

# 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 2022, 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 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 2022, and its 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 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 auditors' report thereon.

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

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



## **Management's and Board of Directors' Responsibilities 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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<sup>20</sup> 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 made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.





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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 42 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**Report on Other Legal and Regulatory Requirements (continued)**

- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 48 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 48 to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material mis-statement.
- (e) The Company has neither declared nor paid any dividend during the year.

With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid or provided for any managerial remuneration during the current year to its directors. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Associates LLP**

*Chartered Accountants*

ICAI Firm's Registration No. 116231W/W - 100024

*J Shyamalee*

**Jhahanwija Shyamsukha**

*Partner*

Membership No. 064550

ICAI UDIN: 22064550AIVEIQ5077

Place: Hyderabad

Date: 12 May 2022



**Annexure A to the Independent Auditor's Report of even date on the financial statements of IDL Explosives Limited**

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

- (i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)(a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.





**Annexure A to the Independent Auditor's Report on the Financial Statements of IDL explosives Limited for the year ended 31 March 2022 (continued)**

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year, since effective 1 July 2017 these statutory dues have been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to GST, Central Sales Tax or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

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	2015-16	18.99	-
		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	-

As explained to us, the Company did not have any disputed statutory dues on account of Provident fund, Employees State of Insurance and Duty of Customs.

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year. Further, the Company did not have any outstanding loans or borrowings from any other lender during the year.

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**Annexure A to the Independent Auditor's Report on the Financial Statements of IDL explosives Limited for the year ended 31 March 2022 (continued)**

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
  - (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
  - (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
  - (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under Companies Act, 2013).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer during the year (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



**Annexure A to the Independent Auditor's Report on the Financial Statements of IDL explosives Limited for the year ended 31 March 2022 (continued)**

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and (b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 116231W/W – 100024



**Jhahanwijha Shyamsukha**

Partner

(Membership No. 064550)

ICAI UDIN: 22064550AIVEIQ5077

Place: Hyderabad  
Date: 12 May 2022



**Annexure B to the Independent Auditors' report on the financial statements of IDL Explosives Limited for the year ended 31 March 2022.**

**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 2(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 2022 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 2022, 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 of IDL Explosives Limited for the year ended 31 March 2022 (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's Registration No. 116231W/W - 100024



**Jhahanwijha Shyamsukha**

*Partner*

(Membership No. 064550)

ICAI UDIN: 22064550AIVEIQ5077

Place: Hyderabad

Date: 12 May 2022



**IDL Explosives Limited**

**Balance Sheet as at March 31, 2022**

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

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,021.59	5,242.44
Capital work-in-progress	3	290.91	206.47
Goodwill	4	105.63	105.63
Other intangible assets	5	9.29	11.10
<b>Financial assets</b>			
Other non-current financial assets	7	256.66	149.26
Other non-current assets	8	126.38	68.33
<b>Total non-current assets</b>		<b>5,810.46</b>	<b>5,783.23</b>
<b>Current assets</b>			
Inventories	9	14,537.20	4,184.70
<b>Financial assets</b>			
(i) Trade receivables	10	5,304.73	3,428.23
(ii) Cash and cash equivalents	11	36.80	1,528.50
(iii) Bank balances other than (ii) above	12	6,941.19	645.20
(iv) Other current financial assets	7	53.29	156.48
Income tax assets (net)	20	269.98	118.87
Other current assets	8	3,471.64	1,219.53
<b>Total current assets</b>		<b>30,614.83</b>	<b>11,281.51</b>
<b>Total assets</b>		<b>36,425.29</b>	<b>17,064.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	786.50	786.50
Other equity	14	5,467.09	5,374.51
<b>Total equity</b>		<b>6,253.59</b>	<b>6,161.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial Liabilities</b>			
Borrowing	15	3,009.88	3,150.58
Provisions	17	207.30	245.19
Deferred tax liabilities, net	19	279.11	265.65
<b>Total non-current liabilities</b>		<b>3,496.29</b>	<b>3,661.42</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	25	14,372.87	3,097.10
(ii) Trade payables	26		
- total outstanding dues of micro enterprises and small enterprises		107.30	42.47
- total outstanding dues of creditors other than micro enterprises and small enterprises		9,904.54	2,438.47
(iii) Other current financial liabilities	16	2,055.58	1,478.58
Other liabilities	24	113.22	79.78
Provisions	18	121.90	105.91
<b>Total current liabilities</b>		<b>26,675.41</b>	<b>7,242.31</b>
<b>Total equity and liabilities</b>		<b>36,425.29</b>	<b>17,064.74</b>
<b>Corporate information and significant accounting policies</b>		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



**Jhahanwija Shyamsukha**

Partner

Membership number: 064550

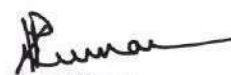
Place: Hyderabad

Date: May 12, 2022

for and on behalf of the Board of Directors

**IDL Explosives Limited**

CIN No. U28132TG2010PLC070529



**Pankaj Kumar**  
Managing Director  
DIN: 08460825



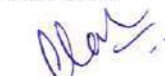
**Ravi Jain**  
Chief financial officer

Place: Hyderabad

Date: May 12, 2022



**Debabrata Sarkar**  
Chairman  
DIN: 02502618



**Mahesh Inani**  
Company secretary

IDL Explosives Limited

Statement of Profit and loss for the year ended March 31, 2022

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

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>1. Income</b>			
Revenue from operations	27	39,538.41	33,927.85
Other income	28	465.65	425.08
<b>Total income</b>		<b>40,004.06</b>	<b>34,352.93</b>
<b>2. Expenses</b>			
Cost of materials consumed	29	30,480.09	23,505.45
Purchases of Stock-in-Trade	30	1,343.52	1,386.61
Changes in inventories of finished goods and work-in-progress	31	(210.52)	249.19
Employee benefits expense	32	2,435.32	2,411.45
Finance costs	33	564.36	712.00
Depreciation and amortisation expense	34	470.61	476.76
Other expenses	35	4,798.64	4,966.05
<b>Total expenses</b>		<b>39,882.02</b>	<b>33,707.51</b>
<b>3. Profit before tax (1-2)</b>		<b>122.04</b>	<b>645.42</b>
<b>4. Tax expense</b>			
a) Current tax	21	27.12	145.97
b) Deferred tax	22	10.66	38.89
<b>Total tax expense</b>		<b>37.78</b>	<b>184.86</b>
<b>5. Profit for the year (3-4)</b>		<b>84.26</b>	<b>460.56</b>
<b>6. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
- Remeasurements gain on the defined benefit plans		11.12	13.03
(ii) Income tax relating to items that will not be reclassified to profit or loss			
- Remeasurements loss on the defined benefit plans	23	(2.80)	(3.27)
<b>Total other comprehensive income</b>		<b>8.32</b>	<b>9.76</b>
<b>7. Total comprehensive income for the year (5+6)</b>		<b>92.58</b>	<b>470.32</b>
<b>8. Earnings per equity share (Face value of Rs.10/- each)</b>			
Basic & Diluted (Rs.)	43	1.07	5.86
<b>Corporate information and significant accounting policies</b>	<b>1 &amp; 2</b>		

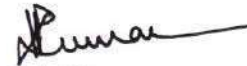
The notes referred to above form an integral part of the financial statements

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



Jhahanwijha Shyamsukha  
Partner  
Membership number: 064550

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



Pankaj Kumar  
Managing Director  
DIN: 08460825



Debabrata Sarkar  
Chairman  
DIN:02502618



Ravi Jain  
Chief financial officer  
Place: Hyderabad  
Date: May 12, 2022



Mahesh Inani  
Company secretary

Place: Hyderabad  
Date: May 12, 2022



**IDL Explosives Limited**

**Statement of changes in equity for year ended March 31, 2022**

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

A. Equity share capital	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	78,65,000	786.50	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	78,65,000	786.50

