



Energising Progress

46th Annual Report 2025-26

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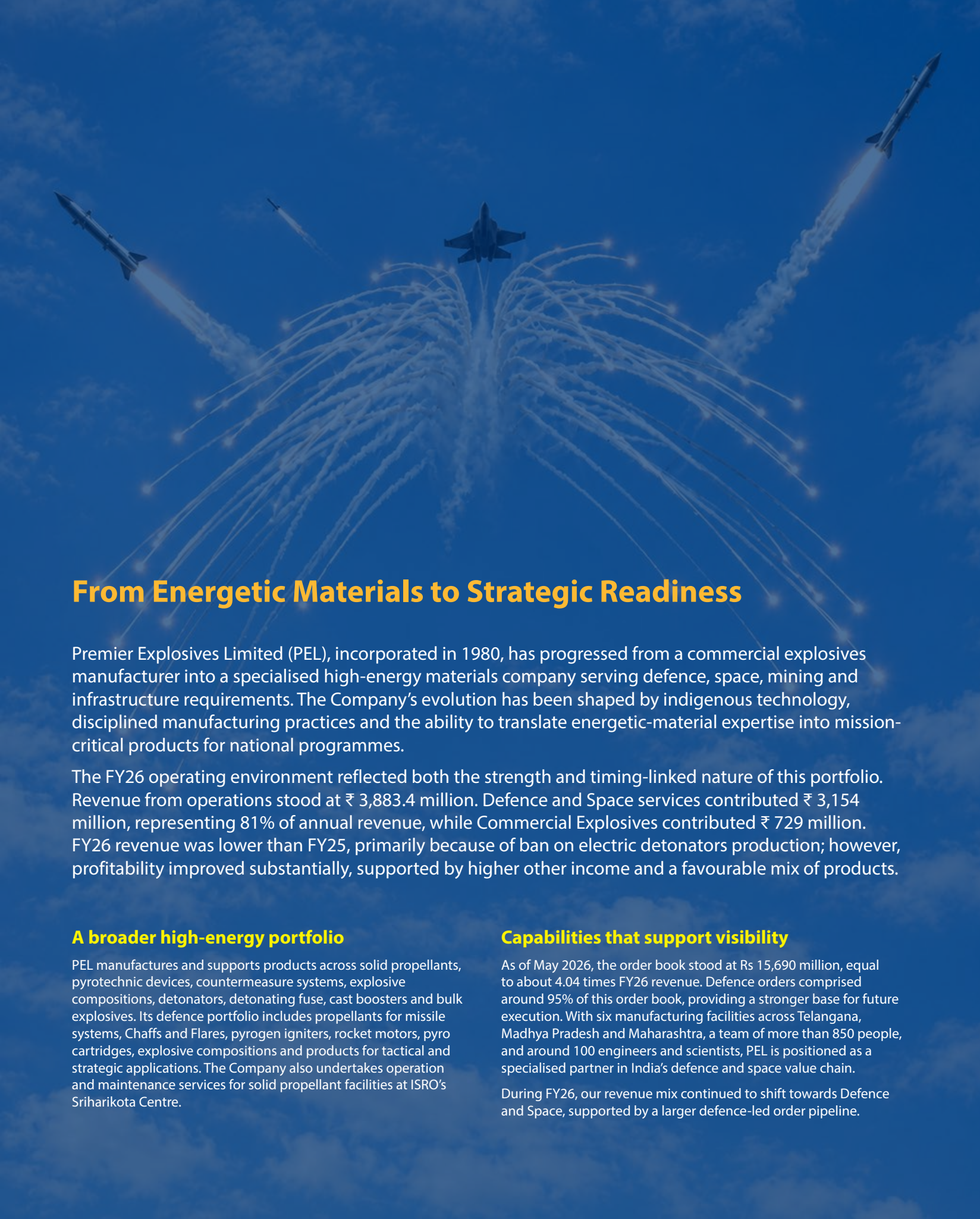
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Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes. Some of the images used in this report are purely for illustrative purposes and hence they are not the photos/ images of our facilities, products or of any such nature/kind.



