AKSHAY RATHI & ASSOCIATES
CHARTERED ACCOUNTANTS
119, LENDRA PARK, NEAR DR. GOLHOR HOSPITAL, RAMDASPETH, NAGPUR-440 010
PH. : +91-712-2555017

INDEPENDENT AUDITOR'S REPORT

To the Members of

Economic Explosives Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

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Emphasis of Matter

4. "We draw attention to Note 40 in the financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations and financial position of the Company.

   Our opinion is not modified in respect of this matter."

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements.
7. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Carrying value of trade receivables (as described in note 2.2 h (iv) of the Ind AS financial statements)	

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Key audit matters	How our audit addressed the key audit matter
As at March 31, 2020, trade receivable constitutes approximately 11% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables. The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates which is also outlined in note 2.2 h (iv) of the Ind AS financial statements. This is a key audit matter as significant judgement is involved to establish the provision matrix. The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in Notes 7 to the Ind AS financial statements.	Our audit procedures included and were not limited to the following: Assessed the Company's accounting policies relating to impairment of financial assets and compliance with those policies in terms of Ind AS 109 (Financial Instruments). Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss. Assessed management's assumption and judgment relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision. Assessed management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. Reviewed the disclosures made by the Company in the Ind AS financial statements.
Receivables under Package Scheme of Incentives 2007 (PSI)	
The Company was eligible to claim benefits under Package Scheme of Incentives 2007, for the sales tax paid by eligible industrial unit as per Maharashtra Value Added Tax, 2002. From 1 July, 2017, post the implementation of Goods and Service Tax (GST), The Industry, Energy and Labour Department, Government of Maharashtra (Department), issued a notification dated 12 June 2018, which clarified that Units can continue to claim benefit under PSI Scheme by claiming 100% of State GST (SGST) paid by eligible industrial unit. Accordingly, the Company is accruing incentive @100% of SGST paid by the Company in Maharashtra. Total outstanding receivable of PSI incentive as	Our audit procedures included and were not limited to the following: We have read the PSI scheme and assessed the eligibility of the Company to claim incentives. As per the notification issued by The Industry, Energy and Labour Department, Government of Maharashtra relating to continuation of benefits on SGST paid by eligible Units and assessed its impact on Company's eligibility of PSI incentive. We have verified the letter issued to Company by The Industry, Energy and Labour Department, Government

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Key audit matters	How our audit addressed the key audit matter
at 31 March 2020 is INR 20.98 crore. This is a key audit matter as significant judgement is involved to establish the recoverability and the timing of receipt of the above amounts.	of Maharashtra relating to granting of reimbursement of expenses incurred on Provident Fund paid by the eligible Unit. Assessed the historical trend of receiving amounts under PSI Scheme as against the claims filed. Read the correspondences with the government department relating to incentive claims filed by the Company. Evaluated management's assessment of the recoverability of the outstanding receivables and recoverability of the overdue / aged receivables and timing of the receipt through inquiry with management, and analysis of collection trends in respect of receivables.

Other Information

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

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

10. 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.

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

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

14. 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.

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

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our

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auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 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

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

    c) The Balance Sheet, the Statement of Profit and Loss including the statement of other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

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

    e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

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g) In our opinion, the managerial remuneration for year ended Mar 31, 2020 has been paid/ provided by the company to its Directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its Ind AS financial statement. Refer note 30 to the Ind AS financial statements.

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

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

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

RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

Akshay Rathi
Proprietor
Membership No. 161910
UDIN: 20161910AAAABJ2640

Place: Nagpur
Date: July 30, 2020

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

Economic Explosives Limited ("the Company")

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

(b) All property, plant & equipment have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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

ii. The management has conducted physically verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

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

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

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

vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, goods & service tax, income tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

AKSHAY RATHI & ASSOCIATES * CHARTERED ACCOUNTANTS * NAGPUR

b. According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, cess, goods & service tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

c. According to the records of the Company, the dues of income-tax, sales-tax, duty of custom, duty of excise, value added tax, cess and goods & service tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amt under dispute not deposited (Amount in Rs. Crores)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax, 2002	Value Added Tax	2.26	2013-14	Dy Commissioner of Sales Tax Appeal, Nagpur
Central Sales Tax Act, 1956	Central Sales Tax	0.24	2013-14	Dy Commissioner of Sales Tax Appeal, Nagpur

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks or Financial Institution as at the balance sheet date. The Company does not have any outstanding dues in respect of financial institutions, government and debenture holders.

ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments, but has raised money by way of term loans which were applied for the purposes for which they were raised.

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

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.

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

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

xiv. According to the information and explanations given to us and on an overall examination of the

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Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

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

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

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

AKSHAY RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

Akshay Rathi
Proprietor
Membership No. 161910
UDIN: 20161910AAAABJ2640
Place: Nagpur
Date: July 30, 2020

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

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

1. We have audited the internal financial controls over financial reporting of **Economic Explosives Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

AKSHAY RATHI & ASSOCIATES
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Meaning of Internal Financial Controls over Financial Reporting

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

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

   b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

   c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Ind AS financial statements

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

Opinion

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Akshay Rathi
Proprietor
Membership No. 161910

AKSHAY RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

Place: Nagpur
Date: July 30, 2020

Economic Explosives Limited			
Balance Sheet as at March 31, 2020			
(All amounts in Rs. Crores, unless otherwise stated)			
Balance Sheet as at	**Notes**	**March 31, 2020**	**March 31, 2019**
ASSETS			
Non-current assets			
Property, plant and equipment	3A	390.13	342.11
Capital work-in-progress	3A	38.02	31.40
Intangible assets	3B	30.67	27.40
Intangible in progress	3B	10.82	11.09
Financial assets			
Loans	5	0.95	0.80
Other financial assets	6	4.88	3.48
Current tax assets (net)		3.62	0.05
Other non-current assets	9	13.75	11.52
Total non-current assets		**492.84**	**427.85**
Current assets			
Inventories	10	57.20	39.61
Financial assets			
Investments	4	-	-
Trade receivables	7	73.11	67.63
Cash and cash equivalents	8	5.36	2.12
Bank balances other than cash and cash equivalents	8	20.63	19.02
Loans	5	0.35	0.48
Other financial assets	6	15.55	20.91
Other current assets	9	13.69	9.61
Total current assets		**185.89**	**159.38**
Total assets		**678.73**	**587.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	4.80	4.80
Other equity	12	448.57	378.11
Total equity		**453.37**	**382.91**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	75.23	77.98
Deferred tax liabilities	14	24.97	24.34
Total non-current liabilities		**100.20**	**102.32**
Current liabilities			
Financial liabilities			
Borrowings	13	33.96	26.87
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	15	1.71	0.69
b) total outstanding dues of creditors other than micro enterprises and small enterprises	15	17.08	15.59
Other financial liabilities	16	64.66	50.89
Liability for current tax (net)		-	0.31
Other current liabilities	17	5.39	5.25
Provisions	18	2.36	2.40
Total current liabilities		**125.16**	**102.00**
Total liabilities		**225.36**	**204.32**
Total equity and liabilities		**678.73**	**587.23**
Summary of significant accounting policies	2.1		
The accompanying notes form an integral part of the standalone financial statements			