**B. Other Equity**

	Other Equity			Total
	Retained earnings	Securities Premium	Other comprehensive income - Equity portion of other financial instruments	
<b>Balance at March 31, 2020</b>	2,231.61	1,724.25	925.38	4,881.24
Profit for the year	460.56	-	-	460.56
Remeasurement of net defined benefit liability/asset, net of tax effect	9.76	-	-	9.76
Dividends	(117.98)	-	-	(117.98)
Fair valuation of inter corporate deposits	-	-	109.80	109.80
Deferred tax on fair valuation of inter corporate deposits	-	-	31.13	31.13
<b>Balance at March 31, 2021</b>	<b>2,583.95</b>	<b>1,724.25</b>	<b>1,066.31</b>	<b>5,374.51</b>
Profit for the year	84.26	-	-	84.26
Remeasurement of net defined benefit liability/asset, net of tax effect	8.32	-	-	8.32
<b>Balance at March 31, 2022</b>	<b>2,676.53</b>	<b>1,724.25</b>	<b>1,066.31</b>	<b>5,467.08</b>

Refer note 14 for nature and purpose of reserves

As per our report of even date attached

for B S R & Associates LLP

Chartered Accountants

ICAI Firm registration number: 116231W/ W-100024



Jhahanwijha Shyamsukha

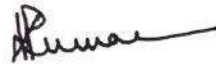
Partner

Membership number: 064550

for and on behalf of the Board of Directors

IDL Explosives Limited

CIN No. U28132TG2010PLC070529



Pankaj Kumar

Managing Director

DIN: 08460825



Debabrata Sarkar

Chairman

DIN:02502618



Ravi Jain

Chief financial officer



Mahesh Inani

Company secretary

Place: Hyderabad

Date: May 12, 2022

IDI Explosives Limited

Statement of Cash Flow for the year ended March 31, 2022

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

	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>(A) Cash flow from operating activities</b>		
Profit before tax	122.04	645.42
Adjustments for:		
Depreciation and amortisation	470.61	476.76
Loss on sale/write-off of property, plant and equipment	4.06	16.80
Interest income	(120.65)	(94.45)
Finance costs	564.36	712.00
Provisions no longer required written back	(141.73)	(106.24)
Bad debts written off	21.27	-
Unrealized loss/(gain) on foreign exchange fluctuations (net)	(110.92)	(17.61)
Operating profit before working capital changes	809.04	1,632.68
Adjustments for changes in working capital:		
- (Increase)/ Decrease in trade receivables and financial/ non-financial assets	(3,947.70)	3,052.96
- (Increase)/Decrease in inventories	(10,352.51)	448.29
- Increase/(Decrease) in trade payables, other current liabilities and provisions	8,133.79	(1,650.94)
Cash (used in)/ generated from operating activities	(5,357.38)	3,482.99
Income tax paid (net)	(178.23)	(155.69)
Net cash (used in)/ generated from operating activities	(5,535.61)	3,327.30
<b>(B) Cash flow from investing activities</b>		
Acquisition of property, plant & equipment (including capital advances)	(264.68)	(315.31)
Proceeds from sale of property, plant and equipment	1.11	1.83
Interest received	114.43	87.75
Investments in bank deposits	(19,459.81)	(16,246.89)
Redemption/maturity of bank deposits	13,059.50	15,498.05
Net cash flow used in investing activities	(6,549.45)	(974.57)
<b>(C) Cash flow from financing activities</b>		
Repayment of long- term borrowings	(294.15)	(457.22)
Proceeds/(repayment) of working capital borrowings	11,283.96	(1,564.92)
Finance costs paid	(396.45)	(888.61)
Dividends paid	-	(117.98)
Net cash flow generated from / (used in) financing activities	10,593.36	(3,028.73)
Net decrease in cash and cash equivalents	(1,491.70)	(676.00)
Cash and cash equivalents at the beginning of the year	1,528.50	2,204.50
Cash and cash equivalents as at the end of the year (refer note below)	36.80	1,528.50

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**IDL Explosives Limited**

**Statement of Cash Flow for the year ended March 31, 2022**

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

**Note : Cash and cash equivalents comprise:**

	As at March 31, 2022	As at March 31, 2021
Cash on hand	3.67	3.03
Balance with banks:		
in current accounts	33.13	675.47
in deposit accounts	-	850.00
<b>Cash and cash equivalents included in note 11</b>	<b>36.80</b>	<b>1,528.50</b>

**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.

	Long- term borrowings	Short - term borrowings	Total
As at March 31, 2020	3,950.03	4,297.12	8,247.15
Cash flow changes	(457.23)	(1,564.92)	(2,022.15)
Non-cash changes	(48.08)	-	(48.08)
As at March 31, 2021	3,444.73	2,732.20	6,176.93
Cash flow changes	(294.15)	11,283.96	10,989.81
Non-cash changes	45.95	(22.66)	23.29
As at March 31, 2022	3,196.53	13,993.50	17,190.03

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


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



**Jhahanwijha Shyamsukha**  
Partner  
Membership number: 064550

  
**Pankaj Kumar**  
Managing Director  
DIN: 08460825

  
**Debabrata Sarkar**  
Chairman  
DIN:02502618

  
**Ravi Jain**  
Chief Financial Officer  
Place: Hyderabad  
Date: May 12, 2022

  
**Mahesh Inani**  
Company secretary

Place: Hyderabad  
Date: May 12, 2022

## IDL Explosives Limited

### Notes to the financial statements for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

#### 1 Company Overview

##### 1.1 Company information:

IDL Explosives Limited (the 'Company') is a Company domiciled in India, with its registered office situated at IDL Road, Kukatpally, Hyderabad - 500 072, 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. Basis of preparation and 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 on a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, March 31, 2022

c) The financial statements were authorised for issue by the Company's Board of Directors on May 12, 2022

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 (Refer accounting policy regarding financial instruments)
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

###### D. Use of estimates and judgement:

The preparation of these financial statements is in conformity with the recognition and measurement principles of Ind AS which requires the management to make judgements, 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 areas of assumptions, estimation uncertainty and judgements in applying accounting policies that have the 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.





**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.

#### 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:

Foreign currency transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resultant exchange differences are recognised in the statement of profit and loss unless it relates to a long term foreign currency monetary item.

Non-monetary assets are recorded at the rate prevailing on the date of the transaction.

#### 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.

**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.



**IDL Explosives Limited**

**Notes to the financial statements for the year ended March 31, 2022**

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

**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.

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.

**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. Leases:**

Company as a lessee:

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life or the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the 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.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit to the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Company as a lessor:

Leases where the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease rentals under operating leases are recognized as income on a straight-line basis over the lease term.





**g. 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.

**h. 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.

**i. 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.

**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.





## IDL Explosives Limited

### Notes to the financial statements for the year ended March 31, 2022

(All amounts in Indian Rupees in lakhs, except for share data or as otherwise stated)

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.

#### Short-term employee benefits

All employee benefits expected to be settled wholly within twelve months from the reporting date are classified as short term employee benefits. An employee who has rendered services to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense or as required under Ind AS 19 which permits the inclusion of the benefits in the cost to be recognised as an asset. Benefits such as salaries, wages and bonus etc. are recognised in the statement of profit and loss in the period in which the employee renders the related service.

A liability is recognised for the amount expected to be paid after deducting any amount already paid under short-term cash bonus or profit-sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably. If the amount already paid exceeds the undiscounted amount of the benefits, the Company recognises that excess as an asset / prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

#### 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.

#### j. Revenue

The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application being included in retained earnings.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods and Service Taxes (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

#### Sale of goods:

The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms, and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Export incentives are accounted for to the extent considered recoverable by the management.

#### Sales of services:

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

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.

The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

#### k. Recognition of interest income and dividend:

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

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

#### l. 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.

**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.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The Company recognizes MAT credit available as deferred tax asset only when there is convincing evidence that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**m. 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.

**n. 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 contingent 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.