From Energetic Materials to Strategic Readiness

Premier Explosives Limited (PEL), incorporated in 1980, has progressed from a commercial explosives manufacturer into a specialised high-energy materials company serving defence, space, mining and infrastructure requirements. The Company's evolution has been shaped by indigenous technology, disciplined manufacturing practices and the ability to translate energetic-material expertise into mission-critical products for national programmes.

The FY26 operating environment reflected both the strength and timing-linked nature of this portfolio. Revenue from operations stood at ₹ 3,883.4 million. Defence and Space services contributed ₹ 3,154 million, representing 81% of annual revenue, while Commercial Explosives contributed ₹ 729 million. FY26 revenue was lower than FY25, primarily because of ban on electric detonators production; however, profitability improved substantially, supported by higher other income and a favourable mix of products.

A broader high-energy portfolio

PEL manufactures and supports products across solid propellants, pyrotechnic devices, countermeasure systems, explosive compositions, detonators, detonating fuse, cast boosters and bulk explosives. Its defence portfolio includes propellants for missile systems, Chaffs and Flares, pyrogen igniters, rocket motors, pyro cartridges, explosive compositions and products for tactical and strategic applications. The Company also undertakes operation and maintenance services for solid propellant facilities at ISRO's Sriharikota Centre.

Capabilities that support visibility

As of May 2026, the order book stood at Rs 15,690 million, equal to about 4.04 times FY26 revenue. Defence orders comprised around 95% of this order book, providing a stronger base for future execution. With six manufacturing facilities across Telangana, Madhya Pradesh and Maharashtra, a team of more than 850 people, and around 100 engineers and scientists, PEL is positioned as a specialised partner in India's defence and space value chain.

During FY26, our revenue mix continued to shift towards Defence and Space, supported by a larger defence-led order pipeline.

Building with Responsibility and Readiness



The year's financial numbers need to be read in this context. Revenue from operations stood at ₹3,883.4 million compared with ₹4,174.5 million in FY25. This reduction was largely linked to stoppage of electric detonator production. Even with this revenue moderation, the Company delivered a stronger bottom-line performance. EBIT increased to ₹692.8 million and Profit After Tax rose to ₹458.3 million. Cash profit also improved to ₹575.1 million. These outcomes demonstrate the resilience of our operating model and our ability to create value through a balanced portfolio.

Dear Shareholders,

FY26 was a year of transition, consolidation and renewed preparedness for Premier Explosives Limited. We entered the year with the responsibility of strengthening our safety systems after the tragic incidents at our Peddakandukuru and Katepally facilities. Those events remain a sobering reminder that in our industry, operational excellence must begin with a disciplined safety culture. During the year, management continued to reinforce safety protocols, training practices,

review mechanisms and accountability across our operating locations. This will remain an uncompromising priority.

At the same time, the Company continued to serve critical national programmes in defence and space. Premier Explosives operates in a specialised segment where credibility is earned over years through technical consistency, product reliability and the ability to meet demanding customer requirements. Our role as a manufacturer of high-energy materials, solid propellants,

pyrotechnic devices, countermeasures for defence and aerospace, places us at an important intersection of industrial activity and national capability creation.

The year's financial numbers need to be read in this context. Revenue from operations stood at ₹3,883.4 million compared with ₹4,174.5 million in FY25. This reduction was largely linked to stoppage of electric detonator production. Even with this revenue moderation, the Company delivered a stronger bottom-line performance. EBIT

increased to ₹692.8 million and Profit After Tax rose to ₹458.3 million. Cash profit also improved to ₹575.1 million. These outcomes demonstrate the resilience of our operating model and our ability to create value through a balanced portfolio.

A significant development during the year was the expansion of the order book. As of May 2026, the Company had its highest-ever order book of ₹15,690 million, representing about 4.04 times FY26 revenue. Around 95% of this order book came from the Defence segment. This provides us with better revenue visibility and reinforces the relevance of our capabilities to India's defence priorities. The quality of this order book is particularly important because it is linked to areas where entry barriers are high and customer expectations are stringent.