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

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

Akshay Rathi
Proprietor
Membership No.: 161910

AKSHAY RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

S.N. Nuwal
Director

Manish Nuwal
Director

Economic Explosives Limited

Place: Nagpur
Date: July 30, 2020

Place: Nagpur
Date: July 30, 2020

Economic Explosives Limited
Statement of Profit and Loss for the year ended Mar 31, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Continuing operations			
Revenue from operations	19	417.04	364.08
Other income	20	4.99	2.87
Total income		422.03	366.95
Expenses			
Cost of materials consumed	21	119.50	102.60
Purchases of stock-in-trade		85.74	68.06
Changes in inventories of finished goods, stock-in-trade and semi finished goods	22	(14.34)	(0.04)
Employee benefit expenses	23	45.92	37.67
Depreciation and amortization expenses	24	24.06	19.38
Other expenses	25	61.96	54.44
Finance costs	26	13.20	9.62
Total expenses		336.04	291.73
Profit before tax		**85.99**	**75.22**
Tax expense :			
- Current tax	27	17.95	16.86
- Tax in respect of earlier years	27	(0.00)	(0.36)
- Deferred tax	27	(2.09)	7.80
Total tax expense		**15.86**	**24.30**
Profit for the year		**70.13**	**50.92**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements loss on defined benefit plans		0.51	(0.21)
Income tax relating to these iterms		(0.15)	0.07
		0.36	(0.14)
Items that will be reclassified to profit or loss			
Net movement on cash flow Hedges		(0.05)	(0.29)
Income tax relating to these items		0.02	0.10
		(0.03)	(0.19)
Total Other comprehensive income for the year, net of tax		**0.33**	**(0.33)**
Total comprehensive income for the year		**70.46**	**50.59**
Earnings per equity share			
Basic and Diluted earnings per share [Nominal value of Rs.10]	28	146.10	106.08
Summary of significant accounting policies	2.1		

The accompanying notes form an integral part of the standalone financial statements

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

Akshay Rathi
Proprietor
Membership No.: 161910

AKSHAY RATHI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ NAGPUR

Place: Nagpur
Date: July 30, 2020

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

S.N. Nuwal
Director

Manish Nuwal
Director

Economic Explosives Limited

Place: Nagpur
Date: July 30, 2020

Economic Explosives Limited
Statement of cash flows for the period ended March, 2020
(All amounts in Rs. Crores, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flows from operating activities		
Profit before tax	85.99	75.22
Adjustments to reconcile profit before tax to net cash flows:	-	-
Depreciation and ammortisation expense	24.06	19.38
Net loss/(gain)on disposal of property, plant and equipment	0.01	0.97
Profit on sale of financial assets carried at fair value through profit or los	-	(0.31)
Interest income	(1.65)	(1.25)
Other Misc. Income-Non Operating	-	-
Finance costs	13.20	9.62
Impairment loss on trade receivable	0.21	(2.55)
Bad debts written off	0.93	1.70
Loans and advances written off	-	0.11
Fair value changes on derivatives not designated as hedges	-	2.68
Net foreign exchange differences	(1.93)	4.09
Operating profit before working capital changes	**120.82**	**109.66**
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(4.69)	(6.99)
(Increase) in inventories	(17.59)	(4.55)
Increase in trade payables	2.50	3.77
(Increase)/Decrease in other financial assets (excluding derivatives)	2.94	(7.25)
(Increase)/Decrease in other assets (current and non current)	(5.28)	2.64
Increase/(Decrease) in other current liabilities	0.14	1.01
Increase in provisions	0.47	0.70
(Decrease)/Increase in other financial liabilities (excluding derivatives)	0.48	2.31
Cash generated from operations	**99.79**	**101.30**
Less : Income taxes paid	19.24	17.52
Net cash flows from operating activities	**80.55**	**83.78**
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in pro	(78.39)	(72.87)
Proceeds from sale of property, plant and equipment	0.00	0.01
Loans (given) by/ to others	(0.02)	(0.11)
Proceeds from sale/(Purchase) of investments	-	6.46
Investment in fixed deposits	(1.61)	(13.23)
Dividend and interest income received	1.74	1.25
Net cash flows from investing activities	**(78.28)**	**(78.49)**
Cash flows from financing activities		
Proceeds from non-current borrowings	100.00	90.02
Repayment of non-current borrowings	(94.91)	(85.26)
Proceeds from / (Repayment of) current borrowings	6.98	0.74
Interest paid	(11.10)	(9.62)
Net cash flows (used in)/ from financing activities	**0.97**	**(4.12)**
Net increase / (decrease) in cash and cash equivalents	3.24	1.17
Add:-Cash and cash equivalents at the beginning of the year	2.12	0.95
Add:- Cash and cash equivalents on account of merger	-	-
Cash and cash equivalents at end of the year (refer note 8)	**5.36**	**2.12**

The accompanying notes form an integral part of the standalone financial statements

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

per Akshay Rathi
Proprietor
Membership No.- 161910

AKSHAY RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

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

S.N. Nuwal
Director

Manish Nuwal
Director

Economic Explosives Limited

Place : Nagpur
Date: July 30, 2020

Note 1: Corporate Information

Economic Explosives Limited (the 'Company') is a company domiciled in India, with its registered office situated in Nagpur. The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Solar Industries India Limited, which is listed in India. The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives and explosive initiating systems.

Note 2: Significant accounting policies

2.1 Basis of preparation

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

Statement of compliance

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

Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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

2.2 Summary of significant accounting policies

a. Use of estimates

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

b. Property, Plant and Equipment

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

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

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

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

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

c. Intangible assets

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

The estimated useful life of an identifiable intangible asset is based on the useful life as specified in agreement. Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

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Research and development

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

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

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

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

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

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

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

De-recognition of intangible assets.

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

d. Depreciation and amortization

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

Assets	Company's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
Buildings:		
Factory buildings	3 to 60	30
Other buildings	3 to 60	60
Roads (RCC and WBM)	5 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	5 to 20	15 to 20
Electrical installation and Lab equipment	10	10
Furniture and fixtures	10	10
Vehicles	8 to 10	8 to 10
Office equipment and Computers	2 to 6	3 to 6
Transfer of Technology (TOT)	As per Agreement	As per Agreement

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Software	3 to 5	3 to 6
Product development	5	As per Ind AS 38 Intangible Assets

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

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

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

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

f. Borrowing costs

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

g. Leases

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the

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Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

h. Financial instruments

i) Investments and other financial assets

Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- those measured at amortised cost

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

Measurement

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

A. Debt instruments:

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

1. Amortised cost:

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

2. Fair value through profit and loss:

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

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B. Equity instruments:

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

C. De-recognition

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

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

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

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

ii) Financial liabilities

Classification

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

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

Measurement

A. Financial liabilities at amortised cost

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

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

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

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

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

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

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

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

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

iv) Impairment of financial assets

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

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

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

i. Revenue

Revenue from Contract with Customer

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note no. 38.

