B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of IDL Explosives Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IDL Explosives Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's director's report but does not include the financial statements and our auditor's report thereon. The information included in the director's report is expected to be made available to us after the date of auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information included in the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

B S R & Associates (a partnership firm with Registration No BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No AAB-8182) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the financial statements made by the Management and Board of Directors.

Independent Auditor's report (continued)
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Management and Board of Directors 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), 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 financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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".

Independent Auditor's report (continued)
Report on Other Legal and Regulatory Requirements (continued)

(B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its financial statements - Refer Note 42 to the financial statements

ii. The Company has long-term contracts other than derivative contracts for which there were no material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAY3834

Place: Hyderabad
Date: 22 June 2020

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 Company on the financial statements for the year ended 31 March 2020, we report the following:

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

(b) The Company has a program of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the program certain fixed assets were 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 as disclosed in Note 3 on property, plant and equipment to the financial statements are held in the name of the Company. In respect of immovable property of land that has been taken on lease, the lease agreement is in the name of the Company.

(ii) The inventory apart from goods in transit and inventory lying with outside parties have been physically verified by the Management during the year and the discrepancies noticed on such verification between the physical stock and book records were not material. In our opinion, the frequency of such verification is reasonable. Inventories lying with outside parties have been substantially confirmed by them as at the year-end and no material discrepancies were noticed in respect of such confirmations.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii) of the said Order is not applicable to the Company.

(iv) The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such records.

(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, Duty of Customs, Goods and Services 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, Goods and Service tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020 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 dues of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, duty of Customs, duty of Excise or Value added tax which have not been deposited by the Company on account of disputes, except for the following:

Name of the Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount Deposited
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2011-12 and 2015-16	29.24	0.68
		Sales Tax Appellate Tribunal	2011-12 to 2012-13	7.20	7.20
Entry Tax Act	Entry Tax	Tribunal, Cuttack	2011-12 to 2012-13	29.18	-

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the year. According to the information and explanations provided to us and on the basis of our examination of the books of accounts, the term loans have been applied on an overall basis, for the purposes for which they have been obtained.

(x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements.

(xiv) According to the information and explanations given to us and based on 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, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

(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 any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company

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

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAY3834

Place: Hyderabad
Date: 22 June 2020

Annexure B to the Independent Auditors' report on the financial statements of IDL Explosives Limited for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of IDL Explosives Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure B to the Independent Auditors' report on the financial statements (continued)
Auditors' Responsibility (continued)

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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Hemant Maheshwari
Partner
Membership No.: 096537
UDIN: 20096537AAAAAY3834

Place: Hyderabad
Date: 22 June 2020

IDL Explosives Limited
Balance Sheet as at March 31, 2020
(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,893.91	4,717.60
Capital work-in-progress	3	628.22	331.93
Goodwill	4	105.63	105.63
Other intangible assets	5	17.01	18.91
Financial assets			
Other financial assets	8	20.77	128.04
Other non-current assets	9	192.54	162.37
Total non-current assets		5,858.08	5,464.48
Current assets			
Inventories	10	4,632.99	4,449.68
Financial assets			
(i) Trade receivables	11	6,730.50	7,746.80
(ii) Cash and cash equivalents	12	2,204.50	1,130.68
(iii) Bank balances other than (ii) above	13	23.08	354.99
(iv) Loans	7	133.37	187.35
(v) Other financial assets	8	18.28	57.67
Income tax assets (net)	21	109.15	38.73
Other current assets	9	1,265.38	1,076.88
Total current assets		15,117.25	15,042.78
Total assets		20,975.33	20,507.26
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	786.50	786.50
Other equity	15	4,881.24	4,064.60
Total equity		5,667.74	4,851.10
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	16	3,502.98	3,276.59
Provisions	18	334.07	318.52
Deferred tax liabilities, net	20	254.62	405.78
Total non-current liabilities		4,091.67	4,000.89
Current liabilities			
Financial liabilities			
(i) Borrowings	26	4,297.12	3,499.17
(ii) Trade payables	27		
- total outstanding dues of micro enterprises and small enterprises		105.67	174.00
- total outstanding dues of creditors other than micro enterprises and small enterprises		4,293.59	4,938.65
(iii) Other financial liabilities	17	2,308.43	2,599.03
Provisions	19	78.19	77.43
Income tax liabilities	21	-	184.13
Other liabilities	25	132.92	182.86
Total current liabilities		11,215.92	11,655.27
Total equity and liabilities		20,975.33	20,507.26
Corporate information and significant accounting policies	1 & 2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/W-100024

Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: June 22, 2020

for and on behalf of the Board of Directors
IDL Explosives Limited
CIN No. U28132TG2010PLC070529

Subhas Pramanik
Managing Director
DIN: 00020414

Debabrata Sarkar
Chairman
DIN:02502618

Ravi Jain
Chief financial officer and Company secretary

Place: Hyderabad
Date: June 22, 2020

IDL Explosives Limited
Statement of Profit and loss for the year ended March 31, 2020
(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
1. Income			
Revenue from operations	28	42,732.39	45,744.54
Other income	29	179.28	304.37
Total income		**42,911.67**	**46,048.91**
2. Expenses			
Cost of materials consumed	30	28,630.60	30,134.55
Purchases of Stock-in-Trade	31	1,877.16	1,714.72
Changes in inventories of finished goods and work-in-progress	32	553.67	(496.63)
Employee benefits expense	33	2,876.89	3,031.98
Finance costs	34	859.46	826.94
Depreciation and amortisation expense	35	446.02	402.56
Other expenses	36	6,681.92	7,387.21
Total expenses		**41,925.72**	**43,001.33**
3. Profit before tax (1-2)		**985.95**	**3,047.58**
4. Tax expense			
a) Current tax	22	274.57	1,028.82
b) Deferred tax	23	(108.78)	139.28
Total tax expense		**165.79**	**1,168.10**
5. Profit for the year (3-4)		**820.16**	**1,879.48**
6. Other comprehensive income			
A (i) Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of the defined benefit plans		(45.90)	47.75
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans	24	16.23	(16.69)
Total other comprehensive income / (loss)		**(29.67)**	**31.06**
7.Total comprehensive income for the year (5+6)		**790.49**	**1,910.54**
8. Earnings per equity share (Face value of Rs.10/- each)			
Basic & Diluted (Rs.`)		10.43	23.90
Corporate information and significant accounting policies	1 & 2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: June 22, 2020

for and on behalf of the Board of Directors
IDL Explosives Limited
CIN No. U28132TG2010PLC070529