Our manufacturing platform remains central to this positioning. We operate six manufacturing facilities across Telangana, Madhya Pradesh and Maharashtra. The facilities at Peddakandukur and Katepally manufacture explosive accessories, defence explosives, solid propellants, PETN, ammonium perchlorate, HMX/RDX, rocket motors, ammunition, mines, warheads and related products. Our bulk explosives facilities at Singrauli, Chandrapur, Godavarikhani and Manuguru continue to serve mining and infrastructure customers. Together, these locations give the Company a broad yet focused production base.

Our people continue to be our strength. Premier Explosives has a workforce of more than 850 experienced employees, including about 100 engineers and scientists. Around 550 people have been trained in propellant and pyrotechnic products. In a field where knowledge, discipline and precision are indispensable, this talent base provides continuity and technical depth. I would like to acknowledge the contribution of every employee who has worked through a demanding operating environment with commitment and focus.

The external environment remains supportive for specialised Indian defence manufacturers. Government emphasis on Make in India, import substitution, domestic procurement and defence exports is creating

a larger role for private sector participation. The national defence production base is expanding, and opportunities are emerging in missile systems, countermeasures, ammunition, mines, warheads, drones, loitering munitions and related high-energy products. Premier Explosives has the experience and licence base to participate in this long-term opportunity with prudence.

The Company's research and development orientation remains unchanged. Our DSIR-certified and NABL-accredited laboratories, along with academic collaborations with Gulbarga University, IIT Madras and BITS Pilani, support work in high-energy materials. The development of combustion-stable propellants and specialised compositions for missile programmes reflects our commitment to indigenous capability. We will continue to build this platform with a clear focus on reliability, safety and relevance.

While expressing my gratitude to all the stakeholders for their unwavering support and cooperation, I inform all that Apollo Micro Systems Limited - a 41 year old pioneer in design, development and manufacturing of advanced electronic, electromechanical and engineering systems has entered into a definitive share purchase agreement with AKS family trust (Promoters) to acquire 41.33% shares of Premier Explosives Limited. I am confident that together we can unlock new opportunities for innovation, technological excellence and sustainable growth.

On behalf of the Board and self, I thank our customers, employees, partners, regulators and shareholders for their continued trust. As we move ahead, our objective is to strengthen Premier Explosives as a responsible, technically capable and nationally relevant enterprise. We will continue to pursue this objective with humility, discipline and a long-term view.

Warm regards,

Dr. A. N. Gupta
Non-Executive Chairman



The Company's research and development orientation remains unchanged. Our DSIR-certified and NABL-accredited laboratories, along with academic collaborations with Gulbarga University, IIT Madras and BITS Pilani, support work in high-energy materials. The development of combustion-stable propellants and specialised compositions for missile programmes reflects our commitment to indigenous capability. We will continue to build this platform with a clear focus on reliability, safety and relevance.

Execution, Visibility and Capability



The Company's work in combustion-stable propellants and specialised high-energy materials supports both current programmes and future product expansion. We are also focused on enhancing our product range which includes mines, ammunition, bombs, warheads, missile integration and related defence systems



Dear Shareholders,

I am pleased to present the FY26 review of Premier Explosives Limited. The year required us to balance three priorities: strengthening operational discipline, executing ongoing customer commitments, and preparing the organisation for a larger defence-led opportunity pipeline. Our performance reflects this balance.

Safety and accountability remained at the centre of our management agenda.

Following the incidents reported in the previous period, we continued to examine our systems, processes and training practices with greater intensity. In high-energy materials, safety cannot be treated as a compliance activity alone; it must be embedded into decision-making, supervision, housekeeping, maintenance, handling and culture. We have therefore continued to strengthen reviews, protocols and employee awareness across our facilities.

