
Profit on sale of fixed assets	-	-
Bad debts recovered	0.04	-
<b>Total</b>	<b>2.17</b>	<b>0.58</b>





Rajasthan Explosives and Chemicals Limited  
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Note 24: Cost of material consumed

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials and packing materials at the beginning	9.68	4.25
Add: Purchases during the period	142.41	125.15
Less: Raw materials and packing materials at the end	9.48	9.68
<b>Total</b>	<b>142.61</b>	<b>119.72</b>

Note 25: Changes in inventories of finished goods, work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance		
Work in Progress	0.38	0.40
Finished goods	4.22	0.27
	4.60	0.67
Closing balance		
Work in Progress	0.68	0.38
Finished goods	0.95	4.22
	1.63	4.60
<b>Total</b>	<b>2.97</b>	<b>(3.93)</b>

Note 26: Employee benefit expense

Particulars	As at March 31, 2024	As at March 31, 2023
Staff Welfare Expenses	0.53	0.32
Contribution to provident and other funds	0.45	0.50
Salaries, Bonus & other Allowances	11.18	8.25
Leave encashment expenses	0.09	0.10
Gratuity expenses	0.29	0.34
<b>Total</b>	<b>12.54</b>	<b>9.51</b>

Note 27: Finance Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on inter corporate deposits & unsecured loan	8.24	6.01
Interest on cash credits/ working capital loan	-	0.14
<b>Total</b>	<b>8.24</b>	<b>6.15</b>

Note 28: Other expenses

Particulars	As at March 31, 2024	As at March 31, 2023
Payment to auditors (refer note 28(a))	0.11	0.04
Commission on sales	-	2.09
Rates & taxes	0.14	0.18
Foreign exchange loss	0.01	-
Security charges	1.22	0.94
Miscellaneous expenses	0.42	1.75
Electricity & Water expenses	3.05	3.28
Legal & Professional expenses	0.53	0.63
Advertisement Expenses	0.01	-
Repairs & Maintenance- Others	2.50	1.74
Transportation charges	2.79	0.59
Travelling & Conveyance	1.08	0.55
Testing Charges	-	0.04
Impairment loss/ (gain) on financial assets	(0.09)	(0.04)
Insurance expenses	0.10	0.12
Management Fees	0.11	-
Director's Sitting Fees	0.01	-
Donations	-	-
Late Deduction & Powder Factor Charges	1.11	-
<b>Total</b>	<b>13.10</b>	<b>11.91</b>



Rajasthan Explosives and Chemicals Limited  
Notes to Financial Statements  
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Note 28(a): Details of payments to auditors

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	0.09	0.04
<b>In other capacities</b>		
Taxation matters	0.02	-
Certification expenses	0.01	-
Out of pocket expenses	-	-
<b>Total</b>	<b>0.12</b>	<b>0.04</b>

Note 29: Earnings per share

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS (in INR):	10,96,77,868	(44,05,25,528)
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	6,19,73,672	6,19,73,672
<b>Basic and Diluted EPS attributable to the equity holders of the company (Rs.)</b>	<b>1.77</b>	<b>(7.11)</b>





**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
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**Note 30: Employee Benefit Obligations**

**(i) Post-employment obligations**

**a) Gratuity**

The Company operates a defined benefit plan viz. namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) (30 days in case of management employees if past service is atleast 10 years) of the last drawn salary for each year of service. 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**

	As at March 31, 2024	As at March 31, 2023
Service cost	0.11	0.12
Net Interest Cost	0.18	0.22
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>0.29</b>	<b>0.34</b>

**Other Comprehensive Income**

	As at March 31, 2024	As at March 31, 2023
Actuarial gain / (loss) on liabilities	0.07	(0.22)
Actuarial gain / (loss) on assets	(0.01)	0.03
<b>Closing of amount recognized in OCI outside profit and loss account</b>	<b>0.06</b>	<b>(0.19)</b>

**The amount to be recognized in Balance Sheet Statement**

	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	2.21	2.99
Fair value of plan assets	(0.52)	(0.50)
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>1.69</b>	<b>2.49</b>

**Change in Present Value of Obligations**

	As at March 31, 2024	As at March 31, 2023
Opening of defined benefit obligations	2.99	3.54
Service cost	0.11	0.12
Interest Cost	0.22	0.22
Benefit Paid	(1.05)	(1.11)
Actuarial (Gain)/Loss due to change in financial assumption	0.01	0.06
Actuarial (Gain)/Loss from experience variance	(0.07)	0.16
<b>Closing of defined benefit obligation</b>	<b>2.21</b>	<b>2.99</b>

**Change in Fair Value of Plan Assets**

	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	0.50	-
Actual Return on Plan Assets	0.04	0.03
Employer Contribution	1.03	1.58
Benefit Paid	(1.05)	(1.11)
<b>Closing fair value of plan assets</b>	<b>0.52</b>	<b>0.50</b>

**The significant actuarial assumptions were as follows :**

	As at March 31, 2024	As at March 31, 2023
Discount Rate	7.30% per annum	7.30% per annum
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum

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.