Subhas Pramanik
Managing Director
DIN: 00020414

Debabrata Sarkar
Chairman
DIN:02502618

Ravi Jain
Chief financial officer and
Company secretary

Place: Hyderabad
Date: June 22, 2020

Application for the License submitted

Statement of Cash Flow for the year ended March 31, 2020

(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(A) Cash flow from operating activities		
Profit before tax	985.95	3,047.58
Adjustments for:		
Depreciation and amortisation	446.02	402.56
Provision for doubtful debts, advances and investments	112.31	6.35
Loss on sale/write-off of property, plant and equipment	4.60	3.06
Interest income	(63.51)	(78.85)
Finance costs	859.46	826.94
Unrealized loss/(gain) on foreign exchange fluctuations (net)	162.03	(151.05)
Operating profit before working capital changes	2,506.86	4,056.59
Adjustments for changes in working capital:		
'- Decrease/(increase) in trade receivables and financial/ non-financial assets	885.68	529.89
'- Decrease/(increase) in inventories	(183.31)	(614.41)
'- Increase/(decrease) in trade payables, other current liabilities and provisions	(1,549.46)	579.40
Cash flow generated from operating activities	1,659.77	4,551.47
Income tax paid (net)	(344.98)	(1,073.87)
Net cash flow generated from operating activities	**1,314.79**	**3,477.60**
(B) Cash flow from investing activities		
Acquisition of property, plant & equipment (including capital advances)	(991.24)	(759.71)
Proceeds from sale of property, plant and equipment	10.54	3.71
Interest received	114.63	42.29
Investments in bank deposits	(4,367.72)	(4,730.40)
Redemption/maturity of bank deposits	4,797.71	4,772.94
Net cash flow used in investing activities	**(436.08)**	**(671.17)**
(C) Cash flow from financing activities		
Proceeds from long -term borrowings	625.00	379.26
Repayment of long- term borrowings	(410.70)	(361.94)
Proceeds/(repayment) of working capital borrowings	797.95	(1,096.20)
Finance costs paid	(633.00)	(724.69)
Dividends paid	-	(904.48)
Tax on dividends paid	(184.13)	-
Net cash flow generated from / (used in) financing activities	**195.12**	**(2,708.05)**
Net (decrease)/increase in cash and cash equivalents	1,073.82	98.37
Cash and cash equivalents at the beginning of the year	1,130.68	1,032.31
Cash and cash equivalents as at the end of the year (refer note below)	**2,204.50**	**1,130.68**

Note : Cash and cash equivalents comprise:

	As at March 31, 2020	As at March 31, 2019
Cash on hand	3.75	3.97
Balance with banks:		
in current accounts	1,045.72	807.23
in EEFC accounts	16.55	117.20
in deposit accounts	1,138.48	202.28
Cash and cash equivalents included in note 12	**2,204.50**	**1,130.68**

Borrowings movement

Reconciliation between opening and closing balances in the Balance sheet for liabilities and financial assets arising from financing activities for movement in statement of cash flow are given below.

	As at March 31, 2020	Net change	As at March 31, 2019	Net change	As at March 31, 2018
Long- term borrowings	3,502.98	226.40	3,276.59	(201.46)	3478.05
Short - term borrowings	4,297.12	797.95	3,499.17	(1,096.20)	4595.37
	7,800.10	**1,024.35**	**6,775.76**	**(1,297.66)**	**8,073.42**

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

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: June 22, 2020

for and on behalf of the Board of Directors
IDL Explosives Limited
CIN No. U28132TG2010PLC070529

Subhas Pramanik
Managing Director
DIN: 00020414

Debabrata Sarkar
Chairman
DIN:02502618

Ravi Jain
Chief Financial Officer and Company secretary

Place: Hyderabad
Date: June 22, 2020

IDL Explosives Limited
Statement of changes in equity for year ended March 31, 2020
(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

A. Equity share capital

	No. of Shares	Amount
Balance at the beginning of the reporting period	78,65,000	786.50
Changes in equity share capital during the period	-	-
Balance at the end of the reporting period	78,65,000	786.50

B. Other Equity

	Other Equity			Total
	Retained earnings	Securities Premium	Equity portion of other financial instruments	
Balance at March 31, 2018	686.52	1,724.25	850.26	3,261.02
Profit for the year	1,879.48	-	-	1,879.48
Remeasurement of net defined benefit liability/asset, net of tax effect	31.06	-	-	31.06
Dividends (including corporate dividend tax)	(1,088.61)	-	-	(1,088.61)
Fair valuation of inter corporate deposits			267.52	267.52
Additions on account of issue of equity share capital	-	-	-	-
Deferred tax on fair valuation of inter corporate deposits	(93.48)		(192.40)	(285.88)
Balance at March 31, 2019	1,414.97	1,724.25	925.33	4,064.60
Profit for the year	820.16	-	-	820.16
Remeasurement of net defined benefit liability/asset, net of tax effect	(29.67)	-	-	(29.67)
Dividends (including corporate dividend tax)		-	-	-
Deferred tax on fair valuation of inter corporate deposits	26.15	-	-	26.15
Balance at March 31, 2020	2,231.61	1,724.25	925.38	4,881.24

Refer note 15 for nature and purpose of reserves

As per our report of even date attached
for **B S R & Associates LLP**
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1 Company Overview

1.1 Company information:

IDL Explosives Limited (the 'Company') is a Company domiciled in India, with its registered office situated at Kukatpally, P.B.No.1 Sanatnagar (IE), Hyderabad - 500 018, Telangana. The Company has been incorporated on 22 September 2010 under the erstwhile Companies Act, with the main object of carrying on the business of Industrial explosives and Accessories.

1.2 Basis of preparation, Measurement and Significant accounting policies:

A. Statement of compliance:

a) Financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provision of the Act.

b) These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2020

c) The financial statements were authorised for issue by the Company's Board of Directors on June 22, 2020

d) Details of the Company's accounting policies are included in Note 2.

B. Functional and presentation currency:

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

C. Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgment:

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as at the date of the financial statements.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of those estimates. Changes in estimates are reflected in the financial statements in the year in which changes are made, if material, their effects are disclosed in the notes to the financial statements.

Information about significant areas of assumptions, estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

Impairment of trade receivables

The Company has measured the lifetime expected credit loss by using practical expedients. It has accordingly used a provision matrix derived by using a flow rate model to measure the expected credit losses for trade receivables. Further, need for incremental provisions have been evaluated on a case to case basis where forward looking information on the financial health of a customer is available and in cases where there is an ongoing litigation/dispute.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent there is reasonable certainty of future taxable income which will be available against the deductible temporary differences, unused tax losses and depreciation carry-forwards.

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Defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates.

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

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

1.3 Measurement of fair values:

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2 Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:
i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
ii) it is held primarily for the purpose of being traded;
iii) it is expected to be realised within 12 months after the reporting date; or
iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

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Liabilities

A liability is classified as current when it satisfies any of the following criteria:
i) it is expected to be settled in the Company's operating cycle;
ii) it is held primarily for the purpose of being traded;
iii) it is due to be settled within 12 months after the reporting date; or
iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

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

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

a. Foreign currency transactions:

The financial statements are presented in Indian rupees, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions, and from translation of monetary assets and liabilities at the reporting date exchange rates are recognised in the statement of profit and loss.

b. Financial instruments:

i. Recognition and initial measurement:
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and liabilities are recognised are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement:
Financial assets:
On initial recognition, a financial asset is classified as measured at
- amortised cost;
- Fair Value through other comprehensive income (FVOCI)– equity investment; or
- Fair value to profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit and loss. Any gain or loss on derecognition is recognised in statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit and loss.

Financial liabilities:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the statement of profit and loss.