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

I. Sale of products:

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

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

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

Variable consideration

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

Volume rebates and discounts

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

Significant financing component

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

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

II. Interest Income:

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

III. Dividend:

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

Contract balances

Contract assets

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

IV Trade receivables

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

Contract liabilities

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

j. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grant received in the form of State Government GST/ sales tax subsidy has been considered as revenue grant and the same has been recognized in the statement of profit and loss.

k. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

l. Inventories

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

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

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

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

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

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

m. Retirement and other employee benefits

(i) Provident Fund

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

(ii) Gratuity

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

(iii) Leave encashment

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

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

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

n. Income taxes

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

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

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

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

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

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

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

o. Segment reporting

(i) Identification of segment

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

(ii) Segment accounting policies

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

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

p. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if

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any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

q. Provisions

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

r. Contingent liability

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

s. Cash and cash equivalents

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

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

t. Fair value measurement

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

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

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

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

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

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

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

u. Research and development

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

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

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

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

v. Significant accounting estimates and assumptions

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

Estimates and assumptions

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

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Useful Lives of Property, Plant & Equipment

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

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

Fair value measurement of financial instruments

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

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Receivables under Package Scheme of Incentives 2007 (PSI)

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

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

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

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

A. Equity share capital

	No of Shares	Amount
At April 1, 2018 (Equity Shares of Rs. 10 each issued. subscribed and fully paid)	0.48	4.80
Changes in equity share capital	-	-
At March 31, 2019 (Equity Shares of Rs. 10 each issued. subscribed and fully paid)	0.48	4.80
As at April 1, 2019	0.48	4.80
Changes in equity share capital	-	-
As at March 31, 2020 (Equity Shares of Rs. 10 each issued. subscribed and fully paid)	**0.48**	**4.80**

B. Other equity

	Retained earnings	Capital Reserve	General Reserve	Cash Flow Hedge Reserve	Total other equity
Balance as at April 1, 2018	129.53	1.26	196.51	0.22	327.52
Profit for the year	50.92	-	-	-	50.92
Transfer to General Reserve	(30.00)		30.00	-	-
Other Comprehensive Income					-
Remeasurement loss on defined benefit plan	(0.14)	-	-	-	(0.14)
Net movement in cash flow hedges		-	-	(0.19)	(0.19)
Balance at April 1, 2019	**150.31**	**1.26**	**226.51**	**0.03**	**378.11**
Profit for the year	70.13	-	-	-	70.13
General Reserve Transfer	-	-	-	-	-
Other comprehensive income	0.36	-	-	(0.03)	0.33
					-
Balance at Mar 31, 2020	**220.80**	**1.26**	**226.51**	**0.00**	**448.57**

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

Akshay Rathi
Proprietor
Membership No.: 161910

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Place: Nagpur
Date: July 30, 2020

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

S.N. Nuwal
Director

Manish Nuwal
Director

Economic Explosives Limited

Place: Nagpur
Date: July 30, 2020

Economic Explosives Limited
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(All amounts in Rs. Crores, unless otherwise stated)

3(A): Property, plant and equipment

	Freehold Land	Factory Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipments	Total
Year ended March 31, 2019							
Gross carrying amount							
Opening gross carrying amount	55.63	158.52	2.02	103.08	2.46	1.45	323.16
Additions	3.09	33.08	0.74	30.53	0.29	0.71	68.44
Disposals	(0.21)	-	-	(5.78)	(0.05)	-	(6.04)
On account of merger (refer note 35)	-	-	-	-	-	-	-
Closing gross carrying amount	**58.51**	**191.60**	**2.76**	**127.83**	**2.70**	**2.16**	**385.56**
Accumulated depreciation							
Opening accumulated depreciation	-	13.34	0.53	14.91	0.96	0.71	30.44
Depreciation charge for the year	-	7.89	0.22	7.70	0.34	0.32	16.47
Disposals	-	-	-	(3.42)	(0.04)	-	(3.46)
Closing accumulated depreciation	**-**	**21.23**	**0.75**	**19.19**	**1.26**	**1.03**	**43.45**
Net carrying amount March 31, 2019	**58.51**	**170.37**	**2.01**	**108.64**	**1.44**	**1.13**	**342.11**
Year ended Mar 31, 2020							
Gross carrying amount							
Opening gross carrying amount	58.51	191.60	2.76	127.83	2.70	2.16	385.56
Additions	2.03	44.47	0.20	19.70	0.51	0.89	67.80
Transfer	-	-	-	2.66	0.13	0.08	2.87
Disposals	-	-	-	-	(0.05)	(0.02)	(0.07)
Closing gross carrying amount	**60.54**	**236.07**	**2.96**	**150.19**	**3.29**	**3.11**	**456.16**
Accumulated depreciation							
Opening accumulated depreciation	-	21.23	0.75	19.19	1.26	1.03	43.46
Depreciation charge for the year	-	9.53	0.26	9.24	0.30	0.43	19.76
Transfer	-	-	-	2.66	0.13	0.08	2.87
Disposals	-	-	-	-	(0.05)	(0.01)	(0.06)
Closing accumulated depreciation	**-**	**30.76**	**1.01**	**31.09**	**1.64**	**1.53**	**66.03**
Net carrying amount Year ended Mar 31, 2020	**60.54**	**205.31**	**1.95**	**119.10**	**1.65**	**1.58**	**390.13**

Capital Work-in-Progress as at March 31, 2020	**38.02**
Capital Work-in-Progress as at March 31, 2019	31.40

The amount of borrowing costs capitalised during the year ended March 31, 2020 ₹ 0.47 (March 31, 2019: ₹ 1.82). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 8.60 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset.

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3(B) : Other Intangible assets

	Transfer of Technology (TOT)	Software & Licence	Product Development Cost	Total
Year ended March 31, 2019				
Gross carrying amount				
Opening gross carrying amount	22.78	-	-	22.78
Additions	2.40	-	7.81	10.21
Disposals	-	-	-	-
Closing gross carrying amount	**25.18**	-	**7.81**	**32.99**
Accumulated amortization				
Opening Amortization of Intangible Assets	1.77	-	-	1.77
Amortization for the year	2.56	-	1.26	3.82
Closing accumulated amortization	**4.33**	-	**1.26**	**5.59**
Net carrying amount March 31, 2019	**20.85**	-	**6.55**	**27.40**
Year ended Mar 31, 2020				
Gross carrying amount				
Opening gross carrying amount	25.18	-	7.81	32.99
Addition	4.22	0.09	3.83	8.14
Disposals	-	-	-	-
Closing gross carrying amount	**29.40**	**0.09**	**11.64**	**41.13**
Accumulated amortization				
Opening amortization of intangible assets	4.33	-	1.26	5.59
Amortisation for the year	2.85	0.01	2.01	4.87
Disposals	-	-	-	-
Closing accumulated amortization	**7.18**	**0.01**	**3.27**	**10.46**
Net carrying amount Year ended Mar 31, 2020	**22.22**	**0.08**	**8.37**	**30.67**

Intangible assets under development as at March 31, 2020	**10.82**
Intangible assets under development as at March 31, 2019	**11.09**

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Financial assets
4: Investments

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Quoted **Investment in mutual funds (fully paid-up)**					
Kotak Balance Direct Plan - Growth	Rs. 10	-	-	-	-
Kotak Liquid Direct Plan - Growth	Rs. 1,000	-	-	-	-
Franklin India Balanced Fund - Direct - Growth	Rs. 10	-	-	-	-
Franklin India Treasury Management Account - Super Institutional Plan - Direct - Growth	Rs. 1,000	-	-	-	-
		-	-	-	-
Aggregate amount of quoted investments and market value thereof		-	-	-	-

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5: Loans

	March 31, 2020		March 31, 2019	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good				
Loan to employees	0.13	-	0.18	-
Security deposits	0.07	0.95	0.15	0.80
Loan to Others	0.15	-	0.15	-
	0.35	**0.95**	**0.48**	**0.80**

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.
2. No loans receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6: Other financial assets

	March 31, 2020		March 31, 2019	
	Current	Non-Current	Current	Non-Current
Derivative Instruments at fair value through profit or loss				
Foreign-exchange forward contracts	-	-	0.88	-
Interest rate swaps	-	-	0.05	-
	-	**-**	**0.93**	**-**
Others				
Sales tax Subsidy receivables	15.24	4.88	19.61	3.48
Interest accrued on Other deposits	0.03	-	-	-
Interest accrued but not due	0.28	-	0.37	-
	15.55	**4.88**	**19.98**	**3.48**
	15.55	**4.88**	**20.91**	**3.48**

Notes:

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.