The year's financial numbers need to be read in this context. Revenue from operations stood at ₹3,883.4 million compared with ₹4,174.5 million in FY25. This reduction was largely linked to stoppage of electric detonator production. Even with this revenue moderation, the Company delivered a stronger bottom-line performance. EBIT increased to ₹692.8 million and Profit After Tax rose to ₹458.3 million. Cash profit also improved to ₹575.1 million. These outcomes demonstrate the resilience of our operating

model and our ability to create value through a balanced portfolio.

The balance sheet continued to support the Company's strategic direction. Total assets stood at ₹4,856.1 million as of March 2026. Other equity increased to ₹2,782.8 million, while current liabilities reduced to ₹1,609.4 million from ₹2,531.5 million in March 2025. Capital work-in-progress increased to ₹263.9 million, reflecting ongoing capacity and capability-related investments. These numbers indicate a more measured and better-capitalised platform for future execution.

The most important indicator of future visibility is our order book. As of May 2026, Premier Explosives had its highest-ever order book of ₹15,690 million. This is approximately 4.04 times FY26 revenue. Around 95% of the order book is from the Defence segment, with the balance from explosives and services. This order book is a clear signal of customer confidence in our technical ability, licence base and delivery record. It also gives us a stronger foundation for capacity planning, procurement, staffing and execution prioritisation.

Our Defence and Space portfolio continues to be the main driver of the Company's strategic direction. We are engaged across propellants, pyros, explosive compositions, countermeasures and O&M services. Our product range includes pyrogen igniters, case-bonded propellants, free-standing propellant grains, fuel-rich propellant grains, gas generators, rocket motors, pyro cartridges, pyro actuators, smoke and flash generators, IR generators, squibs, PETN, HMX/RDX compounds, CL-20, Chaffs and Flares. We are also the only qualified Indian company for countermeasures and have capability in the export of fully assembled rocket motors.

Our contribution to India's missile programmes remains a matter of national responsibility. We support platforms such as Akash, MRSAM, LRSAM, Astra, Agni and BrahMos through booster grains, sustainer grains, solid propellants, pyrogen igniters and rocket motor production and integration. These are demanding programmes, and our relevance depends on

precision, documentation, quality assurance and timely execution.

Commercial Explosives remains an important business line. Bulk explosives, cast boosters, detonators and detonating fuse serve mining, infrastructure and cement customers in India and overseas markets. Although segment revenue reduced to ₹729 million in FY26, the business continues to provide a long-standing industrial base, customer relationships and manufacturing continuity. We will pursue this segment selectively while maintaining focus on margins, working capital and export opportunities.

Research and development will remain a differentiator. Our laboratories are DSIR-certified and NABL-accredited, and we continue to benefit from academic collaborations. The Company's work in combustion-stable propellants and specialised high-energy materials supports both current programmes and future product expansion. We are also focused on enhancing our product range for mines, ammunition, bombs, warheads, missile integration and related defence systems.

Looking ahead, our priorities are clear. We will execute the order book with discipline, strengthen safety and quality systems, improve capacity utilisation, enhance production capabilities in high explosive raw materials, expand defence exports, and participate in missile integration and strategic partner opportunities wherever appropriate. We will do this without diluting our focus on governance and operational responsibility.

I thank our employees for their resilience and expertise, our customers for their continued trust, our Board for its guidance, and our shareholders for their confidence. Premier Explosives is moving into the next phase with a stronger order book, deeper defence relevance and a sharper execution agenda.

Warm regards,

T V Chowdary
Managing Director



Looking ahead, our priorities are clear. We will execute the order book with discipline, strengthen safety and quality systems, improve capacity utilisation, enhance production capabilities in high explosive raw materials, expand defence exports, and participate in missile integration and strategic partner opportunities wherever appropriate. We will do this without diluting our focus on governance and operational responsibility.

Milestones in Indigenous Capability Creation



Foundation and early development

Premier Explosives Limited was incorporated in 1980 by Dr. A. N. Gupta, an alumnus of the Indian School of Mines, Dhanbad. The Company began with commercial explosives and detonators based on indigenous technology, establishing a foundation in energetic materials. It became a public limited company in 1987, broadening its institutional base for future expansion.