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

iii. Derecognition:

Financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in statement of profit and loss.

iv. Offsetting:

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments:

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at fair value. Any changes therein are recognised in the statement of profit and loss account. Derivatives are carried as financial asset when the fair value is positive and as financial liability when fair value is negative.

c. Property, plant and equipment and capital work-in-progress:

i. Recognition and measurement:

Property, plant and equipment:

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Capital work-in-progress:

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation:

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss.

Leasehold land and leasehold improvements are amortised over the period of the lease.

The estimated useful lives of items of property, plant and equipment are estimated by the Management, which are equal to the life prescribed under the Schedule II of the Act.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets:

i. Recognition:

Other intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure:

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of statement of profit and loss as incurred.

iii. Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Years
- Software	6

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Investment property:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost comprises purchase price, borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On disposal of investment property, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

The fair values of investment property is disclosed in the notes. Fair values is determined either by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued or stamp duty price available on the government website/ with the registration and stamps department.

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Disposals

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from the retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss on the date of retirement or disposal.

f. Inventories:

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on a transaction moving weighted average basis, and includes expenditure in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

g. Impairment:

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses ('ECL') to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables including unbilled receivables and contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

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

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. Goodwill has indefinite useful life and tested for impairment annually.

h. Employee benefits:

Defined contribution plans:

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Company providing retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The contributions payable to the provident fund and superannuation fund are recognised as expenses, when an employee renders the related services. The Company has no obligation, other than the contribution payable to the funds.

Eligible employees of the company receive benefits from provident fund, which is defined contribution plan. Both the eligible employees and the company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The company has no further obligation to the plan beyond its monthly contributions.

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Defined benefit plans:

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The parent company has created an approved gratuity fund, which has taken a group gratuity cum insurance policy with Life Insurance Corporation of India (LIC), for future payment of gratuity to the employees. The Company accounts for gratuity liability of its employees on the basis of actuarial valuation carried out at the year end by an independent actuary. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

ii. Compensated absences:

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of actuarial valuation using the projected unit credit method.

Bonus plans:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a contractual obligation.

i. Revenue

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as Goods and service tax, etc.

The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Income form export incentive such as duty drawback are recognised on actual basis.

An estimate is made for powder factor or price fall clause provision and a corresponding liability is recognised for this amount using a best estimate based on accumulated experience.

j. Recognition of interest income or expense and dividend:

Interest income or expense is recognised using the effective interest method.

Dividend income on investments is recognised when the right to receive the divided is established.

k. Income-tax:

Income-tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable statement of profit and loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l. Borrowing cost:

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan.

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during extended periods when active development activity on the qualifying assets is interrupted. Interest income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Interest expense on borrowings is recorded using the effective interest rate (EIR). EIR is the rate that discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial assets. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

m. Provision, contingent liabilities and contingent assets:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance costs. Expected future operating losses are not provided for.

Onerous contracts:

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies:

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and continent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

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n. Earnings per share:

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

o. Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

p. Cash and cash equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

q. Biological assets:

Biological assets i.e. living animals, are measured at fair value less cost to sell. Costs to sell include the minimal transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred.

r. Events after reporting date:

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

s. Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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3.Property, plant and equipment and Capital work-in-progress

	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Office Equipment's	Motor Vehicles	Computers	Total	Capital Work in Progress
I. Cost or deemed cost									
Balance as at March 31, 2018	**18.58**	**1,127.86**	**3,529.87**	**24.68**	**34.42**	**118.95**	**30.37**	**4,884.73**	**486.68**
Additions	-	7.81	928.41	2.41	11.26	48.07	11.49	1,009.46	854.71
Disposals	-	-	(62.01)	-	-	(14.64)	-	(76.65)	-
Capitalisation								-	(1,009.46)
Balance as at March 31, 2019	**18.58**	**1,135.67**	**4,396.27**	**27.09**	**45.68**	**152.38**	**41.86**	**5,817.54**	**331.93**
Additions	-	75.86	544.78	1.52	5.84	-	4.12	632.12	928.41
Disposals	-	-	(97.01)	(0.03)	(0.50)	(9.84)	(5.23)	(112.61)	-
Capitalisation									(632.12)
Balance as at March 31, 2020	**18.58**	**1,211.53**	**4,844.04**	**28.58**	**51.02**	**142.54**	**40.75**	**6,337.05**	**628.22**
II. Accumulated depreciation									
Balance as at March 31, 2018	**-**	**50.56**	**644.51**	**6.96**	**19.37**	**38.25**	**12.88**	**772.53**	**-**
Depreciation for the year	-	43.17	317.86	3.85	6.75	16.17	9.49	397.29	-
Disposals	-	-	(55.38)	-	-	(14.50)	-	(69.88)	-
Balance as at March 31, 2019	**-**	**93.73**	**906.99**	**10.81**	**26.12**	**39.92**	**22.37**	**1,099.94**	**-**
Depreciation for the year	-	44.23	357.29	4.10	6.80	17.32	10.93	440.67	-
Disposals	-	-	(82.60)	(0.03)	(0.50)	(9.17)	(5.17)	(97.47)	-
Balance as at March 31, 2020	**-**	**137.96**	**1,181.68**	**14.88**	**32.42**	**48.07**	**28.13**	**1,443.14**	**-**

Net Carrying Amount

Balance as at March 31, 2019	18.58	1,041.95	3,489.28	16.28	19.56	112.46	19.49	4,717.60	331.93
Balance as at March 31, 2020	18.58	1,073.57	3,662.36	13.70	18.60	94.47	12.62	4,893.91	628.22

Notes:

(i) Refer to note 16 and 26 for information on property, plant and equipment pledged as security against borrowings availed by the company.

(ii) For contractual commitments with respective capital work-in-progress, refer Note No. 42 (II)

(iii) Capital Work in progress mainly comprises of pump trucks.

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4. Goodwill

	As at March 31, 2020	As at March 31, 2019
Cost or deemed cost (Refer note below)	105.63	105.63
	105.63	105.63

	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	105.63	105.63
Amortisation	-	-
Other adjustment	-	-
Balance at end of the year	105.63	105.63

Note: Impairment test for goodwill

Goodwill is tested for impairment on annual basis and whenever there is an indication that the recoverable amount of an asset is less than its carrying amount. The recoverable amount of asset is determined based on higher of value in use and fair value less cost to sell.

The goodwill represents the excess of consideration paid over the net assets acquired, under the scheme of demerger of explosive undertaking pertaining to the holding company GOCL Corporation limited. As the recoverable value is higher than the carrying value of goodwill, no impairment loss has arisen on goodwill.