**o. 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.

**p. Statement of Cash Flow:**

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.

**q. 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.

**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 effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

**Ind AS 16 - Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 109 - Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 106 - Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



IDL Explosives Limited

Notes forming part of the financial statements

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

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
<b>I. Cost or deemed cost</b>									
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
Additions	-	3.90	826.78	0.35	2.30	-	4.68	838.01	416.25
Disposals	-	(2.85)	(126.55)	(0.93)	(14.49)	(4.27)	(2.00)	(151.09)	-
Capitalisation	-	-	-	-	-	-	-	-	(838.01)
Balance as at March 31, 2021	18.58	1,212.58	5,544.27	28.00	38.83	138.27	43.43	7,023.97	206.47
Additions	-	89.01	142.51	0.46	8.13	-	9.64	249.75	334.19
Disposals	-	-	(31.20)	-	-	(4.45)	-	(35.65)	-
Capitalisation	-	-	-	-	-	-	-	-	(249.75)
Balance as at March 31, 2022	18.58	1,301.59	5,655.58	28.46	46.96	133.82	53.07	7,238.06	290.91
<b>II. Accumulated depreciation</b>									
Balance as at March 31, 2020	-	137.96	1,181.68	14.88	32.42	48.07	28.13	1,443.14	-
Depreciation for the year	-	45.86	388.32	4.26	6.36	18.45	7.60	470.85	-
Disposals	-	(2.52)	(108.39)	(0.91)	(14.39)	(4.27)	(1.98)	(132.46)	-
Balance as at March 31, 2021	-	181.30	1,461.61	18.23	24.39	62.25	33.75	1,781.53	-
Depreciation for the year	-	46.69	389.07	3.69	4.85	15.47	5.65	465.42	-
Disposals	-	-	(26.03)	-	-	(4.45)	-	(30.48)	-
Balance as at March 31, 2022	-	227.99	1,824.65	21.92	29.24	73.27	39.40	2,216.47	-
<b>Net Carrying Amount</b>									
Balance as at March 31, 2021	18.58	1,031.28	4,082.65	9.77	14.44	76.02	9.68	5,242.44	206.47
Balance as at March 31, 2022	18.58	1,073.60	3,830.92	6.54	17.72	60.55	13.67	5,021.59	290.91

Notes:

- (i) Refer to note 15 and 25 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. 41 (II)
- (iii) Capital Work in progress mainly comprises of pump trucks.





Capital work-in-progress

	As at March 31, 2022	As at March 31, 2021
Opening Balances	206.47	628.23
Additions	334.19	416.25
Capitalised during the year	(249.75)	(838.01)
Closing Balance	<b>290.91</b>	<b>206.47</b>

CWIP ageing schedule

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	178.03	4.79	21.93	86.16	290.91
Projects temporarily suspended	-	-	-	-	-
	178.03	4.79	21.93	86.16	290.91

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	68.41	51.94	17.62	68.50	206.47
Projects temporarily suspended	-	-	-	-	-
	68.41	51.94	17.62	68.50	206.47

CWIP projects whose completion is overdue or cost has exceeded

As at March 31, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress *	55.69	1.00	-	80.22	136.91
Projects temporarily suspended	-	-	-	-	-
	55.69	1.00	-	80.22	136.91

As at March 31, 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.00	-	11.68	68.50	81.18
Projects temporarily suspended	-	-	-	-	-
	1.00	-	11.68	68.50	81.18

\* This includes Rs.80.22 relating to purchase of Tilda Land awaiting clearances from Government of Chattisgarh. The project is expected to be completed within next one year.



**IDL Explosives Limited**

**Notes forming part of the financial statements**

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

**4. Goodwill**

	As at March 31, 2022	As at March 31, 2021
Cost or deemed cost (Refer note below)	105.63	105.63
	105.63	105.63

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

Impairment testing for cash generating unit containing goodwill.

The Company has identified and noted that there are no reportable segments as the CGUs other than explosive segment. For the purpose of impairment testing, goodwill is allocated to the Company's operating division which represents the lowest level within the Company at which goodwill is monitored for internal management purposes, which is not higher than the Company's operating segment. The goodwill (with indefinite life) acquired through business combination has been allocated to "Explosives" segment of the Company. The carrying amount of goodwill as at 31 March 2022 is 105.63 lakhs (31 March 2021: 105.63 lakhs).

Following key assumptions were considered while performing impairment testing:

Annual growth rate for 5 years (Average): 5% (Previous Year: 5%)  
 Terminal value growth rate: 4.8% (Previous Year: 4.8%)  
 Budgeted EBITDA growth rate: 5% (Previous Year: 5%)  
 Weighted average cost of capital % (WACC) post tax: 6.12% (Previous Year: 7.33%)

The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on the management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

Weighted average cost of capital % (WACC) = Risk free return + (Market premium x Beta for the Company). The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value. Accordingly, no impairment charges were recognised for FY 2021-2022.

**5. Other intangible assets**

	Software
<b>I. Cost or deemed cost</b>	
Balance as at April 1, 2020	34.86
Additions	-
Disposals	-
Balance as at March 31, 2021	34.86
Balance as at April 1, 2021	34.86
Additions	3.38
Disposals	(0.71)
Balance as at Mar 31, 2022	37.53
<b>II. Accumulated Amortisation and impairment</b>	
Balance as at April 1, 2020	17.85
Amortisation for the year	5.91
Balance as at March 31, 2021	23.76
Balance as at April 1, 2021	23.76
Amortisation for the year	5.19
Disposals	(0.71)
Balance as at Mar 31, 2022	28.24
<b>Net Carrying Amount</b>	<b>Software</b>
Balance as at March 31, 2021	11.10
Balance as at Mar 31, 2022	9.29





**IDL Explosives Limited****Notes forming part of the financial statements**

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

**6. Non Current Investments**

	As at March 31, 2022	As at March 31, 2021
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
<b>7. Other financial assets</b> <b>(Unsecured considered good)</b> <b>Non-Current</b>		
<b>Security deposits</b>		
- Secured, considered good	4.95	-
- Credit impaired	41.89	69.39
	46.84	69.39
Less : Loss Allowance	(41.89)	(69.39)
	4.95	-
Bank deposits due to mature after 12 months of the reporting date *	251.61	147.29
Interest on bank deposits due to mature after 12 months of the reporting date *	0.10	1.97
	<b>256.66</b>	<b>149.26</b>
*Represents deposits held as Margin money		
<b>Current</b>		
<b>Security deposits</b>		
- Secured, considered good	21.45	124.85
- Credit impaired	-	20.78
	21.45	145.63
Less : Loss Allowance	-	(20.78)
	21.45	124.85
Interest accrued on deposits	28.75	20.66
Claims receivable	3.09	3.10
Other receivable	-	7.87
	<b>53.29</b>	<b>156.48</b>

1. The Company's exposure to credit and currency risks, and loss allowances related to Other financial assets are disclosed in Note 36
2. Refer note 25 for details of current assets hypothecated against borrowings of the Company.
3. There are no amounts due from directors or entities in which directors are interested.



IDL Explosives Limited

Notes forming part of the financial statements

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

8. Other assets

	As at March 31, 2022	As at March 31, 2021
<b>Non-current (Unsecured considered good)</b>		
Capital advances	60.78	-
Other than capital advances		
- Prepayments	16.55	19.28
- Balances with government authorities	49.05	49.05
	<u>126.38</u>	<u>68.33</u>
<b>Current (Unsecured considered good):</b>		
Prepayments	34.17	35.24
Balances with government authorities	2,587.04	229.51
Advances to employees	5.62	6.47
Advances to Suppliers and Service providers		
- Unsecured, considered good	844.81	948.31
- Unsecured, considered doubtful	-	47.97
Less : Loss allowances	-	(47.97)
	<u>3,471.64</u>	<u>1,219.53</u>
<b>9. Inventories</b>		
Raw materials	13,281.32	2,233.43
Raw materials in transit	106.82	979.38
Work-in-progress	468.34	370.67
Finished goods	185.73	183.54
Stock-in-Trade	138.74	102.57
Stock-in-Trade in transit	95.75	21.26
Stores and Spares	131.72	134.73
Packing Material	128.78	159.12
	<u>14,537.20</u>	<u>4,184.70</u>

Note:

1. Refer note 25 for details of current assets hypothecated against borrowings of the Company
2. Amount of write down of inventories to net realisable value amounting to Rs.6.25 lakhs (March 31, 2021: Rs.6.15 lakhs). The write down are included in changes of finished goods.