**Sensitivity Analysis**

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

	As at March 31, 2024	Impact (Absolute)	Impact (%)
Base Liability	1.69	-	-
Increase Discount Rate by 0.5%	2.18	(0.03)	(0.02)
Decrease Discount Rate by 0.5%	2.23	0.03	0.02
Increase Salary Inflation by 1%	2.26	0.06	0.04
Decrease Salary Inflation by 1%	2.15	(0.05)	(0.03)
Increase in Withdrawal Assumption by 5%	2.20	-	-
Decrease in Withdrawal Assumption by 5%	2.21	-	-

	As at March 31, 2023	Impact (Absolute)	Impact (%)
Base Liability	2.99	-	-
Increase Discount Rate by 0.5%	2.96	(0.03)	(0.01)
Decrease Discount Rate by 0.5%	3.03	0.03	0.01
Increase Salary Inflation by 1%	3.06	0.07	0.02
Decrease Salary Inflation by 1%	2.93	(0.06)	(0.02)
Increase in Withdrawal Assumption by 5%	2.99	-	-
Decrease in Withdrawal Assumption by 5%	2.99	-	-

**Notes :**

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



**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
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**Note 31A: Transactions with Related Parties**

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the yearend:

Nature of Transaction	As at March 31, 2024	As at March 31, 2023
<b>a. Transactions with related parties</b>		
<b>Unsecured loan received</b>		
Emul Tek Private Limited	12.50	-
Maneesha Finlease Limited	-	0.08
Capt. Kuldeep Singh Solanki	-	1.31
	<b>12.50</b>	<b>1.39</b>
<b>Unsecured loan repaid</b>		
Global Minetec Limited	0.01	0.29
Global Coal and Mining Private Limited	28.48	6.05
Capt. Kuldeep Singh Solanki	-	1.31
Maneesha Finlease Limited	0.01	0.46
	<b>28.50</b>	<b>8.11</b>
<b>Interest expense</b>		
<b>Holding Company</b>		
Global Minetec Limited	-	0.01
Emul Tek Private Limited	1.73	-
<b>Other related party</b>		
Global Coal and Mining Private Limited	2.70	4.81
Maneesha Finlease Limited	-	0.01
	<b>4.43</b>	<b>4.83</b>
<b>Purchase from Related Party</b>		
Emul Tek Private Limited (RM & Other)	30.28	-
Economic Explosives Limited	0.79	-
<b>Management Fees (Expenditure)</b>		
Emul Tek Private Limited	0.11	-
<b>Freight (Expenditure)</b>		
Solar Industries India Limited	1.00	-
Economic Explosives Limited*	-	-
<b>Commission on Sales (Income)</b>		
Solar Industries India Limited	0.26	-
<b>Rent Expense</b>		
Global Minetec Limited	-	0.01
<b>Remuneration to KMP</b>		
Rakesh Kumar Sharma	0.11	-
Mr. Gaurav Panda	0.07	0.10
Mrs Nidhi Sharma	0.01	0.02
<b>Total</b>	<b>123.49</b>	<b>28.79</b>

**b. Balances as at the year end**

	As at March 31, 2024	As at March 31, 2023
<b>Unsecured Loan taken</b>		
Global Minetec Limited	-	0.01
Emul Tek Private Limited	69.41	-
Global Coal and Mining Private Limited	16.23	44.71
Maneesha Finlease Limited	-	0.01
<b>Interest Payable</b>		
Emul Tek Private Limited	1.35	-
Global Coal and Mining Private Limited	2.43	-
<b>Trade Receivables</b>		
Solar Industries India Limited	0.12	-
<b>Trade payable</b>		
Global Minetec Limited*	-	-
Emul Tek Private Limited	4.44	-
Solar Industries India Limited	0.12	-
<b>Total</b>	<b>94.10</b>	<b>44.73</b>

\* Amount less than Rs 0.01





**Note 31: Related Party Disclosures**

**A Names of Related parties and Relationship :**

<b>I</b>	<b>Holding Company</b> Emul Tek Private Limited (Note- 5)	<b>Country of Incorporation</b> India
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**II Directors and Key Management Personnel (KMP)**