Expanding industrial capability

During the 1980s and 1990s, PEL added detonating fuse, detonator and site-mixed slurry facilities, while also strengthening quality and research systems. Its R&D centre received recognition, and the Company progressively widened its commercial explosives and accessories portfolio for mining and infrastructure customers.



Entering strategic materials

A decisive shift took place in 2003, when PEL entered the development of solid propellants. This marked the Company's movement from industrial explosives into defence-aligned high-energy materials. It later became a sole private sector supplier of propellants for missile systems such as Akash, Astra, MRSAM and LRSAM.



Research, certification and collaboration

The Company built research partnerships with Gulbarga University, IIT Madras and BITS Pilani. Its laboratories received DSIR certification and NABL accreditation, supporting product development in high-energy materials, propellants and specialised compositions.



Innovation in safer initiation systems

PEL became the first company globally to commercialise NHN-based detonators, an alternative to conventional primary charges. This achievement reflected the Company's ability to combine safety, environmental consideration and commercial-scale manufacturing.



Building FY26 readiness

By May 2026, PEL had achieved its highest-ever order book of ₹ 15,690 million, with around 95% from Defence. This milestone reflects the Company's evolution into a specialised partner for national defence and space programmes.

The Company's milestones show a steady movement from indigenous industrial explosives to strategic systems. FY26 adds a new marker to this journey: a defence-led order book that is larger than any previous level disclosed by the Company.

What Sets Premier Explosives Apart

Premier Explosives Limited brings together industrial experience, defence relevance and high-entry-barrier manufacturing capabilities. The following strengths define its strategic position.



Deep participation in national programmes

PEL supplies and supports critical products for customers such as DRDO, ISRO, BDL and other defence and space entities. Its contributions to Akash, Astra, MRSAM, LRSAM, Agni and BrahMos programmes demonstrate its relevance in missile propulsion, pyrotechnics and rocket motor applications.



High visibility order book

As of May 2026, the Company's order book stood at ₹ 15,690 million, equal to about 4.04 times FY26 revenue. Defence accounted for approximately 95% of this order book, providing a stronger execution base and improving medium-term visibility.



Integrated energetic-material capability

PEL's capabilities extend across solid propellants, pyrogen igniters, pyro devices, explosive compositions, countermeasures, detonators, detonating fuse, cast boosters and bulk explosives. This breadth enables the Company to address both commercial and mission-critical requirements.



Position in countermeasures and rocket motors

The Company is the only qualified Indian company for countermeasures and also specialises in the export of fully assembled rocket motors. These capabilities place it in segments where technical qualification, safety systems and customer trust are difficult to replicate.



Research-led development platform

With DSIR-certified and NABL-accredited laboratories, and collaborations with Gulbarga University, IIT Madras and BITS Pilani, PEL continues to invest in high-energy materials. Its work on combustion-stable propellants and specialised compositions supports future readiness.



Manufacturing base and skilled people

PEL operates six manufacturing facilities across Telangana, Madhya Pradesh and Maharashtra. Its team of more than 850 employees, including 100 engineers and scientists, and around 550 personnel trained in propellant and pyrotechnic products.



Alignment with self-reliance priorities

The Company's product development, manufacturing licences and defence relationships are aligned with India's Make in India and import-substitution agenda, creating long-term relevance across strategic applications.

These differentiators are mutually reinforcing. Technical qualification supports order visibility; order visibility justifies capacity investment; and capacity investment, when supported by safety and quality systems, strengthens customer confidence. This cycle is central to PEL's FY26 positioning.

Business Portfolio Review

Premier Explosives Limited operates across Defence and Aerospace, and Industrial Explosives. In FY26, Defence and Space services contributed ₹ 3,154 million, representing 81% of revenue, while Industrial Explosives contributed ₹ 729 million. The business mix continues to specialised high-energy materials, countermeasures, propellants and strategic systems, supported by a long-standing industrial explosives base and recurring relationships with defence, space, mining and infrastructure customers.