**IDL Explosives Limited**

**Notes forming part of the financial statements**

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

**10. Trade receivables**

	As at March 31, 2022	As at March 31, 2021
-considered good - Secured	-	111.70
-considered good - Unsecured	5,304.73	3,316.53
-which have significant increase in credit risk	73.12	103.51
Less: Loss allowance	(73.12)	(103.51)
- credit impaired	483.80	488.90
Less: Loss allowance	(483.80)	(488.90)
	<b>5,304.73</b>	<b>3,428.23</b>

**Trade receivables ageing schedule**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	4,553.83	465.18	331.12	107.25	0.49	5,457.87
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables - which have significant increase in credit risk						-
(iv) Disputed Trade Receivables- considered good						-
(v) Disputed Trade Receivables - which have significant increase in credit risk						-
(vi) Disputed Trade Receivables - credit Impaired					403.78	403.78
	4,553.83	465.18	331.12	107.25	404.27	5,861.65
Less: Allowance for doubtful trade receivables		51.20	73.38	28.08	404.26	556.92
Net Trade Receivables						5,304.73

**Trade receivables ageing schedule**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	2,993.04	475.86	134.04	9.85	3.94	3,616.73
(ii) Undisputed Trade Receivables - which have significant increase in credit risk						-
(iii) Undisputed Trade Receivables - which have significant increase in credit risk						-
(iv) Disputed Trade Receivables- considered good						-
(v) Disputed Trade Receivables - which have significant increase in credit risk						-
(vi) Disputed Trade Receivables - credit Impaired					403.91	403.91
	2,993.04	475.86	134.04	9.85	407.85	4,020.64
Less: Allowance for doubtful trade receivables		146.00	33.50	4.91	408.00	592.41
Net Trade Receivables						3,428.23

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in Note 36

For details of current assets hypothecated against borrowings of the Company refer note 25



**IDL Explosives Limited**

**Notes forming part of the financial statements**

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

	As at March 31, 2022	As at March 31, 2021
<b>11. Cash and cash equivalents</b>		
Cash on hand	3.67	3.03
Balances with Banks		
- Current accounts	33.13	675.47
- Deposit accounts (with original maturity of 3 month or less)	-	850.00
	36.80	1,528.50
<b>12. Other Bank balances</b>		
Bank deposits due to mature after 3 months of the original maturity but within 12 months of the reporting date.*	6,941.19	645.20
	6,941.19	645.20

\*Represents deposits held as Margin money





**IDL Explosives Limited**

**Notes forming part of the financial statements**

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

**13. Share capital**

	As at March 31, 2022		As at March 31, 2021	
	No of Shares	Amount	No of Shares	Amount
<b>Authorised :</b>				
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
	<b>1,02,49,000</b>	<b>1,249.00</b>	<b>1,02,49,000</b>	<b>1,249.00</b>

**Issued, subscribed and fully paid up:**

Equity Shares of Rs. 10 each	78,65,000	786.50	78,65,000	786.50
	<b>78,65,000</b>	<b>786.50</b>	<b>78,65,000</b>	<b>786.50</b>

**Notes:**

**i. Rights, preferences and restrictions attached to equity shares:**

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 outstanding at the beginning and at the end of the year:**

	As at March 31, 2022		As at March 31, 2021	
	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	<b>78,65,000</b>	<b>786.50</b>	<b>78,65,000</b>	<b>786.50</b>

**iii. Details of shares held by the Holding Company/ Promoters**

	As at March 31, 2022		As at March 31, 2021	
	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/ Promoter)	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, 2022		As at March 31, 2021	
	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/ Promoter)	78,65,000	100%	78,65,000	100%

v. During the five years ended March 31, 2022, 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.



IDL Explosives Limited

Notes forming part of the financial statements

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

14. Other equity

	As at March 31, 2022	As at March 31, 2021
<b>Securities premium</b>		
Balance at beginning of the year	1,724.25	1,724.25
Add: Additions during the year	-	-
<b>Balance at end of the year</b>	<b>1,724.25</b>	<b>1,724.25</b>
<b>Retained earnings</b>		
Balance at beginning of the year	2,583.95	2,231.61
Add: Profit for the year	84.26	460.56
Items that will not be reclassified subsequently to profit or loss		
- Remeasurement of post employment benefit obligations, net of tax	8.32	9.76
<b>Amount available for appropriations</b>	<b>2,676.53</b>	<b>2,701.93</b>
<b>Less: Appropriations</b>		
Final dividend on equity shares	-	(117.98)
<b>Balance at end of the year</b>	<b>2,676.53</b>	<b>2,583.95</b>
<b>Other comprehensive income</b>		
<b>Equity portion of other financial instruments</b>		
Balance at beginning of the year	1,066.31	925.38
Add: Change in fair value, net of tax	-	140.93
Less: Utilisation	-	-
<b>Total other comprehensive income</b>	<b>1,066.31</b>	<b>1,066.31</b>
<b>Total other equity</b>	<b>5,467.09</b>	<b>5,374.51</b>

**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.

15. Non-current borrowings

**Unsecured**

**Loans**

- from Holding Company

3,009.88                      2,963.93

**Secured**

**Term loans**

- from banks

-                                      186.65

**3,009.88                      3,150.58**





**IDI Explosives Limited****Notes forming part of the financial statements**

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

**Related party Loans****Nature of Security & Terms of Repayment :**

Inter-Corporate Deposit (ICD) of Rs. 3,103.87 Lakhs (As at 31st March 2021: Rs. 3,103.87 Lakhs) obtained from holding company in 2012-13. During the year 2017-18, the loan was mutually agreed to be repaid by April 1, 2021. Subsequently during the year 2020-21, the Company had proposed to extend the repayment date till April 1, 2024 and the same was approved by the holding company vide letter dated August 7, 2020. Interest rate is 8.25% per annum (2020-21: 8.25% to 10.45% per annum). The above ICD has been disclosed at fair value.

**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 34 to 38 equated monthly instalments (moratorium period of 1 to 2 months) from the date of availing respective loan. Rate of interest is in the range of 8.51% - 9.25% (2020-21 : 8.51% - 9.25%) and number of instalments pending for payments to Axis Bank Limited are 10 instalments and all the amounts are repaid to HDFC Bank Limited as at the balance sheet date. The said loans are secured by way of hypothecation of same equipment/commercial vehicles.