- 1 Mr. Rakesh Kumar Sharma, Whole Time Director (w.e.f October 1, 2023)
- 2 Mr. Someshwar Mundhada (Appointed as an Additional Director with effect from December 16, 2023)
- 3 Mr. Sanjay Singh (Appointed as an Additional Director with effect from December 16, 2023)
- 4 Mr. Ashish Srivastava (Appointed as an Additional Director with effect from December 16, 2023)
- 5 Mr. Sanjay Sharadrao Deogaonkar (Appointed as Additional Director and Designated as Managing Director w.e.f December 27, 2023)
- 6 Ms.Shreya Agrawal (Appointed as Company Secretary, w.e.f December 16, 2023)
- 7 Ms. Dhanushree Chachada (Appointed as CFO, w.e.f December 16, 2023)
- 8 Mr. Dilip Patel (Appointed as Additional Director (Non-Executive Independent Director) w.e.f December 16, 2023)
- 9 Mrs. Madhu Vij (Appointed as Additional Director (Non-Executive Independent Director) w.e.f December 16, 2023)
- 10 Mr. Krishna Pratap Singh (Independent Director, resigned w.e.f December 16, 2023)
- 11 Mr. Anirudh Singh (Independent Director, resigned w.e.f December 16, 2023)
- 12 Mr. Bhagirath Singh (Non-Executive Director, Resigned w.e.f December 16, 2023)
- 13 Mr.Kuldeep Singh Solanki, (Managing Director), Resigned w.e.f December 16, 2023)
- 14 Mr. Gaurav Panda (Chief Financial Officer, Resigned w.e.f December 16, 2023)
- 15 Mrs. Nidhi Sharma (Company Secretary, Resigned w.e.f December 16, 2023)

**III Key Management Personnel (KMP) of Holding Company**

- 1 Shri Someshwar Lonkaran Mundhada (Director)
- 2 Shri Purushottam Pundlikrao Deotare (Director)
- 3 Shri Shyamsundar Mishra (Director)
- 4 Shri Sanjay Singh (Appointed as a Director w.e.f November 28, 2023)
- 5 Mr. Amit Ahuja (Resigned from post of Company Secretary w.e.f November 1, 2023)
- 6 Ms. Shruti Sohane [(Company Secretary) Appointed w.e.f November 1, 2023 and Resigned w.e.f February 20, 2024]

**IV Key Management Personnel of Solar Industries India Limited (Note 9)**

- 1 Shri Manish Nuwal (Managing Director & CEO)
- 2 Shri Suresh Menon (Executive Director)
- 3 Shri Milind Deshmukh (Executive Director)
- 4 Shri Moneesh Agrawal [Joint Chief Financial Officers (CFO)]
- 5 Smt.Shalinee Mandhana [Joint Chief Financial Officers (CFO)]
- 6 Smt. Khushboo Pasari (Company Secretary & Compliance Officer)

**V Subsidiaries, step down subsidiaries and associates of Solar Industries Indian Limited (Note-9)**

**A. Indian Subsidiaries**

- |   |   |       |
|---|---|-------|
| 1 | Economic Explosives Limited               | India |
| 2 | Solar Defence Limited (Note-1)            | India |
| 3 | Solar Defence Systems Limited. - (Note 1) | India |
| 4 | Solar Avionics Limited - (Note 1)         | India |
| 5 | Solar Explochem Limited                   | India |
| 6 | Emul Tek Private Limited                  | India |

**C Overseas Subsidiaries**

- |   |                                  |           |
|---|----------------------------------|-----------|
| 1 | Solar Overseas Mauritius Limited | Mauritius |
|---|----------------------------------|-----------|

**Overseas Step Down Subsidiaries**

- |   |   |              |
|---|---|--------------|
| 1 | Solar Overseas Netherlands B.V. - (a)                                     | Netherlands  |
| 2 | Solar Explochem Zambia Limited - (a)                                      | Zambia       |
| 3 | Solar Mining Services Pty Limited - (a)                                   | South Africa |
| 4 | Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited) - (a) | Nigeria      |
| 5 | P.T. Solar Mining Services - (b)  | Indonesia    |
| 6 | Solar Madencilik Hizmetleri A.S - (b)                                     | Turkey       |
| 7 | Solar Nitro Ghana Limited - (b)   | Ghana        |
| 8 | Solar Patlayıcı Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)           | Turkey       |