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(All amounts in Rs. Crores, unless otherwise stated)

7: Trade receivables

	March 31, 2020	March 31, 2019
Trade receivables	40.43	51.94
Receivables from related parties (refer note 32)	35.51	18.31
Less: Allowance for doubtful debts	(2.83)	(2.62)
Total Trade receivables	**73.11**	**67.63**

Break-up of security details

	March 31, 2020	March 31, 2019
Trade receivables		
Secured, considered good	7.78	2.34
Unsecured Considered good	66.92	67.72
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	1.24	0.19
	75.94	**70.25**
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(1.59)	(2.43)
Trade Receivables which have significant increase in credit Risk	-	-
Trade Receivables - credit impaired	(1.24)	(0.19)
	(2.83)	**(2.62)**
Total Trade receivables	**73.11**	**67.63**

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

8: Cash and bank balances

	March 31, 2020	March 31, 2019
Cash and cash equivalents		
Balances with banks		
in current accounts	4.90	2.06
Cheque in hand	0.45	0.05
Cash on hand	0.01	0.01
(A)	**5.36**	**2.12**
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than 3 months but less than 12 months	3.16	3.03
Balances with Bank held as margin money or security against guarantee or other commitments	17.47	15.99
(B)	**20.63**	**19.02**
(A + B)	**25.99**	**21.14**

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09: Other assets

	March 31, 2020		March 31, 2019	
	Current	Non-Current	Current	Non-Current
Capital advances	-	12.11	-	11.09
Advances other than capital advances				
Prepayments	0.20	-	0.24	-
Advances to suppliers for goods and services	5.04	-	3.39	-
Advances to staff	0.09	-	0.08	-
Balances with revenue authorities	8.36	1.64	5.90	0.43
	13.69	13.75	9.61	11.52

10: Inventories

	March 31, 2020	March 31, 2019
Raw materials & Packing materials (includes stock in transit of Rs. 0.19 crores (March 31, 2019: Rs 0.90 crores))	22.48	20.62
Semi finished goods	12.05	4.73
Finished goods (includes stock in transit Rs. 0.16 crores (March 31, 2019: Rs 1.65 crores))	12.70	8.06
Stock-in-trade (includes stock in transit Rs. 6.03 crores (March 31, 2019: Rs NIL))	6.57	4.19
Stores and spares	3.40	2.01
	57.20	39.61

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11: Equity share capital

	Number of Shares in crores		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Authorised equity share capital (face value Rs.10 each)	0.66	0.66	6.60	6.60
			6.60	6.60
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	0.48	0.48	4.80	4.80
			4.80	4.80

(a) Movements in equity share capital

	Number of Shares in crores		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Number of Shares at the beginning of the year	0.48	0.48	4.80	4.80
Additions	-	-	-	-
Number of Shares at the end of the year	**0.48**	**0.48**	**4.80**	**4.80**

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	Number of Shares in crores		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Ultimate holding/ Holding Company				
Solar Industries India Limited (par value Rs.10 each fully paid)	0.48	0.48	4.80	4.80
	0.48	0.48	4.80	4.80

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

Name of the shareholder	% holding		Number of Shares in crores	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Solar Industries India Limited	100	100	0.48	0.48

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

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12: Other Equity

Particulars	Amount
Retained earnings	
April 1, 2018	129.53
Add : Profit for the year	50.92
Add : On account of merger	-
Less: General Reserve Transfer	(30.00)
Remeasurement loss on defined benefit plans	(0.14)
As at March 31, 2019	150.31
Add : Profit for the year	70.13
Remeasurement loss on defined benefit plans	0.36
General Reserve Transfer	-
As at March 31, 2020	220.80
Capital reserve	
April 1, 2018	1.26
Add : On account of merger	-
As at March 31, 2019	1.26
Add / Less:	-
As at March 31, 2020	1.26
General reserve	
April 1, 2018	196.51
Add : Transfer from retained earnings	30.00
As at March 31, 2019	226.51
Add : Transfer from retained earnings	-
As at March 31, 2020	226.51
Cash flow hedge reserve	
April 1, 2018	0.22
Add : Net movement on Cash Flow Hedges	-
Less :	(0.19)
As at March 31, 2019	0.03
Add : Net movement on Cash Flow Hedges	(0.03)
As at March 31, 2020	0.00

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Nature and purpose of reserves

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

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

3 Cash flow hedge reserve
The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

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

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(All amounts in Rs. Crores, unless otherwise stated)

13: Borrowings

Non-current borrowings

	March 31, 2020	March 31, 2019
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan (USD)	-	27.69
Indian rupee term loan	125.00	50.13
Interest accrued but not due	0.89	0.39
Sales tax deferral loan	0.36	0.47
Unsecured		
From related parties		
From holding company	-	40.00
Interest accrued	-	0.90
	126.25	119.58
Less : Amount clubbed under "Other current liabilities" (refer note 16)		
Current maturities of long-term debt	(50.13)	(40.31)
Interest accrued but not due on non-current borrowings	(0.89)	(1.29)
	75.23	77.98

Current borrowings

	March 31, 2020	March 31, 2019
Secured		
From banks		
Indian rupee working capital loan	28.15	-
Interest accrued on current borrowings - Bank	0.01	-
Unsecured		
From related parties		
From holding company	5.81	26.87
From key managerial personnel	-	-
From other related parties	-	-
Interest accrued on current borrowings - RP	1.16	0.21
	35.13	27.08
Less : Amount clubbed under "Other current liabilities" (refer note 16)		
Interest accrued on current borrowings	(1.17)	(0.21)
	33.96	26.87

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(All amounts in Rs. Crores, unless otherwise stated)

	Maturity date	Terms of repayment	March 31, 2020	March 31, 2019
Non-Current Borrowings				
Secured				
Foreign currency term loan from Bank	Sept 27, 2019	Repayable in eight equal half yearly installment	-	8.64
Foreign currency term loan from Bank	Jan 30, 2020	Repayables in eight equal quarterly installment	-	19.05
Indian rupee term loan	Jan 30, 2020	Repayables in eight equal quarterly installment	-	0.13
Indian rupee term loan	dec 17, 2024	Repayables in twelve equal quarterly installment	50.00	-
Indian rupee term loan	Aug 01, 2021	Repayables in eight equal quarterly installment	75.00	50.00
Unsecured				
Loan from Holding Company	March, 2021	Bullet repayment after 2 years	-	40.00
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.36	0.47
			125.36	118.29

The above loans from Banks carries an interest rate of 1 yr MCLR to 1 yr MCLR + 25 bps

Current Borrowings				
Secured				
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	28.15	-
Unsecured				
Loan from related parties	On Demand	Repayable on demand	5.81	26.87
			33.96	26.87

The Indian rupee working capital loans from Banks carries an interest rate of 7.80% to 8.75%

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

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio and debt service coverage ratio (DSCR) gearing ration and fixed asset covering ratio. The Company has satisfied all debt covenants prescribed in the terms of bank loans.