Our FY26 business profile was led by Defence and Space, supported by improved profitability and a larger forward order pipeline, while Commercial Explosives remained an established operating vertical.



Strategic Defence and Space Capabilities

Premier Explosives Limited is positioned as a specialised manufacturer and service provider in high-energy materials for defence and space applications. The segment generated ₹ 3,154 million in FY26 and accounted for 81% of the Company's annual revenue. In Q4FY26, segment revenue increased 43.1% year-on-year to ₹ 677 million, reflecting stronger execution during the quarter.

The Company manufactures products across propellants, pyros, explosive compositions and countermeasure systems. Its offerings include pyrogen igniters, case-bonded propellants, free-standing propellant grains, fuel-rich propellant grains, gas generators, rocket motors of 40 mm to 2000 mm diameter, pyro cartridges, pyro actuators, smoke and flash generators, IR generators, specialised squibs, PETN, HMX/RDX compounds, CL-20, Chaffs and Flares.

PEL supports defence and space public sector customers and strategic agencies through both products and services. It has contributed to major missile programmes, including Akash, MRSAM, LRSAM, Astra, Agni and BrahMos. Its role covers solid propellants, booster grains, sustainer grains, pyro initiators, pyrogen igniters and rocket motors.

The Company also undertakes O&M services for solid propellant plants at ISRO's Sriharikota Centre. These assignments reflect the trust placed in PEL for sensitive, process-intensive operations.

The FY26 order book strengthens the segment's outlook. Of the ₹ 15,690 million order book as of May 2026, about 95% is from Defence. This provides a stronger platform for future revenue conversion, capacity planning and participation in India's defence self-reliance programmes.

The segment also benefits from the national emphasis on indigenisation and domestic sourcing. For PEL, this creates opportunities not only in existing missile and countermeasure products, but also in adjacent areas such as ammunition, mines, warheads, drones, loitering munitions and missile refurbishment. The Company's task is to convert these opportunities through qualification, careful investment and consistent delivery.

Defence Platform Contribution Matrix

PEL's role across India's missile programmes is based on specialised manufacturing, product qualification and consistent supply performance. Its contributions cover initiation, propulsion and rocket motor activities across tactical, strategic and cruise platforms.



Akash

Type

Tactical, Surface to Air

Stage

Production

Customer / programme agency

Bharat Dynamics Limited (BDL)

End User

Indian Air Force and Indian Army

PEL's Contribution

Supplied 2,500+ booster grains and 450+ sustainer grains



MRSAM

Type

Tactical, surface-to-air

Stage

Production

Customer / programme agency

DRDO / BDL

End User

Indian Army

PEL's Contribution

100% requirement of solid propellants



Agni

Type

Ballistic

Stage

Production

Customer / programme agency

Advanced Systems Laboratory

End User

Strategic Forces Command

PEL's Contribution

Pyrogen igniters for all stages



BrahMos

Type

Cruise; air-launched anti-ship and land attack

Stage

Production

Customer / programme agency

BrahMos Aerospace

End User

Indian Air Force, Indian Navy and Indian Army

PEL's Contribution

Production and integration of rocket motors



LRSAM

Type

Tactical, surface-to-air

Stage

Production

Customer / programme agency

DRDO / BDL

End User

Indian Navy

PEL's Contribution

100% requirement of solid propellants



Astra

Type

Tactical, air-to-air

Stage

Production

Customer / programme agency

DRDO / BDL

End User

Indian Air Force

PEL's Contribution

100% requirement of solid propellants

Supporting India's Launch Ecosystem

PEL remains a contributor to India's space programme through energetic-material products and operations support linked to launch vehicle requirements. Its role is particularly important in solid propellant handling, mixing, casting, integration and related services at ISRO's Sriharikota Centre under the O&M framework.