5. Other intangible assets

	Software
I. Cost or deemed cost	
Balance as at March 31, 2018	27.32
Additions	4.09
Disposals	-
Balance as at March 31, 2019	31.41
Additions	3.45
Disposals	-
Balance as at March 31, 2020	34.86
II. Accumulated Amortisation and impairment	
Balance as at March 31, 2018	7.23
Amortisation for the year	5.27
Balance as at March 31, 2019	12.50
Amortisation for the year	5.35
Balance as at March 31, 2020	17.85

Net Carrying Amount	**Software**
Balance as at March 31, 2019	**18.91**
Balance as at March 31, 2020	**17.01**

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6.Non Current Investments

	As at March 31, 2020	As at March 31, 2019
Investment in Equity Instruments (Unquoted)		
(At fair value through Statement of Profit and Loss (FVTPL))		
500 shares of Rs.10 each in IDL Chemicals Employees Credit Co-Operative Society of IDL Chemicals Limited	0.37	0.37
Less: Loss allowance	(0.37)	(0.37)
	-	-
Aggregate amount of unquoted investments	0.37	0.37
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of impairment in value of investments.	0.37	0.37

7. Loans

(Unsecured considered good, unless otherwise stated)

Non-current		
Security deposits		
- Credit impaired	74.03	90.17
	74.03	90.17
Less : loss Allowance	(74.03)	(90.17)
	-	-
Current		
Security deposits		
- Secured, considered good	133.37	187.35
- Credit impaired	16.14	-
	149.51	187.35
Less : loss Allowance	(16.14)	-
	133.37	187.35

8. Other financial assets

(Unsecured considered good)

Non-Current		
Bank deposits due to mature after 12 months of the reporting date *	20.57	118.66
Interest on bank deposits due to mature after 12 months of the reporting date *	0.20	9.38
	20.77	128.04
*Represents deposits held as Margin money		
Current		
Interest accrued on deposits	15.73	57.67
Claims recievable	2.55	-
	18.28	57.67

1. The Company's exposure to credit and currency risks, and loss allowances related to Other financial assets are disclosed in Note 37
2. Refer note 26 for details of current assets hypothecated against borrowings of the Company.

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9. Other assets (Unsecured considered good)

	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances	124.93	90.32
Other than capital advances		
- Prepayments	19.21	12.49
- Balances with government authorities	48.40	59.56
	192.54	**162.37**
Current:		
Other than capital advances		
- Prepayments	30.72	80.97
- Balances with government authorities	425.85	386.07
- Advances to employees	12.01	11.55
Advances to Suppliers and Service providers		
- Unsecured, considered good	796.80	598.29
- Unsecured, considered doubtful	47.97	47.97
Less : Loss allowances	(47.97)	(47.97)
	1,265.38	**1,076.88**

10. Inventories

Raw materials	2,362.20	2,624.66
Raw materials in transit	1,017.53	-
Work-in-progress	381.25	691.05
Finished goods	286.34	648.81
Stock-in-Trade	255.23	141.04
Stock-in-Trade in transit	4.41	-
Stores and Spares	138.96	128.72
Packing Material	187.07	215.40
	4,632.99	**4,449.68**

Note:
1. Refer note 26 for details of current assets hypothecated against borrowings of the Company
2. Amount of write down of inventories to net realisable value and other provisions / losses recognised in the statement of profit and loss as an expense is Rs.7.75 lakhs (March 31, 2018: Rs.4.75 lakhs)

11. Trade receivables

-considered good - Secured	465.10	93.12
-considered good - Unsecured	6,265.40	7,653.68
-which have significant increase in credit risk	74.32	88.23
- credit impaired	225.76	99.54
	7,030.58	7,934.57
Less: Loss allowance	(300.08)	(187.77)
	6,730.50	7,746.80

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 37
For details of current assets hypothecated against borrowings of the Company refer note 26

12. Cash and cash equivalents

Cash on hand	3.75	3.97
Balances with Banks		
- Current accounts	1,045.72	807.23
- Exchange earners foreign currency (EEFC) accounts	16.55	117.20
- Deposit accounts (with original maturity of 3 month or less)*	1,138.48	202.28
	2,204.50	1,130.68

13. Other Bank balances

Bank deposits due to mature after 3 months of the original maturity but within 12 months of the reporting date.*	23.08	354.99
	23.08	354.99

*Represents deposits held as Margin money

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14. Share capital

	As at March 31, 2020		As at March 31, 2019	
	No of Shares	Amount	No of Shares	Amount
Authorised :				
10% Redeemable Preference shares of Rs.100 each	2,49,000	249.00	2,49,000	249.00
Equity Shares of Rs.10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	1,02,49,000	**1,249.00**	**1,02,49,000**	**1,249.00**
Issued and subscribed and fully paid up:				
Equity Shares of Rs.10 each	78,65,000	786.50	78,65,000	786.50
	78,65,000	**786.50**	**78,65,000**	**786.50**

Notes:

i. Rights, preferences and restrictions attached to

The Company has only one class of equity shares having a par value of Rs.10 each per share. Accordingly, all equity shares rank equally with regard to dividend and share in Company's residual assets. Each holder of equity share is entitled to one vote per share (by poll). In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

ii. Reconciliation of the equity shares:

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
As at beginning of the year	78,65,000	786.50	78,65,000	786.50
Add : Issued and allotted during the year	-	-	-	-
As at end of the year	**78,65,000**	**786.50**	**78,65,000**	**786.50**

iii. Details of shares held by the Holding Company

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid up equity shares of Rs.10 each				
GOCL Corporation Limited (Holding company)	78,65,000	100%	78,65,000	100%

iv. Shareholders holding more than 5% shares in the company is set out below:

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid up equity shares of Rs.10 each				
GOCL Corporation Limited (Holding company)	78,65,000	100%	78,65,000	100%

v. During the five years ended March 31, 2020, there were no events of buy back of shares, rights issue of shares, issue of shares for consideration other than cash and bonus shares issued by the Company.

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15. Other equity

	As at March 31, 2020	As at March 31, 2019
Securities premium	1,724.25	1,724.25
Retained earnings	2,231.61	1,414.97
Equity portion of other financial instruments	925.38	925.38
Balance at end of year	**4,881.24**	**4,064.60**

Security premium

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

Retained earnings:

Retained earnings are profits that the company has earned till date less dividend or other distributions paid to share holders and also includes any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans.

Equity portion of other financial instruments:

Represents equity component on fair valuation of Inter corporate deposit and preference share capital.

16. Non-current borrowings

Unsecured		
Loans		
- from Holding Company	3,012.00	2,922.86
Secured		
Term loans		
- from banks	481.44	240.19
- from other parties	9.54	113.54
	3,502.98	3,276.59

Current maturities of long - term borrowings have been disclosed under the head other current financial liabilities (Refer Note 17)

Related party Loans

Nature of Security & Terms of Repayment :

Inter-Corporate Deposit (ICD) of Rs. 3,103.87 Lakhs (As at 31st March 2019: Rs. 3,103.87 Lakhs) obtained from holding company in 2012-13. During the year 2014-15, the loan was mutually agreed to be repaid by March 31, 2018. Subsequently during the year 2017-18, the Board of Directors had proposed to extend the repayment date till April 1, 2021 and the same was approved by the holding company vide letter dated May 30, 2017. Interest rate is 10.45% per annum (2018-19: 10.45% per annum). The above ICD has been disclosed at fair value.