**16. Other current financial liabilities**

	As at March 31, 2022	As at March 31, 2021
Payable to capital creditors	149.71	16.04
Forward derivative liability	2.53	-
Payable to customers	1,633.92	1,128.22
Employee payable	191.05	239.64
Security deposits	78.37	94.68
	<b>2,055.58</b>	<b>1,478.58</b>
<b>17. Non current provisions</b>		
Employee benefits		
- Compensated absences	74.98	84.00
- Gratuity (Refer Note 39)	132.32	161.19
	<b>207.30</b>	<b>245.19</b>
<b>18. Current provisions</b>		
Employee benefits		
- Compensated absences	31.89	27.24
- Gratuity (Refer Note 39)	90.01	78.67
	<b>121.90</b>	<b>105.91</b>



IDI Explosives Limited

Notes forming part of the financial statements

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

Income taxes

19. Deferred tax balance

	As at March 31, 2022	As at March 31, 2021
Deferred tax (liabilities)	(279.11)	(265.65)
	(279.11)	(265.65)

2021-22	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	(431.65)	(9.70)	-	-	(441.35)
Remeasurement of defined benefit plan	88.37	(5.52)	-	-	82.85
Provision for doubtful receivables / advances	53.47	(7.45)	-	-	46.02
Indexation benefit on land	4.35	0.44	-	-	4.79
Fair valuation of inter corporate deposits	23.55	11.56	-	-	35.11
Others	(3.73)	-	(2.80)	-	(6.53)
	(265.65)	(10.67)	(2.80)	-	(279.11)

2020-21	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	(414.34)	(17.31)	-	-	(431.65)
Remeasurement defined benefit plan	103.76	(15.39)	-	-	88.37
Provision for Doubtful Receivables / Advances	75.52	(22.05)	-	-	53.47
Indexation benefit on land	4.02	0.33	-	-	4.35
Fair valuation of Intere corporate deposits	(23.12)	15.54	-	31.13	23.55
Others	(0.46)	-	(3.27)	-	(3.73)
	(254.62)	(38.89)	(3.27)	31.13	(265.65)

20. Income tax assets and liabilities

	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net)	269.98	118.87
	269.98	118.87





IDL Explosives Limited

Notes forming part of the financial statements

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

21. Tax Expense

Recognised in statement of profit and loss

	For the Qtr ended December 31, 2021	For the year ended March 31, 2021
<b>Current tax</b>		
In respect of the current year	27.04	139.48
In respect of prior years	0.08	6.49
	<u>27.12</u>	<u>145.97</u>

22. Deferred tax expense/ (Income)

Recognised in statement of profit and loss

- On account of temporary differences between carrying value and corresponding tax bases	10.66	38.89
	<u>10.66</u>	<u>38.89</u>

23. 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	(2.80)	(3.27)
	<u>(2.80)</u>	<u>(3.27)</u>

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

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	122.04	645.42
Income tax expense calculated at 25.168%	30.71	162.44
Tax relating to earlier years	0.08	6.49
Impact of reversal on temporary differences	(23.10)	(48.88)
Effect of expenses that are not deductible in determining taxable profit	19.42	25.92
<b>Income tax expense recognised in profit or loss</b>	<u>27.11</u>	<u>145.97</u>



**IDL Explosives Limited****Notes forming part of the financial statements**

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

	As at March 31, 2022	As at March 31, 2021
<b>24. Other liabilities</b>		
<b>Current</b>		
Advance from customers	76.99	46.37
Statutory remittances (PF, TDS, TCS and ESI etc.)	36.23	33.41
	<u>113.22</u>	<u>79.78</u>
<b>25. Current borrowings</b>		
Secured - at amortised cost		
<b>From banks (refer note below)</b>		
Cash Credit	1,461.42	229.18
Buyers Credit	8,032.08	2,503.02
Loan from Holding Company	4,500.00	-
Current maturities of long term borrowings	186.65	294.15
Interest accrued but not due on borrowings	192.72	70.75
	<u>14,372.87</u>	<u>3,097.10</u>

**Security/Terms and Conditions of Repayment :**

Working capital credit facilities are availed from RBL Bank Limited, State Bank of India, Yes Bank Limited and ICICI Bank Limited. These facilities 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 of 8.50% per annum (2020-21: 8.5% to 12.65%)

Buyer's credit facilities are availed through from Yes bank limited and State Bank of India. The Tenure ranges from 1 day to 153 days and carries an interest rate of 0.39% to 1.18% per annum. These facilities are part of the working capital facilities which are secured by first pari passu charge on entire current assets of the company and second pari passu charge on the fixed assets (movable & immovable) of the Company present and future except those specifically charged to equipment lenders.

**Related party Loans****Nature of Security & Terms of Repayment :**

Inter-Corporate Deposit (ICD) of Rs. 4,500 Lakhs obtained from holding company during the current financial year. The ICD is Unsecured and mutually agreed to be repaid on demand. Interest rate is 8% per annum.





**26. Trade Payables**

	As at March 31, 2022	As at March 31, 2021
<b>Trade Payables</b>		
Dues to micro enterprises and small enterprises	107.30	42.47
Dues to creditors other than micro enterprises and small enterprises	9,904.54	2,438.48
	<b>10,011.84</b>	<b>2,480.95</b>

**Trade payable ageing schedule**

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	107.30	-	-	-	107.30
(ii) Others	9,530.32	80.21	149.33	62.87	9,822.73
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	81.81	-	-	81.81
(v) Unbilled	-	-	-	-	-
	9,637.62	162.02	149.33	62.87	10,011.84

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	42.47	-	-	-	42.47
(ii) Others	2,123.76	196.48	39.77	78.46	2,438.47
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-
(v) Unbilled	-	-	-	-	-
	2,166.23	196.48	39.77	78.46	2,480.95

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, 2021 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, 2022	As at March 31, 2021
(a) The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	107.30	42.47
- 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 36.2 (ii)



**IDLI Explosives Limited**

**Notes forming part of the financial statements**

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

**27. Revenue from operations**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	38,709.49	32,948.91
Service income	796.08	950.82
Other operating revenues	32.84	28.12
	<b>39,538.41</b>	<b>33,927.85</b>

**a. Revenue disaggregation by geography:**

India	38,566.64	32,680.87
Rest of the world	971.77	1,246.98
	<b>39,538.41</b>	<b>33,927.85</b>

**b. Reconciliation of revenue with contract price**

Contract price	39,530.90	33,902.55
Less: Quantity discounts	7.51	25.30
	<b>39,538.41</b>	<b>33,927.85</b>

**c. Changes in contract liabilities:**

Balance at the beginning of the year	46.37	94.30
Less:- Amount recognised as revenue/other adjustments during the year	(46.37)	(94.30)
Add:- Amount received during the year	76.99	46.37
<b>Balance at the end of the year</b>	<b>76.99</b>	<b>46.37</b>

**Expected revenue recognition from remaining performance obligations:**

- within one year	76.99	46.37
- More than one year	-	-
	<b>76.99</b>	<b>46.37</b>

**d. Contract balances:**

Trade receivables	5,304.73	3,428.23
Contract liabilities	76.99	46.37

Trade receivables are non-interest bearing. Contract liabilities include advance from customers.

**e. Performance obligation:**

In relation to information about Company's performance obligations in contracts with customers [refer note 2(j)].

**28. Other income**

<b>Interest income on</b>		
- Deposits with Banks	119.65	93.11
- Others	1.00	1.34
<b>Others</b>		
- Duty drawback on exports	15.57	63.08
- Provisions no longer required written back	141.73	106.24
- Net gain on foreign currency transactions and translation	164.64	111.44
- Claims received	-	0.54
- Miscellaneous income	23.06	49.33
	<b>465.65</b>	<b>425.08</b>

**29. Cost of materials consumed**

Opening stock	3,212.81	3,379.73
Add: Purchases	40,655.42	23,338.53
Less: Closing stock	13,388.14	3,212.81
	<b>30,480.09</b>	<b>23,505.45</b>

**30. Purchases of stock in trade**

Accessories	759.98	683.98
Detonating fuse	215.44	507.86
Boosters	34.57	21.43
Others	333.53	173.34
	<b>1,343.52</b>	<b>1,386.61</b>

**31. Changes in inventories of finished goods and work-in-progress**

<b>Opening Stock:</b>		
-Finished goods	183.54	286.34
-Stock-in-trade	123.83	259.64
-Work-in-progress	370.67	381.25
	<b>678.04</b>	<b>927.23</b>
<b>Closing stock:</b>		
-Finished goods	185.73	183.54
-Stock-in-trade	234.49	123.83
-Work-in-progress	468.34	370.67
	<b>888.56</b>	<b>678.04</b>
<b>Net (Increase)/Decrease</b>	<b>(210.52)</b>	<b>249.19</b>