Key space-linked products and services include PSOM-XL solid propellant strap-on motors for satellite launch vehicles, solid propellant processing support, and explosive and pyrotechnic devices used in launch vehicle and satellite deployment systems. The Company's experience in

high-energy materials, quality procedures and sensitive manufacturing environments enables it to support programmes where safety and repeatability are essential.

The Defence and Space services segment reported revenue of ₹ 3,154 million in FY26. While annual revenue was lower than FY25 due to execution timing in certain high-value orders, the segment continued to account for the major share of Company revenue. The segment's future visibility improved significantly with the overall order book reaching ₹ 15,690 million as of May 2026, with defence-related orders comprising the dominant share.

Strategically, the space-linked portfolio reinforces PEL's position as a trusted partner in national programmes, while creating adjacency benefits for propellant, pyrotechnic and missile-related capabilities.

O&M services extend the Company's technical strengths into process-intensive assignments. PEL manages solid propellant facilities at ISRO's Sriharikota Centre. These services complement its product portfolio and reinforce customer confidence in its operating discipline.



Industrial Explosives

Commercial Explosives represents the business from which PEL began its journey. The segment serves mining, infrastructure and industrial customers through bulk explosives, cast boosters, detonators and detonating fuse. In FY26, Commercial Explosives revenue stood at ₹ 729 million compared with ₹ 801 million in FY25. Q4FY26 revenue was ₹ 215 million, reflecting 8.6% sequential growth over Q3FY26.

PEL's commercial explosives products are used in coal, iron ore, limestone, road, dam, tunnel and civil engineering applications. The customer base includes Coal India, Singareni Collieries, cement manufacturers, construction contractors and mining customers. Export markets include Israel, Greece, Jordan, Turkey, Nepal, Thailand, the Philippines, Indonesia, Djibouti, Sri Lanka and Egypt.

The Company will continue to serve commercial explosives customers selectively while prioritising safety, working capital discipline, export opportunities and alignment with higher-value defence and space work.

The segment also supports the Company's operational learning in explosives handling, logistics, customer service and regulatory compliance, which remain relevant across the broader high-energy materials business.



Board Stewardship and Domain Expertise



Dr. A.N. Gupta
Non-Executive Chairman

Dr. Gupta is a founder and distinguished professional in explosives and high-energy materials. He has received the Visfotak Ratan Award, the Pickering and ISM Medal, and is a Fellow of the High Energy Materials Society of India. His technical background and institution-building experience continue to guide the Company's strategic direction.



Mr. T V Chowdary
Managing Director

Mr. Chowdary is a chemical engineer with more than four decades of experience in chemicals, explosives and solid propellants. He leads the Company's operational and strategic agenda, with emphasis on execution, safety, customer relationships and capability expansion.



Mr. Y Durga Prasad Rao
Director - Operations

Mr. Rao is a mechanical engineer with 36 years of experience in explosives, propellants, refractories and factory management. His role is central to manufacturing performance, plant discipline and execution reliability.



Dr. (Mrs.) Kailash Gupta
Non-Executive Director

Dr. Kailash Gupta is a medical professional involved in social and philanthropic activities, particularly in healthcare. She brings a community-oriented perspective to the Board.



Mrs. Shonika Prasad
Non-Executive Director

Mrs. Prasad holds a Bachelor's degree in Commerce and an MBA with specialisation in Finance and International Trade from ICBM School of Business Excellence, Hyderabad.



Lt. Gen. P R Kumar (Retd.)

Independent Director

Lt. Gen. Kumar is an alumnus of the National Defence Academy and Staff College, Wellington. He retired as Lieutenant General from the Indian Army in 2015 and brings deep defence-sector understanding to the Board.



CA. Seshagiri Rao

Independent Director

Mr. Rao is a chartered accountant in professional practice since 1976. His experience covers statutory audits, internal audits, banking and corporate taxation, strengthening the Board's financial oversight.