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Term Loans

a. Nature of security and terms of repayment for loans availed from banks:
Term loans availed from HDFC Bank Limited and Axis Bank Limited for procurement of equipment / commercial vehicles, repayable in 36 equated monthly instalments over a period of 36 months (moratorium period of 1 to 2 months) from the date of availing respective loan. Rate of interest is in the range of 8.45% - 9.25% (2018-19 : 8.70% - 10.50%) and number of instalments pending for payments are ranging between 15 to 33 instalments as at the balance sheet date. The said loans are secured by way of hypothecation of same equipment/commercial vehicles.

b. Nature of security and terms of repayment for loans availed from other Parties (NBFC):
Term loan availed from Hinduja Leyland Finance Limited and Kotak Mahindra Prime Limited for procurement of equipment / commercial vehicles, repayable in 36 equated monthly instalments over a period of 36 months (moratorium period of 1 to 2 months) from the date of availing respective loan. Rate of interest is in the range of 8.25% - 9.15% (2018-19: 8.25% - 9.15%) and number of instalments pending for payments are ranging between 3 to 22 instalments as at the balance sheet date. The said loans are secured by way of hypothecation of same equipment/commercial vehicles.

17. Other current financial liabilities

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term borrowings	447.05	369.99
Payable to capital creditors	40.03	64.79
Interest accrued but not due on borrowings	309.09	171.78
Forward derivative liability	-	43.86
Payable to customers	1,376.77	1,910.17
Security deposits	135.49	38.44
	2,308.43	**2,599.03**

18. Non current provisions		
Employee benefits (Refer Note 40)		
- Compensated absences	107.13	120.13
- Gratuity	226.94	198.39
	334.07	**318.52**
19. Current provisions		
Employee benefits (Refer Note 40)		
- Compensated absences	20.77	56.22
- Gratuity	57.42	21.21
	78.19	**77.43**

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(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

Income taxes

20. Deferred tax balance

	As at March 31, 2020	As at March 31, 2019
Deferred tax (liabilities)	(254.62)	(405.78)
	(254.62)	(405.78)

2019-20	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to					
Depreciation & amortization	(553.21)	138.87	-	-	(414.34)
Remeasurement of defined benefit plan	157.99	(54.23)	-	-	103.76
Provision for doubtful receivables / advances	65.61	9.91	-	-	75.52
Indexation benefit on land	3.77	0.25	-	-	4.02
Fair valuation of inter corporate deposits	(63.25)	13.98	-	26.15	(23.12)
Others	(16.69)	-	16.23	-	(0.46)
	(405.78)	**108.78**	**16.23**	**26.15**	**(254.62)**

2018-19	Opening Balance	Recognised in profit or loss	Recognised in Other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to					
Depreciation & Amortization	(459.82)	(93.39)	-	-	(553.21)
Remeasurement defined benefit plan	177.81	(19.81)	-	-	157.99
Provision for Doubtful Receivables / Advances	110.42	(44.81)	-	-	65.61
Indexation benefit on land	7.37	(3.60)	-	-	3.77
Interest unwinded on preference shares	192.40	-	-	(192.40)	(0.00)
Fair valuation of Intere corporate deposits	(0.00)	30.23	-	(93.48)	(63.25)
Others	7.90	(7.90)	(16.69)	-	(16.69)
	36.07	**(139.28)**	**(16.69)**	**(285.88)**	**(405.78)**

21. Income tax assets and liabilities

	As at March 31, 2020	As at March 31, 2019
Income tax assets (Net)	109.15	38.73
	109.15	38.73
Income tax liabilities		
Dividend distribution tax	-	184.13
	-	184.13

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22. Tax Expense
Recognised in statement of profit and loss

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
In respect of the current year	274.57	1,028.82
In respect of prior years	-	-
	274.57	**1,028.82**

23. Deferred tax expense/ (Income)
Recognised in statement of profit and loss

- On account of temporary differences between carrying value and corresponding tax bases	(108.78)	139.28
	(108.78)	**139.28**

24. Recognised in Other comprehensive Income
Deferred tax
Recognised in statement of profit and loss

- On account of temporary differences between carrying value and corresponding tax bases	16.23	(16.69)
	16.23	**(16.69)**

The Income tax expense for the year can be reconciled to the accounting profit as follows

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	985.95	3,047.58
Income tax expense calculated at 25.168%/34.944%	248.14	1,064.95
Impact of reversal on temporary differences	(8.08)	(84.23)
Effect of expenses that are not deductible in determining taxable profit	34.50	48.10
Income tax expense recognised in profit or loss	274.56	1,028.82
Effective tax rate	**27.85%**	**33.76%**

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25. Other liabilities

	As at March 31, 2020	As at March 31, 2019
Current		
Advance from customers	94.30	137.37
Statutory remittances	38.62	45.49
	132.92	**182.86**

26. Current borrowings		
Secured - at amortised cost		
From banks (refer note below)		
Cash Credit	343.68	216.08
Buyers Credit	3,953.44	3,283.09
	4,297.12	**3,499.17**

Security/Terms and Conditions of Repayment :

a) Working capital credit facilities from State Bank of India is secured by a primary charge by way of hypothecation of raw material, finished goods, stocks in process, stores & spares and receivables of the Company ranking pari passu with other working capital lenders and collateral security by way of a second charge on the fixed assets of the Company ranking pari passu with other working capital lenders. The cash credit is repayable on demand and carries an interest rate per annum of 9.95% (2018-19 10.70%)

b) Working capital credit facilities (non-fund based limits) from Yes Bank Limited are secured by first pari passu charge on the current assets and second pari passu charge on all immovable fixed assets of the company both present and future.

c) Working capital credit facilities from RBL Bank Limited are secured by first pari passu charge on entire current assets of the company and second pari passu charge on the fixed assets of the Company (movable & immovable) of the Company present and future except those specifically charged to equipment lenders. The cash credit is repayable on demand and carries an interest rate per annum of 10.52% (2018-19: 10.80%)

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(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

27. Trade Payables

	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Dues to micro enterprises and small enterprises	105.67	174.00
Dues to creditors other than micro enterprises and small enterprises		
-Acceptances	-	1,013.81
-Other than acceptances	4,293.59	3,924.84
	4,399.26	5,112.65

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31,2019 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest , if any , that may be payable in accordance with the provisions of Micro , Small and Medium Enterprises Development Act, 2006 ('MSMED Act') is not expected to be material. The Company has not received any claim for interest from any supplier under the said MSMED Act.

	As at March 31, 2020	As at March 31, 2019
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	105.67	174.00
- Interest	-	-
(b)the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(c)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 Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) the amount of interest accrued and remaining unpaid; and	-	-
(e)the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the management.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 37.2 (ii)

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(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

28. Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	41,727.74	44,921.70
Service income	973.41	790.88
Other operating revenues	31.24	31.96
	42,732.39	**45,744.54**
a. Revenue disaggregation by geography:		
India	40,272.24	43,781.72
Rest of the world	2,460.15	1,962.82
	42,732.39	**45,744.54**
b. Reconciliation of revenue with contract price		
Contract price	42,879.35	45,825.41
Less: Quantity discounts	146.96	80.87
	42,732.39	**45,744.54**

Impact of Covid-19

The Company operates in essential commodity sector and does not foresee any material impact on revenue. However, the risk assessment is a continues process and the Company will continue monitor the impact of the changes in future economic conditions on its business.