**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**  
**(All amounts in thousand, unless otherwise stated)**

9	Solar Overseas Netherlands Cooperative U.A - (c)	Netherlands
10	Solar Overseas Singapore Pte Ltd. - (c)	Singapore
11	Solar Industries Africa Limited - (c)	Mauritius
12	Solar Nitro Zimbabwe (Private) Limited - (Note 1) & (c)	Zimbabwe
13	Solar Venture Company Limited - (c)	Tanzania
14	Solar Nitrochemicals Limited - (d)	Tanzania
15	Solar Mining Services Burkina Faso SARL - (Note 1) & (d)	Burkina Faso
16	Solar Mining Services Pty Ltd. - (e)	Australia
17	Solar Mining Services Cote d'Ivoire Limited SARL - (Note 1) & (e)	Ivory Coast
18	Solar Nitro SARL - (Note 1) & (e)	Ivory Coast
19	Solar Mining Services, Albania - (e)	Albania
20	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 3)	Turkey
21	Solar Nitro (SL) Limited (Note-1 and Note-2) & (e)	Sierra Leone
22	Solar Nitro Kazakhstan Limited (Note-1 and Note-4) & (e)	Kazakhstan
23	Limited Liability Partnership of Solar Nitro Kazakhstan Limited Power Blast LLP (Note-1 and Note-6)	Kazakhstan

**D Associates**

1	Zmotion Autonomous Systems Private Limited	India
2	Astra Resources (pty) Limited	South Africa
3	Solar United Company Limited (Formerly Known as Solar AGC Limited Liability) (Note-1 and 7)	Saudi Arabia
4	Ortiz Investments (pty) Limited (Note-8)	South Africa

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

**VII Enterprises over which KMP/Management having significant influence ("Other related parties")**

Maneesha Finlease Limited (Note-10)  
 Global Coal And Mining Private Limited (Note-10)

Note 1: The Entity has not commenced its business operations.

Note 2: The Entity was incorporated on November 7, 2023

Note 3: Entity under Liquidation

Note 4: Entity incorporated on May 5, 2023

Note 5: Control under Section 2(27) of Companies Act, 2013 has been acquired w.e.f from December 16, 2023. Earlier Global Minetec Limited was the holding Company.

Note 6: Acquired by Solar Nitro Kazakhstan Limited with effect from October 1, 2023

Note 7: The entity incorporated on July 18, 2023

Note 8: The entity incorporated on May 9, 2023

Note 9: Emul Tek Private Limited is Wholly owned subsidiary of Solar Industries India Limited

Note 10 Influence was exercised till December 16, 2023

- (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.





Rajasthan Explosives and Chemicals Limited

Notes to Financial Statements for the year ended March 31, 2024

(All amounts are in Rupees crores, unless otherwise stated)

**Note 32: 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, other bank balances, trade receivables, other financial assets, trade payables, other financial liabilities and borrowings 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. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**A. Fair Value Hierarchy**

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2024 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
Amortised cost					
Other financial assets					
Non-current	3.31	6	-	-	-
Current	0.32	6	-	-	-
Trade Receivables	0.84	11	-	-	-
Cash & Cash equivalents	0.63	12A	-	-	-
Other Bank Balances	16.99	12B	-	-	-
<b>Total Financial assets</b>	<b>22.09</b>		-	-	-
<b>Financial Liabilities</b>					
Amortised cost					
Borrowings					
Non-current	85.64	16	-	-	-
Current	-	17	-	-	-
Trade payables	7.87	21	-	-	-
Other Financial Liabilities					
Non-current	-	18	-	-	-
Current	5.09	18	-	-	-
<b>Total Financial liabilities</b>	<b>98.60</b>		-	-	-



The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2023 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Other financial assets					
Non-current					
Current	1.75	6	-	-	-
Trade Receivables	0.26	6	-	-	-
Cash & Cash equivalents	3.13	11	-	-	-
Other Bank Balances	0.85	12A	-	-	-
Loans	2.11	12B	-	-	-
	6.89	13	-	-	-
<b>Total Financial assets</b>	<b>14.99</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current					
Current	52.67	16	-	-	-
Trade payables	-	17	-	-	-
Other Financial Liabilities	28.63	21	-	-	-
Non-current					
Current	-	18	-	-	-
	2.99	18	-	-	-
<b>Total Financial liabilities</b>	<b>84.29</b>		-	-	-