IDL Explosives Limited

Notes forming part of the financial statements

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

**32. Employee benefits expense**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and wages (including bonus) *	2,103.06	2,116.74
Contribution to provident and other funds	173.95	158.01
Gratuity expense (Refer Note 39)	27.72	35.89
Staff welfare expenses	130.59	100.81
	<b>2,435.32</b>	<b>2,411.45</b>

\* This includes contract labour charges

**33. Finance costs**

Interest expense		
- Interest on bank overdrafts and loans	382.83	535.22
Other borrowing costs	181.53	176.78
	<b>564.36</b>	<b>712.00</b>

**34. Depreciation and amortisation expense**

Depreciation of property, plant and equipment	465.42	470.85
Amortisation of intangible assets	5.19	5.91
	<b>470.61</b>	<b>476.76</b>

**35. Other expenses**

Consumption of stores and spares	163.99	168.10
Processing charges	296.51	248.12
Packing material consumed	796.01	792.44
Power and fuel	869.25	780.39
Rent (Refer note 42)	101.32	68.23
Rates and taxes	76.45	72.99
Insurance	100.68	94.60
Repairs and maintenance		
- Plant and machinery	113.26	102.48
- Buildings	22.96	14.67
Selling commission	23.00	-49.62
Travelling and conveyance	195.19	202.87
Communication cost	13.16	13.92
Distribution expenses	1,477.77	1,882.80
Printing and stationery	15.46	13.91
Professional & consultancy charges	331.73	282.73
Directors' sitting fees (Refer note 40)	24.00	15.20
Loss on sale of property, plant and equipment	4.06	16.80
Corporate social responsibility expenses (Refer note 44)	31.21	41.24
Bad debts written off	21.27	-
Payment to auditors (Refer note below)	19.42	18.61
Miscellaneous expenses	101.94	86.33
	<b>4,798.64</b>	<b>4,966.05</b>

**Notes:**

**Auditors' remuneration and expenses:**

Statutory audit	10.70	10.70
Limited review	4.82	4.82
Tax audit	1.61	1.61
Other services	0.85	0.31
Reimbursement of expenses	1.44	1.17
	<b>19.42</b>	<b>18.61</b>



**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 36: Financial instruments disclosure:****Note 36.1: 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 been no transfers between level 1 , level 2 and level 3 for the years ended March 31, 2022 and March 31, 2021.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at March 31, 2022

		Carrying amount	Fair Value		
		Total Carrying amount - at amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I]	<b>Financial Assets</b>				
A.	<b>Financial assets not measured at Fair value</b>				
	Other non- current financial assets	256.66	-	-	-
	Trade Receivables	5,304.73	-	-	-
	Cash and Cash equivalents	36.80	-	-	-
	Bank balances other than Cash and Cash equivalents	6,941.19	-	-	-
	Other Current Financial Assets	53.29	-	-	-
		<b>12,592.67</b>	<b>-</b>	<b>-</b>	<b>-</b>
II]	<b>Financial Liabilities</b>				
A.	<b>Financial liabilities not measured at Fair value</b>				
	Non-current borrowings	3,009.88	-	-	3,009.88
	Current borrowings	14,372.87	-	-	-
	Trade payables	10,011.84	-	-	-
	Other current financial liabilities	2,055.58	-	-	-
		<b>29,450.17</b>	<b>-</b>	<b>-</b>	<b>3,009.88</b>

For financial assets that are measured at fair value under Level 3, the carrying amounts are equal to the fair values.

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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

As at March 31, 2021

		Carrying amount	Fair Value		
		Total Carrying amount - at amortised cost	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I]	<b>Financial Assets</b>				
A.	<b>Financial assets not measured at Fair value</b>				
	Other non- current financial assets	149.26	-	-	-
	Trade Receivables	3,428.23	-	-	-
	Cash and Cash equivalents	1,528.50	-	-	-
	Bank balances other than Cash and Cash equivalents	645.20	-	-	-
	Other Current Financial Assets	156.48	-	-	-
		<b>5,907.67</b>	-	-	-
II]	<b>Financial Liabilities</b>				
A.	<b>Financial liabilities not measured at Fair value</b>				
	Non-current borrowings	3,150.58	-	-	3,150.58
	Current - borrowings	3,097.10	-	-	-
	Trade payables	2,480.95	-	-	-
	Other current financial liabilities	1,478.58	-	-	-
		<b>10,207.21</b>	-	-	<b>3,150.58</b>

For financial assets that are measured at fair value under Level 3, the carrying amounts are equal to the fair values.

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**IDI 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 36.2: Financial risk management\***

The Company has exposure to the following risks arising from financial instruments

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

**Risk management framework**

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, 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, 2022	As at March 31, 2021
<b>Financial assets that are neither past due nor impaired</b>	<b>3,131.01</b>	<b>1,603.85</b>
Financial assets that are past due but not impaired		
Past due 0-30 days	659.89	854.12
Past due 31-60 days	48.79	343.07
Past due 61-90 days	130.81	150.06
Past due over 90 days	1,334.23	477.13
<b>Total past due but not impaired</b>	<b>2,173.72</b>	<b>1,824.38</b>
Which have significant increase in credit risk	73.12	103.51
Credit impaired	483.80	488.90
Loss allowance	(556.92)	(592.41)
<b>Total</b>	<b>5,304.73</b>	<b>3,428.23</b>





**IDI Explosives Limited****Notes forming part of the financial statements (continued)**

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

**Movement of loss allowance is as follows:**

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	(592.41)	(504.79)
Impairment gain/(loss) during the year	35.49	87.62
Balance at the end	(556.92)	(592.41)

As at March 31, 2022 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 on term loans and excludes impact of netting arrangements (if any):

**As at March 31, 2022**

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities</b>							
Borrowings including interest thereon	17,190.03	14,803.58	3,359.94	-	-	-	18,163.52
Trade payables	10,011.84	10,011.84	-	-	-	-	10,011.84
Other current financial liabilities	2,055.58	2,055.58	-	-	-	-	2,055.58

**As at March 31, 2021**

Contractual cash flows	Carrying value	Less than 1 year	1-2 years	2-5 years	5-10 years	Later	Total
<b>Non-derivative financial liabilities</b>							
Borrowings including interest thereon	6,176.93	3,324.78	457.84	3,367.70	-	-	7,150.32
Trade payables	2,480.95	2,480.95	-	-	-	-	2,480.95
Other current financial liabilities	1,478.58	1,478.58	-	-	-	-	1,478.58

**(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 affect 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.



**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

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

Foreign Currency Risk:	(INR equivalent of USD and EURO)	
	As at March 31, 2022	As at March 31, 2021
<b>Assets:</b>		
Trade receivables	257.43	237.94
	<b>257.43</b>	<b>237.94</b>
<b>Liabilities:</b>		
Trade payables	6,876.62	-
Borrowings	8,032.08	2,503.02
Other financial liabilities	7.45	0.09
	<b>14,916.15</b>	<b>2,503.11</b>

**Sensitivity analysis:**

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

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
USD sensitivity	193.79	(193.79)	31.39	(31.39)
EUR sensitivity	0.34	(0.34)	0.34	(0.34)
Impact on Statement of Profit and Loss	194.13	(194.13)	31.73	(31.73)

**(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, 2022	As at March 31, 2021
<b>Variable rate instruments</b>		
Financial liabilities	17,190.03	6,176.93
	<b>17,190.03</b>	<b>6,176.93</b>

**Interest rate Sensitivity:**

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

	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Impact on Statement on Profit and Loss	46.46	(46.46)	48.66	(48.66)
Impact on Equity, net of tax	34.77	(34.77)	36.41	(36.41)

**Note 37: 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, 2022	As at March 31, 2021
Total borrowings	17,382.75	6,247.68
Less: Cash and cash equivalents and other bank balances	6,977.99	2,173.70
	10,404.75	4,073.98
Equity	6,253.59	6,161.01
Net debt to equity ratio	1.66	0.66