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

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(All amounts in Rs. Crores, unless otherwise stated)

14: Tax expenses

The major components of tax expense for the years ended March 31, 2020 and March 31, 2019 are :

Statement of profit and loss:

Profit or loss section

	March 31, 2020	March 31, 2019
Current income tax:		
Current income tax charge	17.95	16.86
Tax in respect of earlier years	(0.00)	(0.36)
Deferred tax:		
Relating to origination and reversal of temporary differences	5.22	9.07
Relating to change in Tax Rate	(7.31)	(1.27)
Tax expense reported in the statement of profit or loss	**15.86**	**24.30**

OCI section

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

	March 31, 2020	March 31, 2019
Net (loss)/gain on remeasurements of defined benefit plans	(0.15)	0.07
Net gain/(loss) on revaluation of cash flow hedges	0.02	0.10
Income tax charged to OCI	**(0.13)**	**0.17**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for Mar 31, 2020 and March 31, 2019 :

	March 31, 2020	March 31, 2019
Accounting profit before tax	85.99	75.22
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	25.04	21.90
Effect of :		
Income tax for earlier years	(0.00)	(0.36)
CSR, Donation and penal interest	0.53	(0.40)
Reduction in opening deferred taxes resulting from reduction in tax rate	(7.31)	(1.27)
Item on which DTA/ DTL not created in last year	-	0.10
Exempt capital gain on sale of investments (realised)	-	(0.07)
Other items	(2.40)	4.40
Total income tax expense	**15.86**	**24.30**

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2020	March 31, 2019
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	43.70	45.97
Provision for discounting of Non current asset	(0.25)	(0.18)
Derivative Instruments at fair value through profit or loss	-	(0.20)
On account of merger	-	-
Employee benefits	(0.69)	(0.84)
Provision towards trade receivables	(0.83)	(0.92)
MAT credit	(16.91)	(19.49)
Provision for advances w/off	(0.05)	-
Net deferred tax (assets)/ liabilities	**24.97**	**24.34**

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(All amounts in Rs. Crores, unless otherwise stated)

Statement of profit or loss

	March 31, 2020	March 31, 2019
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	(2.28)	8.24
Provision for discounting of Non current asset	(0.07)	(0.20)
Derivative Instruments at fair value through profit or loss	0.21	(0.90)
On account of merger	-	(0.04)
Employee benefits	0.15	(0.18)
Provision towards trade receivables	0.09	0.88
On account of MAT credit	-	-
Provision for advances w/off	(0.05)	-
Other	(0.14)	-
Deffered tax expense/(income)	**(2.09)**	**7.80**

Reconciliation of deferred tax liabilities (net):

	March 31, 2020	March 31, 2019
Opening balance as of April 1	**24.34**	**16.80**
Tax (income)/expense during the period recognised in profit or loss	(2.09)	7.80
Tax (income)/expense during the period recognised in OCI	0.13	(0.17)
On account of MAT credit	2.59	(0.09)
Closing balance as at March 31	**24.97**	**24.34**

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

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15: Trade payables

	March 31, 2020	March 31, 2019
Current		
Trade payables (refer note 39)		
a) total outstanding dues of micro enterprises and small enterprises	1.71	0.69
b) total outstanding dues of creditors other than micro enterprises and small enterprises	4.98	7.23
Trade payables to related parties (refer note 32)	12.10	8.36
	18.79	16.28

16: Other financial liabilities

	March 31, 2020	March 31, 2019
Current		
Derivative Instruments at fair value through profit or loss		
Foreign-exchange forward contracts	-	1.44
	-	1.44
Others		
Current maturities of long-term debt (refer note 13)	50.13	40.31
Interest accrued on Non-current Borrowings (refer note 13)	0.89	1.29
~~Interest accrued on Current Borrowings (refer note 13)~~	~~1.17~~	~~0.21~~
Capital creditors	5.46	1.12
Employee related payables (Including Contract Labour)	6.81	6.38
Liabilities towards Trade Discount	0.20	0.14
	64.66	49.45
	64.66	50.89

17: Other current liabilities

	March 31, 2020	March 31, 2019
Statutory dues payables	1.07	2.06
Contract Liabilities	4.32	3.19
	5.39	5.25

Note 18: Provisions

	Provision for Gratuity	Provision for leave encashment	Total
At April 1, 2019	0.99	1.41	2.40
Arising during the year	0.07	0.33	0.40
Utilised during the year	(0.40)	(0.04)	(0.44)
At Mar 31, 2020	0.66	1.70	2.36
Current	0.66	1.70	2.36
Non-current	-	-	-

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(All amounts in Rs. Crores, unless otherwise stated)

19: Revenue from operations

	March 31, 2020	March 31, 2019
Sale of products - Domestic	281.02	243.16
Sale of products - Export	119.43	105.87
Other operating revenue*	16.59	15.05
	417.04	364.08

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

*inclusive of accrual income Package Scheme of Incentives of ₹ 12.14 (previous year ₹ 10.10) and reimbursement of provident fund under Package Scheme of Incentives of ₹ 1.03 (previous year ₹ Nil)

20: Other income and other gains/(losses)

(a) Other income

	March 31, 2020	March 31, 2019
Interest Income		
On financial assets carried at amortised cost		
On deposit with Banks	1.57	1.19
On other Deposits and Loans	0.08	0.06
On Income tax refund	0.00	-
On Input Vat refund	0.10	-
Other Misc. Income-Non Operating	-	-
Profit on sale of financial assets carried at fair value through profit or loss	-	0.31
	1.75	1.56

(b) Other gains/(losses)

	March 31, 2020	March 31, 2019
Net gain on financial assets mandatorily measured at fair value through profit or loss		
Fair value gain on derivatives not designated as hedges	-	1.31
Net gain on foreign currency transaction	3.24	-
Fair value gain on mutual fund investments	-	-
	3.24	1.31
Total (a+b)	4.99	2.87

21: Cost of materials consumed

	March 31, 2020	March 31, 2019
Raw materials and packing materials at the beginning of the year	20.62	16.43
Add: Purchases during the year	121.36	106.79
Less: Raw material and packing material at the end of the year	22.48	20.62
	119.50	102.60

22: Changes in inventories of Semi finished goods, stock-in-trade and finished goods

	March 31, 2020	March 31, 2019
Opening balance		
Semi finished goods	4.73	3.77
Finished goods	8.06	9.34
Stock-in-trade	4.19	3.83
	16.98	16.94
Closing balance		
Semi finished goods	12.05	4.73
Finished goods	12.70	8.06
Stock-in-trade	6.57	4.19
	31.32	16.98
	(14.34)	(0.04)

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23: Employee benefit expense

	March 31, 2020	March 31, 2019
Salaries, wages and bonus	23.96	20.87
Remuneration to Directors	0.66	0.60
Contribution to Provident and other funds *	2.38	2.22
Staff welfare expenses	0.52	0.35
Total - A	**27.52**	**24.04**
Labour charges (including bonus)	18.40	13.63
Total - B	**18.40**	**13.63**
Total expense (A+B)	**45.92**	**37.67**