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at April 1, 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)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Investments					
Non-current					
Current	37.74	5	-	-	-
Other financial assets	-				
Non-current					
Current	2.27	6	-	-	-
Trade Receivables	0.51	6	-	-	-
Cash & Cash equivalents	6.80	11	-	-	-
Other Bank Balances	0.19	12A	-	-	-
	0.67	12B	-	-	-
<b>Total Financial assets</b>	<b>48.18</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current					
Current	60.84	16	-	-	-
Trade payables	5.44	17	-	-	-
Other Financial Liabilities	8.99	21	-	-	-
Non-current					
Current	-	18	-	-	-
	8.00	18	-	-	-
<b>Total Financial liabilities</b>	<b>83.27</b>		-	-	-

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





**Note 33: Financial risk management objectives and policies**

The Company's financial assets includes investments, trade receivables and cash and cash equivalents that comes directly from its operations and financial liabilities comprises of borrowings, trade and other payables. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of the various 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 managed by experienced teams. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

**Market Risk**

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks include interest rate risk and equity price risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and loans and borrowings.

The finance department undertakes management of cash resources, borrowing mechanism and ensuring compliance with market risk limits.

**Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company has mainly borrowed funds from its related parties and others which are at fixed rate of interest and hence not much sensitive to the market interest rates.

The Company's investments in bank deposits are with fixed rate of interest with fixed maturity and hence not significantly exposed to interest rate sensitivity.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

**(a) Foreign currency risk exposure:**

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

	As at March 31, 2024	As at March 31, 2023
	USD	USD
Trade Payable	0.71	-

**(b) Sensitivity analysis:**

	Impact on profit before tax	
	Year ended March 31, 2024	Year ended March 31, 2023
<b>USD sensitivity</b>		
INR/USD -Increase by 1%	(0.01)	-
INR/USD -Decrease by 1	0.01	-

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are periodically reviewed on the basis of such information.

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:** Balances with banks are subject to low credit risks due to good credit ratings assigned to the banks.

**Trade and other receivables:**

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2024	0.29	0.00	1.09	1.38
As at March 31, 2023	1.21	0.11	2.44	3.76
As at April 1, 2022	5.08	0.74	1.64	7.46

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

Particulars	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Opening balance	0.63	0.66	-
Provided during the year			0.66
Reversals of provisions	(0.09)	(0.03)	-
<b>Closing balance</b>	<b>0.54</b>	<b>0.63</b>	<b>0.66</b>

No significant changes in estimation techniques or assumptions were made during the reporting period.



**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
<b>As at March 31, 2024</b>						
Non- Current Borrowings						
From related party	-	-	-	85.64	-	85.64
Current Borrowings						
Trade payables	-	7.87	-	-	-	7.87
Other financial liabilities	-	5.09	-	-	-	5.09
<b>As at March 31, 2023</b>						
Non- Current Borrowings						
From related party	-	-	-	44.73	-	44.73
From others	-	-	-	7.94	-	7.94
Current Borrowings						
Trade payables	-	28.63	-	-	-	28.63
Other financial liabilities	-	2.99	-	-	-	2.99
<b>As at April 01, 2022</b>						
Non- Current Borrowings						
From related party	-	-	-	47.11	-	47.11
From others	-	-	-	13.16	-	13.16
From Banks	-	-	-	0.57	-	0.57
Current Borrowings						
From Banks	4.90	0.54	-	-	-	5.44
Trade payables	-	8.99	-	-	-	8.99
Other financial liabilities	-	-	8.00	-	-	8.00





**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
**(All amounts are in Rupees crores, unless otherwise stated)**

**Note 34: 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 adjustments in light of changes in economic conditions and the requirements of the financial covenants.

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.

	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Net debt	85.01	51.82	66.09
Equity	(7.00)	(17.97)	26.09
Capital and net debt	<b>78.01</b>	<b>33.86</b>	<b>92.18</b>
Gearing ratio	<b>109%</b>	<b>153%</b>	<b>72%</b>

Calculation of Net Debt is as follows:

	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Borrowings			
Non Current	85.64	52.67	60.84
Current	-	-	5.44
	<b>85.64</b>	<b>52.67</b>	<b>66.28</b>
Cash and cash equivalents	0.63	0.85	0.19
	<b>0.63</b>	<b>0.85</b>	<b>0.19</b>
<b>Net Debt</b>	<b>85.01</b>	<b>51.82</b>	<b>66.09</b>



**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
**(All amounts are in Rupees crores, unless otherwise stated)**

**Note 35: Commitments and contingencies**

**Capital Commitments**

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-

**Contingent liabilities**

	March 31, 2024	March 31, 2023
<b>Claims against the Company not acknowledged as debts (Note a)</b>		
VAT related matters	7.72	7.72
Other If any (PF)	0.68	0.68