29. Other income

Interest income on		
- Margin money deposits	61.57	77.10
- Others	1.95	1.75
Others		
- Duty drawback on exports	49.73	15.06
- Provisions no longer required written back	17.53	157.85
- Claims received	-	11.26
- Miscellaneous income	48.50	41.35
	179.28	**304.36**

30. Cost of materials consumed

Opening stock	2,624.66	2,495.08
Add: Purchases	29,385.67	30,264.13
Less: Closing stock	3,379.73	2,624.66
	28,630.60	**30,134.55**

31. Purchases of stock in trade

Accessories	1,112.11	906.80
Detonating fuse	429.47	596.95
Boosters	42.23	15.64
Others	293.35	195.33
	1,877.16	**1,714.72**

32. Changes in inventories of finished goods and work-in-progress

Opening Stock:		
-Finished goods	648.81	413.87
-Stock-in-trade	141.04	142.44
-Work-in-progress	691.05	427.96
	1,480.90	984.27
Closing stock:		
-Finished goods	286.34	648.81
-Stock-in-trade	259.64	141.04
-Work-in-progress	381.25	691.05
	927.23	1,480.90
Net (increase) / decrease	**553.67**	**(496.63)**

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(All amounts are in Indian Rupees lakhs, except share data and where otherwise stated)

33. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages (including bonus) *	2,492.65	2,622.02
Contribution to provident and other funds	194.97	189.68
Gratuity expense (Refer Note 40)	33.04	37.90
Staff welfare expenses	156.23	182.38
	2,876.89	**3,031.98**

* This includes contract labour charges

34. Finance costs

Interest expense		
- Interest on bank overdrafts and loans	663.22	549.37
- Others	-	14.09
Other borrowing costs	196.24	263.48
	859.46	**826.94**

35. Depreciation and amortisation expense

Depreciation of property, plant and equipment	440.67	397.29
Amortisation of intangible assets	5.35	5.27
	446.02	**402.56**

36. Other expenses

Consumption of stores and spares	183.74	225.78
Processing charges	675.21	824.43
Packing material consumed	1,165.30	1,508.20
Power and fuel	1,005.71	1,266.74
Rent (Refer note 43)	208.49	182.99
Rates and taxes	132.42	114.34
Insurance	91.21	84.63
Repairs and maintenance		
- Plant and machinery	148.33	160.82
- Buildings	32.62	42.15
Selling commission	90.64	36.91
Travelling and conveyance	298.61	304.83
Communication cost	22.59	28.17
Distribution expenses	1,852.72	2,106.31
Printing and stationery	15.35	19.25
Legal and professional fees	271.01	242.67
Directors' sitting fees (Refer note 41)	15.90	16.40
Loss on sale of property, plant and equipment	4.60	3.06
Corporate social responsibility expenses (Refer note 45)	47.95	37.30
Provision for doubtful receivables	112.31	6.35
Bad debts written off	11.43	-
Payment to auditors (Refer note below)	16.99	16.43
Net loss on foreign currency transactions and translation	175.63	59.92
Miscellaneous expenses	103.15	99.53
	6,681.92	**7,387.21**

Notes:

Auditors' remuneration and expenses:

Statutory audit	10.00	10.00
Limited review	4.50	4.50
Tax audit	1.50	1.50
Other services	0.40	0.40
Reimbursement of expenses	0.59	0.03
	16.99	**16.43**

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All amounts are in Indian Rupees lakhs, except share data and where otherwise stated

Note 37: Financial instruments disclosure:

Note 37.1: Fair Valuation Measurement Hierarchy:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments. The fair value of all equity instruments which are traded in stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

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

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

i) The Carrying values of Current financial liabilities and current financial assets are taken as their fair value because of their short term nature.

ii) The Carrying values of Non-Current financial liabilities and Non-current financial assets are taken as their fair value based on their discounted cash flows.

iii) The Company has used quoted market price for determining fair value of investments in equity instruments and mutual funds.

iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the company could have realised or paid in sale transactions as of respective dates. as such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

v) There have bee no transfers between level 1 , level 2 and level 3 for the years ended March 31, 2020 and March 31, 2019.

As at March 31, 2020

		Carrying amount		Fair Value		
		Financial assets /Financial liabilities at amortised cost-carrying value	Total Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I]	Financial Assets					
A.	Financial assets not measured at Fair value					
	Other non- current financial assets	20.77	20.77	-	-	20.77
	Trade Receivables	6,730.50	6,730.50	-	-	6,730.50
	Cash and Cash equivalents	2,204.50	2,204.50	-	-	2,204.50
	Bank balances other than Cash and Cash equivalents	23.08	23.08	-	-	23.08
	Current Loans	133.37	133.37	-	-	133.37
	Other Current Financial Assets	18.28	18.28	-	-	18.28
		9,130.50	9,130.50	-	-	9,130.50
II]	Financial Liabilities					
A.	Financial liabilities not measured at Fair value					
	Non-current borrowings	3,502.98	3,502.98			3,502.98
	Current Borrowings	4,297.12	4,297.12	-	-	4,297.12
	Trade payables	4,399.26	4,399.26	-	-	4,399.26
	Other current financial liabilities	2,308.43	2,308.43	-	-	2,308.43
		14,507.80	14,507.80	-	-	14,507.80

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Notes forming part of the financial statements (continued)
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As at March 31, 2019

		Carrying amount		Fair Value		
		Financial assets /Financial liabilities at amortised cost- carrying value	Total Carrying amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I]	**Financial Assets**					
A.	**Financial assets not measured at Fair value**					
	Other non- current financial assets	128.04	128.04	-	-	128.04
	Trade Receivables	7,746.80	7,746.80	-	-	7,746.80
	Cash and Cash equivalents	1,130.68	1,130.68	-	-	1,130.68
	Bank balances other than Cash and Cash equivalents	354.99	354.99	-	-	354.99
	Current Loans	187.35	187.35	-	-	187.35
	Other Current Financial Assets	57.67	57.67	-	-	57.67
		9,605.53	9,605.53	-	-	9,605.53
II]	**Financial Liabilities**					
A.	**Financial liabilities not measured at Fair value**					
	Non-current borrowings	3,276.59	3,276.59			3,276.59
	Current - Borrowings	3,499.17	3,499.17	-	-	3,499.17
	Trade payables	5,112.65	5,112.65	-	-	5,112.65
	Other current financial liabilities	2,555.17	2,555.17	-	-	2,555.17
		14,443.58	14,443.58	-	-	14,443.58
B.	**Financial liabilities measured at Fair value**					
	Financial Derivatives	43.86	43.86	-	43.86	-
		43.86	43.86	-	43.86	-

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Note 37.2: Financial risk management"

The Company has exposure to the following risks arising from financial instruments
(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

The Company's Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities .

The Company's audit committee oversees how management monitors compliance with the Company's Risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(i) Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The entities within the Company have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments, cash and cash equivalents, derivatives provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk. The carrying value of financial assets represents the maximum credit risk.

Trade receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the ability to meet its obligations actual or expected significant changes in the operating results of the customer.