24: Depreciation and Amortization Expenses

	March 31, 2020	March 31, 2019
Depreciation on Property, plant and equipment	19.76	16.47
Amortization of Intangible	4.87	3.82
Less : Transfer to Intangible In Progress	(0.57)	(0.91)
	24.06	**19.38**

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25: Other expenses

	March 31, 2020	March 31, 2019
Consumption of stores and spares	5.80	5.15
Excise Duty on Inventory	-	-
Repairs and maintenance		
Plant and machinery	2.27	2.56
Buildings	0.83	0.97
Others	0.42	0.40
Water and electricity charges	5.70	4.10
Rates and taxes	2.07	1.00
Legal and professional fees	3.37	3.56
Travel and conveyance	1.74	1.57
Sales Commission expenses	2.23	2.03
Freight & forwarding charges	25.13	20.66
Security Service Charges	1.33	1.21
Sales promotion expenses	1.30	0.41
Donations	0.33	0.12
Director's sitting fees	0.03	0.02
Advertisement expenses	0.08	0.13
Transportation Expenses	1.16	1.42
Bad debts written-off	0.93	1.70
Impairment loss on trade receivables	0.21	(2.55)
Net foreign exchange (gain)/ losses	-	(0.58)
Fair value loss on derivatives not designated as hedges	-	4.19
Corporate social responsibility expenditure (refer note 25 (b) below)	1.32	1.12
Payments to auditors (refer note 25 (a) below)	0.18	0.18
Provision for Advance written off (Exp)	0.16	-
Testing Charges	0.19	0.14
Miscellaneous expenses (mainly includes printing, communication,postage, office expenses etc)	5.18	4.93
	61.96	54.44

25 (a): Details of payments to auditors

	March 31, 2020	March 31, 2019
As auditor:		
Audit fee	0.18	0.18
Tax audit fee	-	-
In other capacities		
Taxation matters	-	-
Certification fees	-	-
	0.18	0.18

25 (b) : Corporate social responsibility expenditure

	March 31, 2020	March 31, 2019
Contribution to revenue expenditure	1.32	1.12
	1.32	1.12
Gross amount required to be spent as per Section 135 of the Act	1.23	1.07
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	1.32	1.12

26: Finance costs

	March 31, 2020	March 31, 2019
Interest on Borrowings		
To Banks*	8.70	3.45
To Related Party	4.09	6.17
Exchange differences regarded as an adjustment to borrowing cost	0.41	-
	13.20	9.62

***Net of borrowing costs capitalised**

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27: Tax expenses

	March 31, 2020	March 31, 2019
Current tax		
Current tax on profits for the year	17.95	16.86
Adjustments for current tax in respect of earlier years	(0.00)	(0.36)
	17.95	16.50
Deferred tax		
Decrease (increase) in deferred tax liabilities	(2.28)	8.24
(Decrease) increase in deferred tax asset	0.19	(0.44)
	(2.09)	7.80
	15.86	24.30

28: Earnings per share

	March 31, 2020	March 31, 2019
Basic and Diluted EPS		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS	70.13	50.92
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	0.48	0.48
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	146.10	106.08
Nominal value of shares (Rs.)	10.00	10.00

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Note 29: Employee Benefit obligations

(i) Post-employment obligations

a) Gratuity

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

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

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

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

Expense Recognized in Statement of Profit and Loss

	March 31, 2020	March 31, 2019
Service cost	0.50	0.44
Net Interest Cost	0.08	0.05
Expenses Recognized in the statement of Profit & Loss	**0.58**	**0.49**

Other Comprehensive Income

	March 31, 2020	March 31, 2019
Opening amount recognized in OCI outside profit and loss account	-	-
Actuarial gain / (loss) on liabilities	0.54	(0.19)
Actuarial gain / (loss) on assets	(0.03)	(0.02)
Closing of amount recognized in OCI outside profit and loss account	**0.51**	**(0.21)**

The amount to be recognized in Balance Sheet Statement

	March 31, 2020	March 31, 2019
Present value of obligations	4.24	4.06
Fair value of plan assets	3.59	3.07
Net defined benefit liability / (assets) recognized in balance sheet	**0.65**	**0.99**

Change in Present Value of Obligations

	March 31, 2020	March 31, 2019
Opening of defined benefit obligations	4.05	3.26
Service cost	0.51	0.44
Interest Cost	0.31	0.25
Benefit Paid	(0.08)	(0.09)
Actuarial (Gain)/Loss on total liabilities:	(0.55)	0.19
Closing of defined benefit obligation	**4.24**	**4.05**

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Change in Fair Value of Plan Assets

	March 31, 2020	March 31, 2019
Opening fair value of plan assets	3.07	2.63
Actual Return on Plan Assets	0.20	0.18
Employer Contribution	0.40	0.35
Benefit Paid	(0.08)	(0.09)
Closing fair value of plan assets	**3.59**	**3.07**

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

	March 31, 2020	March 31, 2019
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2020	March 31, 2019
Discount Rate	6.65% per annum	7.62% per annum
Rate of increase in Compensation levels	(Nil for the current year, from next year onward it is 5% per annum)	5.00% per annum
Rate of Return on Plan Assets	7.62% per annum	7.75% per annum

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

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

The expected contribution for defined benefit plan for the next finanacial year will be in line with financial year 2019-20

Sensitivity Analysis

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

	March 31, 2020	Impact (Absolute)	Impact (%)
Base Liability	4.24		
Increase Discount Rate by 0.50%	4.11	(0.13)	-2.98%
Decrease Discount Rate by 0.50%	4.38	0.13	3.18%
Increase Salary Inflation by 1%	4.52	0.28	6.65%
Decrease Salary Inflation by 1%	3.99	(0.25)	-5.97%
Increase in Withdrawal Assumption by 5%	4.35	0.11	2.55%
Decrease in Withdrawal Assumption by 5%	4.03	(0.21)	-4.94%

Notes :

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

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Note 30: Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2020	March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances)	14.34	10.77

Contingent liabilities

Particulars	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debts*		
Excise demands- matters under dispute	0.11	1.33
Income tax demands- matters under dispute	-	1.81
~~Value Added tax~~	~~2.40~~	~~2.40~~
Central Sales tax	0.25	1.50

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

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Note 31: Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

1 Shri Satyanarayan Nuwal (Executive Director)
2 Shri Kailashchandra Nuwal (Executive Director)
3 Shri Manish Nuwal (Executive Director)
4 Shri Rahul Nuwal (Executive Director)
5 Shri Anil Kumar Jain (Executive Director)
6 Shri Sartaj Singh (Executive Director)

II A Relatives of KMP

1 Smt. Indiradevi Nuwal

III Non executive Independent directors

1 Shri Dilip Patel
2 Shri Ajai Nigam
3 Shri Amrendra Verma
4 Smt. Madhu Vij (Appointed w.e.f. 08.05.2019)

Non executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2019-20.