**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.





Rajasthan Explosives and Chemicals Limited  
Notes to Financial Statements  
(All amounts are in Rupees crores, unless otherwise stated)

Note 36: Revenue from operations

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	As at March 31, 2024	As at March 31, 2023
India	195.09	139.25
Rest of the World	-	-
<b>Total</b>	<b>195</b>	<b>139</b>

Contract balances

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	0.84	3.13
Contract Liabilities	1.92	1.92

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

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue as per contracted price	195.09	139.25
Adjustments for:		
Rebates, Discounts	-	-
<b>Revenue from contract with customers</b>	<b>195.09</b>	<b>139.25</b>

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, 2024 amounts to Rs. Nil



**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
**(All amounts are in Rupees crores, unless otherwise stated)**

**Note 37: Segment Information**

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.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments" the Company has presented segment, information only in the Consolidated financial statements.

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

	As at March 31, 2024	As at March 31, 2023	As at April 01, 2022
Principal amount outstanding (whether due or not) to micro and small enterprises	0.53	0.71	1.44
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 succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

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





**Note 39: First Time Adoption of Ind AS**

The Company has prepared its Ind AS compliant financial statements for year ended on March 31, 2024, the comparative period ended on March 31, 2023 and an opening Ind AS Balance Sheet as at April 1, 2022 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2022 and the financial statements as at and for the year ended March 31, 2023

**Exemptions and exceptions applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**Designation of previously recognised financial instruments**

Financial assets and financial liabilities are classified at fair value through profit or loss based on facts and circumstances as at the date of transition to Ind AS i.e. April 01, 2022. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. April 01, 2022 and not from the date of initial recognition.

**Impairment of financial assets**

Under previous GAAP, loan losses and provisions were computed on basis of Management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same.

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

**Estimates**

An entity's estimates in accordance with Ind ASs as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Leases**

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the the date of transition.

**Derecognition of financial assets and financial liabilities**

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

**Reconciliations between previous GAAP and Ind AS**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 01, 2022 (Transition Date)
- II. A. Reconciliation of Balance sheet as at March 31, 2023
- B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2023
- III. A. Reconciliation of Equity as at April 01, 2022 and as at March 31, 2023
- B. Reconciliation of total comprehensive income as at March 31, 2023

The presentation requirements under Previous GAAP differs from Ind AS, and hence, Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.



I. Reconciliation of Balance sheet as at April 01, 2022

Particulars	Notes	Regrouped Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	C	23.23	24.28	47.52
Capital work-in-Progress		0.09	-	0.09
Intangible Assets under development		0.47	-	0.47
Financial assets		-	-	-
Investments		37.75	-	37.74
Other financial assets		2.26	-	2.27
Deferred Tax Assets	D	2.59	12.28	14.87
Current Tax Asset (net)		0.21	-	0.21
Other non-current assets		0.23	-	0.22
<b>Total non-current assets</b>		<b>66.83</b>	<b>36.56</b>	<b>103.39</b>
<b>Current assets</b>				
Inventories	B	5.50	-	5.50
Financial assets		-	-	-
Trade receivables	A	7.46	(0.66)	6.80
Cash & Cash equivalents		0.19	-	0.19
Other Bank Balances		0.67	-	0.67
Loans		-	-	-
Other financial assets		0.51	-	0.51
Other current assets		1.59	-	1.59
<b>Total current assets</b>		<b>15.92</b>	<b>(0.66)</b>	<b>15.26</b>
<b>Total assets</b>		<b>82.75</b>	<b>35.90</b>	<b>118.65</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		59.74	-	59.74
Other equity	E	(69.55)	35.90	(33.65)
<b>Total equity</b>		<b>(9.81)</b>	<b>35.90</b>	<b>26.09</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings		60.84	-	60.84
Other Financial Liability		-	-	-
Provisions		2.60	-	2.60
<b>Total non-current liabilities</b>		<b>63.44</b>	<b>-</b>	<b>63.44</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		5.44	-	5.44
Trade payables				
Total outstanding dues of micro enterprises and small enterprises; and		1.44	-	1.44
Total outstanding dues of creditors other than micro enterprises and small enterprises		7.55	-	7.55
Other financial liabilities		8.00	-	8.00
Other current liabilities		5.40	-	5.40
Provisions		1.29	-	1.29
<b>Total current liabilities</b>		<b>29.12</b>	<b>-</b>	<b>29.12</b>
<b>Total liabilities</b>		<b>92.56</b>	<b>-</b>	<b>92.56</b>
<b>Total equity and liabilities</b>		<b>82.75</b>	<b>35.90</b>	<b>118.65</b>