**Note 38: 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 board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance and allocate resources based on an analysis of various performance indicators as a single unit. Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity fall within a single operating segment. Accordingly, the disclosure requirements of Ind AS 108 are not applicable





**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 39: 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, 2022	As at March 31, 2021
Provident fund	121.45	104.48
Superannuation and others	52.50	53.53
<b>Total</b>	<b>173.95</b>	<b>158.01</b>

**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 17 and 18 of financial statements:**

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation	222.33	239.86
- Current	90.01	78.67
- Non current	132.32	161.19

**(ii) Amounts recognised in Note 32 of financial statements is as follows:**

Current service cost	14.58	18.50
Interest on net defined benefit liability/(asset)	13.13	17.39
<b>Total</b>	<b>27.72</b>	<b>35.89</b>

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

Opening amount recognized in OCI outside Statement of Profit and Loss	(14.88)	(1.85)
Remeasurements during the period due to:		
Changes in financial assumptions	(11.12)	(13.03)
<b>Total</b>	<b>(26.00)</b>	<b>(14.88)</b>

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

Opening defined benefit obligation	239.86	284.36
Current service cost	14.58	18.50
Interest cost	13.13	17.39
Remeasurements due to:		
Changes in financial assumptions	(11.12)	(13.03)
Benefits paid	(34.13)	(67.36)
<b>Closing defined benefit obligation</b>	<b>222.33</b>	<b>239.86</b>

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

Opening fair value of plan assets	-	-
Employer contributions	34.13	67.36
Benefits paid	(34.13)	(67.36)
<b>Closing fair value of plan assets</b>	<b>-</b>	<b>-</b>



**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

**(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 0.5%.

	As at March 31, 2022	
	Increase	Decrease
Discount rate	(4.55)	4.77
Expected salary growth	4.74	(4.56)

	As at March 31, 2021	
	Increase	Decrease
Discount rate	(5.62)	5.75
Expected salary growth	5.81	(5.52)

**(vii) Principal actuarial assumptions used:**

	As at March 31, 2022	As at March 31, 2021
Discount rates	6.80%	6.55%
Expected salary increase rates	7.00%	7.00%
Attrition rate	5.96%	4.90%
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 2012-2014 Ult table.

**(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, 2022	As at March 31, 2021
March 31, 2022	90.01	78.67
March 31, 2023	13.67	31.35
March 31, 2024	19.07	13.12
March 31, 2025	22.98	17.43
March 31, 2026	16.77	21.99
Thereafter	153.43	187.21

(ix) As at March 31, 2022, the weighted average duration of the defined benefit obligation is 4.22 years. (March 31, 2021 : 4.72 years)





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 40: Related Party Disclosures:

a) Names of related parties and description of relationship

(a) List of related parties where control exists Ultimate Holding Company Holding Company		Amas Holding SPF 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 (Resigned w.e.f. Sep 28,2021)
	3	Mr. Pankaj Kumar Managing Director (Appointed w.e.f. Sep 28,2021)
	4	Ms. Kanchan Chitale Independent Director
	5	Mr. Tapas Kumar Nag Independent Director
	6	Mr. Sudhanshu Tripathi Non Executive Director
	7	Mr. Ravi Jain Chief Financial Officer
	8	Mr. Mahesh Inani Company Secretary (Appointed w.e.f. March 10,2022)
(ii) Fellow Subsidiaries	1	Gulf Oil Lubricants India Limited
	2	Ashok Leyland Limited

b) Transactions with related parties:

	Year ended March 31, 2022	Year ended March 31, 2021
i) Holding Company - GOCL Corporation Limited		
Sales		
a) Traded goods	-	7.90
b) Service Income		
Milk	13.97	12.41
Marketing fee	608.55	541.95



**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

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Purchases of</b>		
a) Accessories	1,343.52	1,389.04
b) Raw material	-	141.31
c) Export Licences	29.60	58.06
<b>Expenses</b>		
a) IT & Infrastructure facilities fee	48.00	48.00
b) Managerial services fee	214.54	177.93
c) MCD expenses	-	1.27
d) Live stock maintenance	0.36	0.36
e) Interest on ICD	268.89	318.55
f) Rent	-	3.00
<b>Dividend Paid</b>		
a) on Equity share capital	-	117.98
<b>ii) Gulf Oil Lubricants India Limited</b>		
a) Purchase of Base oil and others	13.73	5.72
<b>iii) Directors - Sitting fees</b>	24.00	15.20

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, 2022	As at March 31, 2021
<b>Amounts payable to Holding Company - GOCL Corporation Limited</b>		
a) against purchase of Accessories	654.15	344.26
b) against interest accrued on ICD	184.54	68.61
c) against ICD *	7,603.87	3,103.87
<b>Amounts payable to - Gulf Oil Lubricants India Limited</b>		
a) against purchase of Base oil and others	4.5	-

\* Movement of ICD

Opening Balance	3,103.87	3,103.87
Availed during the year	4,500.00	-
Repaid during the year	-	-
Closing Balance	7,603.87	3,103.87





**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 41: Contingent liabilities and commitments (to the extent not provided for):**

	As at March 31, 2022	As at March 31, 2021
<b>(I) Contingent liabilities</b>		
Claims against the company not acknowledged as debt:		
- Sales Tax	26.18	32.68
- Entry Tax	29.18	29.18
<b>(II) Capital and other commitments</b>		
Estimated amounts of contracts remaining to be executed on capital account [net of Capital advance Rs. NIL (March 31, 2021: Rs. 23.30)]	29.32	23.30

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.

**Note 42: Operating Leases:****a. Leases as lessee**

Lease payments made under operating leases aggregating to Rs. 101.32 lakhs (March 31, 2021: Rs 68.23 lakhs) have been recognized as an expense in the Statement of Profit and Loss. The company does not have any non cancellable operating leases

**b. Leases as lessor**

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying Ind AS 116 'Leases' and amendments to certain Ind AS. The Standard/amendments are applicable to the Company with effect from 1 April 2019.

The Company had leased out its flat in Kolkata for office purposes

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>i) Amount recognised in the statement of profit and loss account</b>		
Income from lease of office included in Other income	-	15.75
<b>ii) Future minimum lease receivables under non cancellable operating lease of flat for office</b>		
0 - 1 Year	-	6.56
1 - 5 Years	-	-
More than 5 Years	-	-

There are no risks associated with any rights the Company retains on the underlying assets.



**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 43: Earning per share (EPS):**

	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Profit for the year	84.26	460.56
b. Weighted average number of equity shares of Rs. 10/- each outstanding as at beginning and end of the year	78,65,000	78,65,000
<b>Earnings per Share</b>		
c. Basic and Diluted - [a]/[b] - (Rs.)	1.07	5.86

**Note 44: 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, 2022	For the year ended March 31, 2021
Gross amount required to be spend by the Company during the year	31.19	41.24
Amount approved by the Board to spend during the year	31.21	41.24
Amount spent during the year	31.21	41.24
<b>Amount spent in cash:</b>		
(i) Construction/acquisition of any asset	13.66	37.16
(ii) On purposes other than (i) above	17.55	4.08
<b>Amount yet to be paid:</b>	-	-
<b>Total amount spent</b>	<b>31.21</b>	<b>41.24</b>

**Details related to spent obligations**

Contribution to Hinduja Foundation	9.00	2.08
Promotion of Education and Skill development	8.55	13.41
Construction of Public Roads	7.08	-
Provision of Drinking water facilities	2.18	-
Construction of Drains and Toilets	4.40	2.00
Funds for welfare of Odisha Weavers community	-	2.00
Health card - Ambulance	-	21.75
<b>Total amount spent</b>	<b>31.21</b>	<b>41.24</b>

**Details of Excess amount spent**

Opening Balance	-	-
Amount required to be spent during the year	31.19	41.24
Amount spent during the year	31.21	41.24
Closing Balance	0.02	0.00





**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

**Details of ongoing CSR projects under section 135(6) of the Act**

		For the year ended March 31, 2022	For the year ended March 31, 2021
Balance as at April 1	With the Company	-	-
	In separate CSR Unspent Account	-	-
Amount required to be spend during the year		31.19	41.24
Amount spent during the year	From the Company's bank account	31.21	41.24
	From separate unspent CSR unspent account	-	-
Balance as at March 31	With the Company	-	-
	In separate CSR Unspent Account	-	-

**Note 45: Impact of COVID-19:**

As a result of the nationwide lockdown imposed by the Government of India, the operations of the Company were temporarily disrupted at its various manufacturing facilities impacting production and dispatches from the second half of March 2020. The Company had resumed operations since last week of April 2020 / first week of May 2020 in compliance with the guidelines issued by respective authorities and is continuing to take adequate precautions for safety and wellbeing of its employees. In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company continues to be vigilant and cautious. The Company has considered the possible impact of COVID-19 in preparation of the financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statements. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.