Ageing of receivables, net of allowances is given below:

	As at March 31, 2020	As at March 31, 2019
Financial assets that are neither past due nor impaired	**3,631.04**	**4,248.02**
Financial assets that are past due but not impaired		
Past due 0-30 days	1,300.34	1,668.85
Past due 31-60 days	522.36	282.04
Past due 61-90 days	344.58	213.89
Past due over 90 days	932.19	1,333.99
Total past due but not impaired	**3,099.46**	**3,498.78**
Which have significant increase in credit risk	74.32	88.23
Credit impaired	225.76	99.54
Loss allowance	(300.08)	(187.77)
Total	6,730.50	7,746.80

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Movement of loss allowance is as follows:

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning	(187.77)	(266.69)
Impairment loss during the year	(112.31)	78.92
Balance at the end	(300.08)	(187.77)

As at March 31, 2020 the Company's exposure to credit risk for trade receivables and loans are majorly towards industrial customers

Cash and bank balances:

Credit risk on cash and bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Other financial assets:

There is no significant loss allowance for other financial assets.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity of financial liabilities:

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payment and excludes impact of netting arrangements (if any):

As at March 31, 2020

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings from banks and Financial Institutions	8,247.15	4,297.12	3,763.38	186.65	-	-	8,247.15
Trade payables	4,399.26	4,399.26	-	-	-	-	4,399.26
Other current financial liabilities	1,861.38	1,861.38	-	-	-	-	1,861.38

As at March 31, 2019

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
Non-derivative financial liabilities							
Borrowings from banks and Financial Institutions	7,145.75	3,869.16	353.73	2,922.86	-	-	7,145.75
Trade payables	5,112.65	5,112.65	-	-	-	-	5,112.65
Other current financial liabilities	2,185.18	2,185.18	-	-	-	-	2,185.18
Derivative financial liabilities							
Forward exchange contracts used for hedging:							-
Outflow	43.86	43.86	-	-	-	-	43.86

(iii) Market Risk:

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument . The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and borrowings.

(iii) (a) Foreign Currency risk:

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials, and exports of finished goods. The currency in which these transaction are denominated as USD. There are no outstanding balances in any other currency apart from USD. The Company evaluates exchange rate exposure arising from foreign currency transactions.

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The following table analyses foreign currency risk from non derivative financial instruments:

Foreign Currency Risk:

(INR equivalent of USD)

	As at March 31, 2020	As at March 31, 2019
Assets:		
Cash and Bank balances		
- EEFC balance	16.56	117.20
Trade receivables	470.48	101.30
	487.04	**218.50**
Liabilities:		
Trade payables	1,022.63	987.47
Borrowings	3,953.44	3,283.09
Other financial liabilities	28.69	23.33
	5,004.76	4,293.89

Impact on Foreign currency loss/(gain) for the year on Rs. 1/- change in rates are:

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
USD sensitivity	60.45	(60.45)	59.32	(59.32)
EUR sensitivity	0.68	(0.68)	0.34	(0.34)
Impact on Statement of Profit and Loss	61.12	(61.12)	59.66	(59.66)

(iii) (b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relate primarily to the Company's short term borrowing with floating interest rates.

Exposure to interest rate risk:

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows.

	As at March 31, 2020	As at March 31, 2019
Variable rate instruments		
Financial liabilities	8,247.15	7,145.75
	8,247.15	7,145.75

Interest rate Sensitivity:

Impact on Interest Expenses for the year on 1% / 0.5% change in interest rate

	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Impact on Statement on Profit and Loss	8.15	(8.15)	4.90	(4.90)
Impact on Equity, net of tax	6.10	(6.10)	3.19	(3.19)

(iii) (b) Other risk - Impact of COVID-19

As part of its risk assessment process , the Company has considered the possible risk that may result from the pandemic relating to COVID-19 and its impact on the carrying amounts of trade receivables, investments. Financial instruments and effectiveness of its hedges. Based on the management 's analysis of the current indicators of the future economic condition on its business and estimates used it its financials statement, the Company does not foresee any impact in the recoverability of the carrying value of the assets . The risk assessment is a continues process and the Company will continue monitor the impact of the changes in future economic conditions on its business .

Note 38: Capital management:

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes borrowings.

The Company monitors capital on the basis of the following gearing ratio.

	As at March 31, 2020	As at March 31, 2019
Total borrowings, net of cash and cash equivalents and other bank balances	6,019.57	5,660.08
Equity	5,667.74	4,851.10
Net debt to equity ratio	1.06	1.17

Note 39: Segment Information:

Ind AS 108 establishes standards for the way to report information on operating segments and related disclosures about products and services, geographic areas, and major customers. The Company operates solely in the business of manufacturing and selling of industrial explosives and its related accessories. The chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is only a single operating segment, no segment disclosures of the Company is presented.

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Note 40: Assets and liabilities related to Employee benefits:

a) Defined contribution plans:

The Company has recognised the following amounts in Note 33 of financial statements :

	As at March 31, 2020	As at March 31, 2019
Provident fund	131.07	121.84
Superannuation and others	63.90	67.84
Total	194.97	189.68

b) Defined Benefit Plans - Gratuity:

The Company has a defined benefit gratuity plan in India governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

Inherent risk:

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following table sets forth the status of the Gratuity plan of the Company and the amounts recognised in the balance sheet and statement of profit and loss:

(i) Amounts recognised in Note 18 and 19 of financial statements:

	As at March 31, 2020	As at March 31, 2019
Present value of funded obligation	284.36	219.60
- Current	57.42	21.21
- Non current	226.94	198.39

(ii) Amounts recognised in Note 33 of financial statements is as follows:

Current service cost	17.43	19.75
Interest on net defined benefit liability/(asset)	15.61	18.15
Total	33.04	37.90

(iii) Amounts recognised in Other Comprehensive Income is as follows:

Opening amount recognized in OCI outside Statement of Profit and Loss	(47.75)	-
Remeasurements during the period due to:		
Changes in financial assumptions	45.90	(47.75)
Total	(1.85)	(47.75)

(iv) Reconciliation of opening and closing balances of the present value of obligations:

Opening defined benefit obligation	219.60	254.62
Current service cost	17.43	19.75
Interest cost	15.61	18.15
Remeasurements due to:		
Changes in financial assumptions	45.90	(47.75)
Benefits paid	(14.17)	(25.17)
Closing defined benefit obligation	284.36	219.60

(v) Reconciliation of opening and closing balances of the fair value of plan assets:

Opening fair value of plan assets	-	-
Employer contributions	14.17	25.17
Benefits paid	(14.17)	(25.17)
Closing fair value of plan assets	-	-

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(vi) Sensitivity Analysis:

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 1%.

	As at March 31, 2020	
	Increase	Decrease
Discount rate (1% Movement)	(15.55)	16.38
Expected salary growth (1% Movement)	16.27	(15.59)

	As at March 31, 2019	
	Increase	Decrease
Discount rate (1% Movement)	(13.39)	15.08
Expected salary growth (1% Movement)	13.92	(12.60)

(vii) Principal actuarial assumptions used:

	As at March 31, 2020	As at March 31, 2019
Discount rates	6.80%	7.47%
Expected salary increase rates	7.00%	7.00%
Attrition rate	3.00%	3.00%
Retirement age	58 Years	58 Years

The discount rate is based on the prevailing market yields on Indian government securities as at the balance sheet date from the estimated term of the obligations. The estimates of future salary increase considered in the actuarial valuation take into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Assumptions regarding future mortality and experience are set in accordance with published rates under Indian assured life's mortality 2006-2008 ultimate.