II. A. Reconciliation of Balance sheet as at March 31, 2023

Particulars	Notes	Regrouped Previous GAAP	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	C	14.07	12.24	26.31
Capital work-in-Progress		0.09	-	0.09
Intangible Assets under development		-	-	-
Financial assets		-	-	-
Investments		-	-	-
Other financial assets		1.75	-	1.75
Deferred Tax Assets	D	3.31	10.26	13.57
Current Tax Asset (net)		0.39	-	0.39
Other non-current assets		0.14	-	0.14
<b>Total non-current assets</b>		<b>19.75</b>	<b>22.50</b>	<b>42.25</b>
<b>Current assets</b>				
Inventories	B	14.20	0.68	14.88
Financial assets		-	-	-
Trade receivables	A	3.76	(0.63)	3.13
Cash & Cash equivalents		0.85	-	0.85
Other Bank Balances		2.11	-	2.11
Loans		6.89	-	6.89
Other financial assets		0.26	-	0.26
Other current assets		1.56	-	1.56
<b>Total current assets</b>		<b>29.63</b>	<b>0.05</b>	<b>29.68</b>
<b>Total assets</b>		<b>49.38</b>	<b>22.55</b>	<b>71.93</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		59.74	-	59.74
Other equity	E	(100.25)	22.55	(77.70)
<b>Total equity</b>		<b>(40.51)</b>	<b>22.55</b>	<b>(17.96)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings		52.67	-	52.67
Other Financial Liability		-	-	-
Provisions		1.30	-	1.30
<b>Total non-current liabilities</b>		<b>53.97</b>	<b>-</b>	<b>53.97</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings		-	-	-
Trade payables				
Total outstanding dues of micro enterprises and small enterprises; and		0.71	-	0.71
Total outstanding dues of creditors other than micro enterprises and small enterprises		27.92	-	27.92
Other financial liabilities		2.99	-	2.99
Other current liabilities		2.82	-	2.82
Provisions		1.48	-	1.48
<b>Total current liabilities</b>		<b>35.92</b>	<b>-</b>	<b>35.92</b>
<b>Total liabilities</b>		<b>89.89</b>	<b>-</b>	<b>89.89</b>
<b>Total equity and liabilities</b>		<b>49.38</b>	<b>22.55</b>	<b>71.93</b>



II. B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Notes	Regrouped Previous GAAP	Adjustments	Ind AS
<b>Income</b>				
Revenue from operations		139.25	-	139.25
Other income	C	21.28	(20.70)	0.58
<b>Total Revenue</b>		<b>160.53</b>	<b>(20.70)</b>	<b>139.83</b>
<b>Expenses</b>				
Cost of material consumed	B	120.39	(0.67)	119.72
Changes in inventories of work-in-progress, stock-in-trade and finished goods	B	(3.92)	(0.01)	(3.93)
Employee benefit expense	F	9.70	(0.19)	9.51
Finance costs		6.14	-	6.14
Depreciation and amortisation expense	C	1.84	0.64	2.48
Other expenses	A	11.94	(0.03)	11.91
<b>Total expenses</b>		<b>146.09</b>	<b>(0.26)</b>	<b>145.83</b>
<b>Profit before exceptional items and tax</b>		<b>14.44</b>	<b>(20.44)</b>	<b>(6.00)</b>
<b>Exceptional Items</b>				
Loss on sale of investments		36.56	-	36.56
<b>Profit before tax</b>		<b>(22.12)</b>	<b>(20.44)</b>	<b>(42.56)</b>
<b>Tax expense :</b>				
a) Current tax		-	-	-
b) Earlier year tax		-	-	-
c) Deferred tax	D	(0.72)	2.07	1.35
<b>Total tax expense</b>		<b>(0.72)</b>	<b>2.07</b>	<b>1.35</b>
<b>Profit for the year</b>		<b>(21.40)</b>	<b>(22.51)</b>	<b>(43.91)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	F	-	(0.19)	(0.19)
Income tax relating to items above		-	0.05	0.05
<b>Total Comprehensive Income for the period, net of tax</b>		<b>-</b>	<b>(0.14)</b>	<b>(0.14)</b>
<b>Total comprehensive income for the year</b>		<b>(21.40)</b>	<b>(22.65)</b>	<b>(44.05)</b>