**IDL Explosives Limited**

**Notes to financial statements for the year ended March 31, 2022**

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

**Note 46 Other Financial Information (Ratios as per the Schedule III requirements)**

**a) Current Ratio = Current Assets divided by Current Liabilities**

	As at and for the period ended March 31, 2022	As at and for the period ended March 31, 2021
Current Asset	30,614.83	11,281.51
Current Liabilities	26,675.41	7,242.31
Ratio	1.15	1.56
% Change from previous period / year	-26%	

Reason for change more than 25%: Increased current assets are funded by Short term Loans

**b) Debt Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current and non-current borrowings.**

Total Debt (D)	17,382.75	6,247.68
Total Equity (E)	6,253.59	6,161.01
Ratio	2.78	1.01
% Change from previous period / year	174%	

Reason for change more than 25%: Increase in short term loans is on account of around threefold increase in the prices of Ammonium Nitrate (Major Raw material).

**c) Debt Service Coverage Ratio = Earnings available for debt services divided by the Total interest and principal repayments**

Profit after tax	84.26	460.56
Add: Non cash operating expenses and finance cost		
- Depreciation and amortizations	470.61	476.76
- Finance cost	564.36	712.00
- Loss on sale/write-off of property, plant and equipment	4.06	16.80
Earnings available for debt service	1,123.29	1,666.12
Interest cost on borrowings	396.45	888.61
Principal repayments	294.15	457.22
Total interest and principal repayments	690.60	1,345.83
Ratio	1.63	1.24
% Change from previous period / year	31%	

Reason for change more than 25%: Interest cost is low due to lower cost on Buyers Credits and Lesser Term loans repayment obligations.

**d) Return on Equity Ratio = Profit after tax divided by Equity**

Profit after Other Comprehensive Income	92.58	470.32
Average Shareholders Equity	6,207.30	5,914.37
Ratio	1.49%	7.95%
Changes in basis points(bps) from year	-646	
% Change from previous period / year	-81%	

Reason for change more than 25%: Reduction in ratio is on account of reduction in quantity of sales due to shortage of raw material (i.e. Ammonium Nitrate) and one time provisions for short supply etc. accounted during the year.

**e) Inventory turnover ratio = Cost of Goods sold divided by Average Inventory**

Cost of Goods sold	31,613.10	25,141.25
Average Inventory	9,360.95	4,408.84
Ratio	3.38	5.70
% Change from previous period / year	-41%	

Reason for change more than 25%: Average inventory has gone up due to increase in closing prices of Ammonium Nitrate by around three times.





**IDL Explosives Limited**

**Notes to financial statements for the year ended March 31, 2022**

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

**f) Trade receivables turnover ratio = Credit sales divided by Average trade receivables**

	As at and for the period ended March 31, 2022	As at and for the period ended March 31, 2021
Revenue from operations	39,538.41	33,927.85
Average Trade Receivables	4,366.48	5,079.36
Ratio	9.05	6.68
% Change from previous period / year	36%	

Reason for change more than 25%: Improved realisation from customers

**g) Trade payables turnover ratio = Credit purchases divided by Average trade payables**

Credit Purchases	47,529.40	30,537.28
Average Trade Payables	6,246.39	3,440.10
Ratio	7.61	8.88
% Change from previous period / year	-14%	

**h) Net capital turnover ratio = Sales divided by Net working capital where net working capital = current assets - current liabilities.**

Revenue from operations	39,538.41	33,927.85
Net working capital (Current assets - Current Liabilities)	3,939.42	4,039.20
Ratio	10.04	8.40
% Change from previous period / year	19%	

**i) Profit ratio = Profit after tax divided by Sales**

Profit after tax	84.26	460.56
Revenue from operations	39,538.41	33,927.85
Ratio	0.21%	1.36%
Changes in basis points (bps) from previous period / year	(114.44)	
% Change from previous period / year	-84%	

Reason for change more than 25%: Reduction in ratio is on account of reduction in quantity of sales due to shortage of raw material (i.e. Ammonium Nitrate) and one time provisions for short supply etc. accounted during the year.

**j) Return on Capital Employed = Earning before interest and taxes divided by Capital Employed**

Earning before interest and taxes	686.40	1,357.42
Tangible Net worth	6,138.67	6,044.28
Total Debt	17,382.75	6,247.68
Deferred tax liability	279.11	265.65
Total Capital Employed	23,800.53	12,557.62
Ratio = Earning before interest and taxes / Capital Employed	2.88%	10.81%
% Change from previous period / year	-73%	

Reason for change more than 25%: Reduction in ratio is on account of reduction in quantity of sales due to shortage of raw material (i.e. Ammonium Nitrate) and one time provisions for short supply etc. accounted during the year.

**k) Return on Investment (ROI) is not applicable as there are no investments made by the company**

**Note 47 Other statutory information**

The MCA wide notification dated March 24, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the financial statements and has also changed comparative numbers wherever applicable.

Previous period figures have been re-grouped / re-classified to conform to below requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April 2021:

- Security deposits regrouped under 'Other financial assets' (Note 7) which were earlier part of 'Loans'
- Current maturities of long term borrowings regrouped under "Current borrowings" (Note 25) which were earlier part of 'Other current financial liabilities' (Note 16)
- Employee payables separately disclosed under the head 'Other current financial liabilities' (Note 16)



**IDL Explosives Limited**

**Notes to financial statements for the year ended March 31, 2022**

(All amounts are in Indian Rupees Lakhs, except share data unless otherwise stated)

**Other Statutory Information:**

- i. The Company do not have any Benami property and neither any proceedings have been initiated or is pending against the Company for holding any Benami property.
- ii. The Company do not have any transactions with companies struck off.
- iii. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- iv. The Company has not been declared a wilful defaulter by any bank or financial institution or any other lender during the current period.
- v. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii. All quarterly returns or statements of current assets are filed by the company with banks or financial institutions and are in agreement with the books of accounts.
- viii. The loan has been utilized for the purpose for which it was obtained and no short term funds have been used for long term purpose.

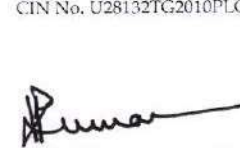
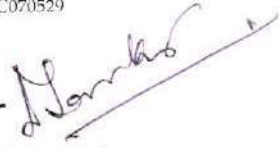
As per our report of even date attached  
for **B S R & Associates LLP**  
Chartered Accountants  
ICAI Firm registration number: 116231W/ W-100024



**Jhahanwijha Shyamsukha**  
Partner  
Membership number: 064550

Place: Hyderabad  
Date: May 12, 2022

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

**Pankaj Kumar**  
Managing Director  
DIN : 08460825

**Debabrata Sarkar**  
Chairman  
DIN:02502618



**Rav Jain**  
Chief financial officer  
Place: Hyderabad  
Date: May 12, 2022



**Mahesh Inani**  
Company secretary