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

IV Key Management Personnel of Holding Company

1 Shri Suresh Menon (Executive Director)
2 Shri Nilesh Panpaliya (Chief Financial Officer)
3 Smt Khushboo Pasari (Company Secretary and Compliance Officer)

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

1 Nigachem Nigeria Limited - (a)
2 Solar Explochem Zambia Limited - (a)
3 Solar Mining Services Pty Limited (South Africa) -(a)
4 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)
5 Solar Mining Services Pty Ltd. (Australia) - (e)

VI Subsidiaries, step down subsidiaries and associates of Holding Company

A. Indian Subsidiaries

1 Blastec (India) Private Limited
2 Emul Tek Private Limited
3 Solar Defence Limited. - (Note 1)
4 Solar Defence Systems Limited - (Note 1)

B. *Overseas Subsidiary*

1 Solar Overseas Mauritius Limited

Overseas Step down Subsidiaries

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

C. **Associates**

1 Solar Bhatgaon Extension Mines Pvt. Limited - (Note 5)
2 SMS Bhatgaon Mines Extension Pvt. Limited - (Note 5)

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

1 Solar Synthetics Private Limited

VIII **Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above (other than those disclosed in VII above)**

1 Mahakal Infrastructures Private Limited - (Note 5)
2 Mahakal Project Private Limited - (Note 5)
3 Nagpur Infrastructure Private Limited
4 Solar Processors (Bhilwara) Limited
5 Solar Holdings and Investments Private Limited
6 Gulmohar Developers and Constructions Private Limited
7 Sun Developers and Constructions Private Limited
8 Sunbeam Developers and Constructions Private Limited
9 Sundrop Realtors Private Limited (Note 5)
10 Sunland Infracon Private Limited (Note 5)
11 Sunlight Infraventures Private Limited (Note 5)
12 Sundrop Developers and Ventures LLP
13 Solar Enlightenment Foundation
14 Commerical Sales corporation
15 Solar Holdings and Investments Private Limited
16 AG Technologies Private Limited

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

1 Astra Resources (Pty) Limited

X **Other related party**

Economic Explosives Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company)
Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company)

Note 1: The Entity has not commenced its business operations
Note 2: The entity is under liquidation
Note 3: The entity liquidated on January 16, 2020
Note 4: The entity is incorporated on November 04, 2019
Note 5: The entity is under Process of Strike Off
Note 6: The entity is incorporated on September 05, 2019
(a) Majority owned and controlled subsidiaries of Solar Overseas Netherlands Cooperatie U.A
(b) Majority owned and controlled subsidiaries of Solar Overseas Netherlands B.V.
(c) Majority owned and controlled subsidiaries of Solar Overseas Mauritius Limited
(d) Majority owned and controlled subsidiaries of Solar Industries Africa Limited
(e) Majority owned and controlled subsidiaries of Solar Overseas Singapore PTE Ltd.
* Formerly known as Australian Explosives Technologies Group Pty Limited

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Note 32: Transactions with related parties during the year

Nature of Transaction	March 31, 2020	March 31, 2019
Sales of products and services		
Solar Industries India Limited	109.48	86.73
Nigachem Nigeria Limited	15.63	9.70
Solar Explochem Zambia Limited	11.49	13.69
Solar Mining Services Pty Limited - South Africa	1.84	-
Solar Mining Services Pty Limited - Australia	2.84	-
Laghe Venture Company Limited	0.43	-
Solar Nitro Ghana Limited	0.59	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	5.47	5.81
Total	147.77	115.93
Other operating income		
Solar Industries India Limited- License	1.14	1.24
Solar Industries India Limited- Discount(net)	1.01	-
Total	**2.15**	**1.24**
Purchase of raw material and components		
Solar Industries India Limited	106.61	82.27
Solar Synthetics Private Limited	0.03	0.07
Solar Mining Services Pty Limited - Australia*	0.00	-
Total	**106.64**	**82.34**
Purchase of License		
Solar Industries India Limited	0.22	0.22
Total	**0.22**	**0.22**
Rent paid		
Smt. Indiradevi Nuwal	0.01	0.02
Total	**0.01**	**0.02**
Other Expenses		
Solar Mining Services Pty Limited	-	1.37
Solar Industries India Limited-cross charges recovered	0.14	0.17
Total	**0.14**	**1.54**
Loans during the year		
Taken		
Solar Industries India Limited	589.34	398.38
Commercial Sales Corporation	-	0.12
Shri. K C Nuwal	-	-
Shri. S N Nuwal	-	0.01
	589.34	398.51
Repaid		
Solar Industries India Limited	(650.39)	(390.84)
Commercial Sales Corporation	-	(0.75)
Shri. K C Nuwal	-	(0.06)
Shri. S N Nuwal	-	(0.74)
	(650.39)	(392.39)
Total	**(61.05)**	**6.12**

AKSHAY RATHI & ASSOCIATES ★ NAGPUR ★ CHARTERED ACCOUNTANTS

Interest on loans (net)		
Solar Industries India Limited	4.09	6.07
Commercial Sales Corporation	-	0.05
Shri. S N Nuwal	-	0.05
Total	**4.09**	**6.17**
Sitting Fees		
Shri Ajay nigam	0.01	0.01
Shri Dilip Patel	0.01	0.01
Smt.Madhu Vij*	0.00	-
Shri Amrendra Verma	0.01	-
	0.03	**0.02**
Remuneration to KMP**		
Shri Rahul Nuwal	0.12	0.12
Shri Sartaj Singh	0.54	0.48
Total	**0.66**	**0.60**

* Amount is less than ₹ 0.01 Crore as at March 31, 2020

Terms and conditions of transactions with related parties

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

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

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2020	March 31, 2019
Loans Taken		
Solar Industries India Limited	5.81	66.87
Total	**5.81**	**66.87**
Trade receivables		
Solar Industries India Limited	10.90	2.17
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	5.52	4.55
Solar Mining Services Pty Limited - South Africa	1.60	-
Solar Mining Services PTY LTD-Australia	1.04	-
Solar Nitro Ghana Limited	0.63	-
Nigachem Nigeria Limited, Lagos	12.99	6.46
Solar Explochem Zambia Ltd.	2.83	5.13
Total	**35.51**	**18.31**
Trade payables		
Solar Industries India Ltd.	12.09	8.36
Total	**12.09**	**8.36**
Interest and Other Payables		
Solar Industries India Ltd.	1.16	1.11
Solar Mining Services Pty Ltd, Australia	-	1.37
Shri. S N Nuwal	0.01	-
Indiradevi Nuwal	-	-
Rahul Nuwal	0.01	-
Total	**1.18**	**2.48**

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Note 33: Segment Information

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

Geographical Information

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

Revenue from external customers	March 31, 2020	March 31, 2019
India	281.02	243.16
Rest of the World	119.43	105.87
Total	**400.45**	**349.03**

AKSHAY RATHI & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ NAGPUR

(All amounts in Rs. Crores , unless otherwise stated)

Note 34: Fair Value Measurements

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

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

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

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

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

4 Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values , accordingly non-current borrowings are classified as level 2 fair value in the fair value hierarchy.The own non-performance risk as as March 31, 2020 was assessed to be insignificant.