III. A. Reconciliation of equity as at March 31, 2023 and April 1, 2022

	Notes	As at March 31, 2023	As at April 01, 2022
Total equity (shareholder's funds) as per Indian GAAP		(40.51)	(9.81)
<b>Adjustments:</b>			
Impact of impairment of financial assets as per Ind AS 109	A	0.63	0.66
Impact of valuation of raw material inventory	B	(0.68)	-
Impact of Depreciation on fair valuation of PPE	C	(12.24)	(24.28)
Impact of Deferred Tax on Ind AS adjustments	D	(10.26)	(12.28)
<b>Total adjustments</b>		<b>(22.55)</b>	<b>(35.90)</b>
<b>Total equity as per Ind AS</b>		<b>(17.96)</b>	<b>26.09</b>

III. B. Reconciliation of total comprehensive income for the year ended March 31, 2023

	Notes	As at March 31, 2023
Profit after tax as per Indian GAAP		(21.40)
<b>Adjustments:</b>		
Impact of impairment of financial assets as per Ind AS 109 (ECL)	A	0.03
Impact of valuation of inventory	B	0.68
Impact of Depreciation on fair valuation of PPE	C	(21.34)
Impact of Deferred Tax on Ind AS adjustments	D	(2.02)
<b>Total adjustments</b>		<b>(22.65)</b>
<b>Loss after tax as per Ind AS</b>		<b>(44.05)</b>
<b>Total comprehensive income as per Ind AS</b>		<b>(44.05)</b>

Notes to first-time adoption:

**A. Impact of impairment of financial assets as per Ind AS 109**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts

**B. Impact of valuation of inventory:**

In compliance with Ind AS, the Company has valued its raw material inventory at lower of cost determined as per weighted average cost formula or net realisable value

**C. Impact of Fair valuation of Property, Plant and Equipment**

As per Ind AS 101, the Company has elected to measure its property, plant and equipment at its fair value as on the date of transition

**D. Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

**E. Retained Earnings**

Retained earnings as at April 01, 2022 has been adjusted consequent to the above Ind AS transition adjustments.

**F. Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Further, the Company has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

**G. Statement of cash flows**

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2023 as compared with the previous GAAP.



Note 40: Financial Ratios

Ratio	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	%variance (Absolute)	Reasons
1. Current Ratio	Current Asset	Current Liabilities	1.71	0.63	-170%	Due to the repayment of trade payables vis-à-vis substantial increase in current assets on account of cash profits earned during the year.
2. Debt equity ratio	Total Debt	Shareholder's Equity	(12.25)	(2.93)	-318%	Due to funds infused by the holding company in the form of unsecured loan.
3. Debt service coverage ratio	Earning available for Debt Service#	Debt Service^	3.16	0.44	-613%	Due to substantial increase in EBITDA
4. Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	(0.88)	(10.80)	92%	Due to substantial profits earned
5. Inventory Turnover ratio	Cost of goods sold	Average Inventory	11.20	11.36	1%	
6. Trade Receivable Turnover ratio	Net sales	Average Trade Receivables	98.24	28.06	-250%	Due to increase in operations but average receivables have not been increased i.e. timely recovery is being done
7. Trade Payable Turnover ratio	Net Purchases	Average Trade Payables	7.81	6.36	-23%	
8. Net capital turnover ratio	Net Sales	Average Working Capital	(692.62)	(10.32)	-6610%	Due to positive growth in net sales vis-à-vis better working capital management.
9. Net profit ratio	Net Profit after Tax	Revenue from operations	0.06	(0.32)	118%	Due to substantial increase in EBITDA
10. Return on capital employed	Earning Before Interest and Taxes	Capital Employed*	0.36	0.20	-81%	Due to substantial increase in EBITDA
11. Return on investment	Non operating income from Investment	Average Investment**	-	-	NA	





**Rajasthan Explosives and Chemicals Limited**  
**Notes to Financial Statements**  
**(All amounts are in Rupees crores, unless otherwise stated)**

**Note 42: Other Statutory Information**

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- (iv) The Company has 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 does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders

**Note 43:** The Financial Statements were approved for issue by the Board of Directors on May 15, 2024.

  
**Shivam Bansal**  
Partner  
Membership No.: 450114  
UDIN: 24450114BKADMR4683  
Date: May 15, 2024  
Place: New Delhi



  
**Someshwar Mundhada**  
Director  
DIN: 07112092

  
**Sanjay Singh**  
Director  
DIN: 06641334

  
**Sharadrao Deogao**  
Director  
DIN: 42247

  
**Shreya Ajay Agrawal**  
Company Secretary  
Membership No.: A67172

  
**Dhanushree Chachada**  
Chief Financial Officer  
PAN: BOCPC2522L