(viii) Expected future cash flows:

The expected future cash flows in respect of gratuity as at Balance sheet dates were as follows (undiscounted):

	As at March 31, 2020	As at March 31, 2019
March 31, 2021	57.41	21.21
March 31, 2022	31.54	38.33
March 31, 2023	32.19	6.63
March 31, 2024	32.57	27.00
March 31, 2025	26.81	19.84
Thereafter	269.18	78.71

(ix) As at March 31, 2020, the weighted average duration of the defined benefit obligation is 5.67 years. (March 31, 2019 : 10 years)

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Note 41: Related Party Disclosures:

a) Names of related parties and description of relationship

(a) List of related parties where control exists		
Ultimate Holding Company		Amas Holding SPF
Holding Company		GOCL Corporation Limited
(b) Other related parties where transactions have taken place during the year/balances exists at year end		
(i) Key Managerial Personnel		
	1	Mr. Debabrata Sarkar Chairman
	2	Mr. S.Pramanik Managing Director
	3	Ms. Kanchan Chitale Independent Director
	4	Mr.Biswanath Pan Independent Director (Resigned w.e.f. Sep 11, 2019)
	5	Mr. Tapas Kumar Nag Independent Director (Appointed w.e.f. Sep 25, 2019)
	6	Mr. Sudhanshu Tripathi Non Executive Director
	7	Mr. Ravi Jain Chief Financial Officer and Company Secretary
(ii) Fellow Subsidiaries	1	Gulf Oil Lubricants India Limited
	2	Ashok Leyland Limited

b) Transactions with related parties:

	Year ended March 31, 2020	Year ended March 31, 2019
i) Holding Company - GOCL Corporation Limited		
Sales		
a) Traded goods	31.40	13.42
b) Raw Material	0.91	1.27
c) Milk	20.37	18.12
d) Marketing fee	571.86	584.60

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Purchases of		
a) Traded goods	1,877.16	1,714.72
b) Export Licences	40.54	54.02
Expenses		
a) Commission on Corporate guarantee	42.13	44.40
b) IT & Infrastructure facilities fee	48.00	48.00
c) Managerial services fee	150.17	126.72
d) MCD expenses	25.77	58.06
e) Live stock maintenance	0.36	0.36
f) Interest on ICD	325.17	324.35
Dividend Paid		
a) on Equity share capital	-	904.48
ii) Gulf Oil Lubricants India Limited		
a) Purchases	13.15	9.20
iii) Ashok Leyland Limited		
Purchase of capital goods	297.10	267.45
iv) Directors - Sitting fees	15.90	16.40

Note:
(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
(ii) The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors.

c) 'The Company has the following dues from / to related parties:

	As at March 31, 2020	As at March 31, 2019
Amounts payable to Holding Company - GOCL Corporation Limited		
a) against purchases	754.82	837.32
b) against interest accrued on ICD	292.72	145.56
c) against ICD	3,103.87	3,103.87
d) against Equity share capital	786.50	786.50
e) against Equity share capital - Premium	1,724.25	1,724.25
f) against Corporate guarantee- taken	-	4,440.00
Amounts payable to - Gulf Oil Lubricants India Limited		
a) against purchases	-	0.96
Amounts recievable from - Ashok Leyland Limited		
a) advance against purchase of capital goods	4.33	35.02

IDL Explosives Limited
Notes forming part of the financial statements (continued)
All amounts are in Indian Rupees lakhs, except share data and where otherwise stated

Note 42: Contingent liabilities and commitments (to the extent not provided for):

	As at March 31, 2020	As at March 31, 2019
(I) Contingent liabilities		
Claims against the company not acknowledged as debt:		
- Service tax	-	13.48
- Sales Tax	36.43	34.20
- Entry Tax	29.18	34.06
(II) Capital and other commitments		
Estimated amounts of contracts remaining to be executed on capital account [net of Capital advance Rs. Rs.124.93 (March 31, 2019: Rs. 90.32)]	305.50	248.69

The Company has a process whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that there are no material foreseeable losses on such long term contracts which needs to be provided for in the books of account.

The Company has reviewed all its pending litigations including legal proceedings initiated in the ordinary course of business. The Company does not expect the outcome of these proceedings to have a material or adverse effect on its financial position and accordingly no adjustment in respect thereof is expected.

On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has assessed the impact of the matter and concluded that there is no material impact on the financial statements, for the year ended 31 March 2019. However, considering that there are numerous interpretative issues relating to retrospective application of this judgement, the Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject.

Note 43: Operating Leases:
Lease payments made under operating leases aggregating to Rs.208.49lakhs (March 31, 2019: Rs 182.99 lakhs) have been recognized as an expense in the Statement of Profit and Loss. The company does not have any non cancellable operating leases

Note 44: Earning per share (EPS):

	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Profit for the year	820.16	1,879.48
b. Weighted average number of equity shares of Rs. 10/- each outstanding as at beginning and end of the	78,65,000	78,65,000
Earnings per Share		
c. Basic and Diluted - [a]/[b] - (Rs.)	10.43	23.90

S R & Associates LLP Chartered Accountants

IDL Explosives Limited Hyderabad

All amounts are in Indian Rupees lakhs, except share data and where otherwise stated

Note 45: Corporate Social Responsibility (CSR):

As per section 135 of the Companies Act, 2013, a Corporate Social responsibility (CSR) Committee has been formed by the Company. The proposed areas for CSR activities, as per the CSR policy of the Company are promotion of education, rural development activities, medical facilities, employment and ensuring environmental sustainability which are specified in Schedule VII of the Companies Act, 2013. Expenditure incurred under Section 135 of the Companies Act, 2013 on CSR activities are as below:

	For the year ended March 31, 2020	For the year ended March 31, 2019
Amount required to be spend	48.38	38.28
Amount spent:		
(i) Construction/acquisition of any asset	32.95	30.30
(ii) On purposes other than (i) above	15.00	7.00
Total amount spent	47.95	37.30

Note 46: Other notes:

During the year ended March 31, 2020, the Government has announced key changes to corporate tax rates wherein existing domestic companies have been provided an option to pay income tax at concessional tax rate of 22% along with applicable surcharge and cess without availing specified deductions, incentives and tax holidays and the company will also not be liable to pay MAT.

The management has reviewed the projections of tax outflows post the above mentioned amendment to opt the best suitable tax structure basis the lower tax outflows under both new and existing tax structure. Based on the internal assessments, the management has decided to opt new tax structure having least tax outflows as compared to existing tax structure.

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm registration number: 116231W/ W-100024

Hemant Maheshwari
Partner
Membership number: 096537

Place: Hyderabad
Date: June 22, 2020

for and on behalf of the Board of Directors

IDL Explosives Limited
CIN No. U28132TG2010PLC070529

Subhas Pramanik
Managing Director
DIN: 00020414

Debabrata Sarkar
Chairman
DIN:02502618

Ravi Jain
Chief financial officer and
Company secretary