A. Fair Value Hierarchy

Level 1- This hierarchy uses quoted (unadjusted) prices in active markes for identical assets and liabilities.
Level 2- The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates.
Level 3- IF one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	1.30	5	-	1.30	
Other financial assets (except derivatives)	20.43	6	-	-	-
Trade receivables	73.11	7	-	-	-
Cash and cash equivalents	5.36	8	-	-	-
Bank balances other than above	20.63	8	-	-	-
Fair value through profit or loss					
Investments in Mutual Funds	-	4	-	-	-
Derivative Instruments	-	6	-	-	-
Total Financial assets	**120.83**		-	**1.30**	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	75.23	13	-	75.23	
Current	33.96	13	-	-	-
Trade payables	18.79	15	-	-	-
Other financial liabilities (except derivatives)	64.66	16	-	-	-
Fair Value through profit or loss					
Derivative Instruments	-	16	-	-	-
Total Financial liabilities	**192.64**		-	**75.23**	-

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

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The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2019** is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	1.28	5	-	1.28	
Other financial assets (except derivatives)	23.46	6	-	-	-
Trade receivables	67.63	7	-	-	-
Cash and cash equivalents	2.12	8	-	-	-
Bank balances other than above	19.02	8	-	-	-
Fair value through profit or loss					
Investments in Mutual Funds	-	4	-		
Derivative Instruments	0.93	6	-	0.93	-
Total Financial assets	**114.44**		-	**2.21**	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	77.98	13	-	77.98	
Current	26.87	13	-	-	-
Trade payables	16.28	15	-	-	-
Other financial liabilities (except derivatives)	49.45	16	-	-	-
Fair Value through profit or loss					
Derivative Instruments	1.44	16	-	1.44	-
Total Financial liabilities	**172.02**		-	**79.42**	-

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Notes to Financial Statements for the year ended March 31, 2020
(All amounts in Rs. Crores, unless otherwise stated)

Note 35: Financial risk management objectives and policies

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

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

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

Market Risk

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

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

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The Company's exposure to the risk of changes in market interest rates relates primarily othe Company's longterm debt obligations with floating interest rates.. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate financial instruments in its total portfolio.The Company is not very significantly exposed to interest rate risk except the variations in LIBOR rates as most of the borrowings are linked to LIBOR. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange , at specified intervals, the differencebetween fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. 0.5% changes in interest rate will increase the borrowing cost by Rs 0.22 crores.

The Company has significant investment in Bank deposits and hence is exposed to interest rate sensitivity.
0.5% changes in interest rate will increase the other income by Rs 0.10 crores.

Foreign Currency Risk

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

Derivative instruments and unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Company has no borrowings in foreign currency as on March 31, 2020 (March 31, 2019: Rs.27.69 crores). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Company has taken foreign exchange forward contracts, which are as follows:

Name of the instrument	Currency	March 31, 2020	March 31, 2019
Derivatives not designated as hedge			
Forward contract	USD	-	0.28
Call spread	USD	-	0.13
Derivatives designated as hedge			
Interest rate swap		-	-

b) Unhedged foreign currency exposure as at the reporting date:

In rupees

	March 31, 2020			March 31, 2019		
	USD	SEK	ZAR	USD	SEK	EURO
Trade Receivable	41.09	-	1.60	38.94	-	-
Borrowings	-	-	-	-	-	-
Trade Payables	0.20	0.05	-	0.65	-	-
Capital Creditors	-	-	-	-	0.20	0.08

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

In Rupees

	March 31, 2020	March 31, 2019
Impact of change in USD	0.41	0.38
Impact of change in ZAR	0.02	-
Impact of change in EURO*	-	0.00
Impact of change in SEK*	(0.00)	0.00

* Amount is less than ₹ 0.01 Crore

Credit risk

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

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

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

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

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

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2020	60.21	5.33	10.40	75.94
As at March 31, 2019	35.33	22.45	12.47	70.25

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

	March 31, 2020	March 31, 2019
Opening balance	2.62	5.17
Provided during the year		-
Reversals of provisions	0.21	(2.55)
Closing balance	**2.83**	**2.62**

During the year the Company has written off an amount of Rs. 0.93 crores as the same were not recoverable
No significant changes in estimation techniques or assumptions were made during the year

Liquidity risk

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

Maturity profile of financial liabilities

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2020						
Borrowings						
From related party	5.81	-	-	-	-	5.81
From Banks	28.15	12.50	37.50	75.00	-	153.15
Sales tax deferral loan	-	0.13		0.23		0.36
Trade payables	-	18.79	-	-	-	18.79
Other financial liabilities	-	11.33	3.20	-	-	14.53
~~Derivative instrument~~	-	-	-	-	-	-
March 31, 2019						
Borrowings						
From related party	26.87	-	-	40.00	-	66.87
From Banks	-	4.76	35.55	37.50	-	77.81
Sales tax deferral loan	-	0.12	-	0.36		0.48
Trade payables	-	16.28	-			16.28
Other financial liabilities	-	6.00	3.11	0.02	-	9.13
Derivative Instruments	-	0.36	1.08	-	-	1.44

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Note 36: Capital Management

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

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

	March 31, 2020	March 31, 2019
Net debt	150.80	140.01
Equity	453.37	382.91
Capital and net debt	604.17	522.92
Gearing ratio	24.96%	26.77%

Calculation of Net Debt is as follows:

	March 31, 2020	March 31, 2019
Borrowings		
Non Current	75.23	77.98
Current	33.96	26.87
Current maturities of long-term debt	50.13	40.31
	159.32	145.16
Cash and cash equivalents	5.36	2.12
Bank balances other than cash and cash equivalents(excluding earmarked balances)	3.16	3.03
	8.52	5.15
Net Debt	150.80	140.01

Note 37: Research and Development Expenditure:

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

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

Particulars	March 31, 2020	March 31, 2019
In the nature of Revenue Expenditure	5.30	7.09
In the nature of Capital Expenditure	1.60	0.02
Total	6.90	7.11

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(All amounts in Rs. Crores , unless otherwise stated)

Note 38: Revenue from operations

A Disaggregated Revenue information

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

Particulars	March 31, 2020	March 31, 2019
India	281.02	243.16
Rest of the World	119.43	105.87
Total	**400.45**	**349.03**

B Contract balances

Particulars	March 31, 2020	March 31, 2019
Trade Receivables	73.11	67.63
Contract Assets	-	-
Contract Liabilities	4.32	3.19

C Set out below is the amount of revenue recognised from

Particulars	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	3.19	3.14
~~Performance obligation satisfied in previous years~~	~~(0.11)~~	~~(0.08)~~

Increase decrease in contract liability is mainly on account of receipt from customers and revenue recognized during the year

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

Particulars	March 31, 2020	March 31, 2019
Revenue as per contracted price	401.72	354.53
Adjustments for:		
Rebates /Discounts and others	1.27	5.50
Revenue from contract with customers	**400.45**	**349.03**

E Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2020 amounts to Rs.121.83 cr

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(All amounts in Rs. Crores , unless otherwise stated)

Note 39: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2020	March 31, 2019
Principal amount outstanding (whether due or not) to micro and small enterprises	1.71	0.69
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succedding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

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Note No. 40 Financial statements disclosure note for impact of COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus includes travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies in India. On 24th March 2020, the Government of India announced a nationwide lockdown for 21 days which got further extended multiple times till 30th June 2020 to prevent community spread of COVID-19 resulting in significant reduction in economic activities.

On the basis of guidelines issued by the government authorities, some of the Company's products are categorised as essential goods and accordingly the Company has partially resumed its' operations. The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets, based on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at March 31, 2020.

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

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

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants

ICAI Firm's Registration Number: 139703W

AKSHAY RATHI & ASSOCIATES NAGPUR CHARTERED ACCOUNTANTS

Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: July 30, 2020

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

S.N. Nuwal
Director

Manish Nuwal
Director

Economic Explosives Limited

Place: Nagpur
Date: July 30, 2020