Dr. V G Sekaran

Independent Director

Dr. Sekaran is an eminent missile scientist and was Chief Designer of the long-range ballistic missile system Agni-5. He has held senior DRDO roles and brings programme-level knowledge of strategic systems.



Dr. N K Nanda

Independent Director

Dr. Nanda has 38 years of experience in mine planning, operations and mineral project management, including iron ore, diamond, limestone and copper. He also has expertise in beneficiation and utilisation of waste materials.

He has vast experience in these fields during his tenure as CMD at National Mineral Development Corporation.



Dr. (Mrs.) Kumuda Raghavan

Independent Director
(Upto 31/07/2026)

Dr. Raghavan is a medical professional with rich healthcare experience and active involvement in community healthcare and philanthropic initiatives.

Senior Leadership Team



T V Chowdary
Managing Director



Y. Durga Prasad Rao
Director (Operations)



Vijay Kumar B.M
Chief Financial Officer



K. Jhansi Laxmi
Company Secretary and
Compliance Officer

Corporate Information

Board of Directors

Dr. A. N. Gupta

Non-Executive Chairman

Mr. T. V. Chowdary

Managing Director

Mr. Y. Durga Prasad Rao

Director (Operations)

Dr. (Mrs.) Kailash Gupta

Non-Executive Director

Mrs. Shonika Prasad

Non-Executive Director

Lt. Gen. P R Kumar (Retd.)

Independent Director

Dr. Narendra Kumar Nanda

Independent Director

Dr. V. G. Sekaran

Independent Director

Mr. Ch. Seshagiri Rao

Independent Director

Dr. (Mrs.) Kumuda Raghavan

Independent Director
(Upto 31/07/2026)

Company Secretary and Compliance Officer

Mrs. K. Jhansi Laxmi

Chief Financial Officer

Mr. B. M. Vijay Kumar

Committees

Audit Committee:

Dr. N. K. Nanda, Chairman

Mr. Ch. Seshagiri Rao

Lt. Gen. P R Kumar

Dr. A. N. Gupta.

Stakeholders Relationship Committee:

Lt. Gen. P R Kumar, Chairman

Mr. Ch. Seshagiri Rao

Mr. T. V. Chowdary

Dr. (Mrs.) Kailash Gupta.

Nomination and Remuneration Committee:

Dr. V. G. Sekaran, Chairman

Mr. Ch. Seshagiri Rao

Lt. Gen. P R Kumar

Dr. A. N. Gupta.

Corporate Social Responsibility Committee:

Dr. N.K.Nanda, Chairman

Dr. (Mrs.) Kailash Gupta

Mr. T. V. Chowdary.

Risk Management Committee:

Dr. V. G. Sekaran, Chairman

Mr. T. V. Chowdary

Mr. Y. Durga Prasad Rao

Mr. B. M. Vijay Kumar.

Registered office

Premier Explosives Limited,

Premier House, 11 Ishaq Colony,

Near AOC Centre, Secunderabad - 500015,
Telangana, India.

Phone: 040 66146801 to 3.

Email: investors@pelgel.com.

Website: www.pelgel.com.

Listing and identification

Corporate Identification Number:

L24110TG1980PLC002633.

Listed on BSE and NSE.

Business footprint

The Company serves defence and space, mining and infrastructure sectors. It operates six manufacturing facilities located across Telangana, Madhya Pradesh and Maharashtra, including Peddakandukuru, Katepally, Singrauli, Chandrapur, Godavarikhani and Manuguru. O&M services are provided at ISRO, Sriharikota.

Auditors and service providers

Statutory Auditors:

Majeti & Co., Chartered Accountants,
Hyderabad.

Internal Auditors:

RSNL & Associates, Chartered Accountants,
Hyderabad.

Cost Auditors:

S. S. Zanwar & Associates,
Cost Accountants, Hyderabad.

Secretarial Auditors: K V C Reddy &
Associates, Company Secretaries,
Hyderabad.

Registrar and Share Transfer Agent:

KFin Technologies Limited, Hyderabad.

Investor Relations Agency:

Stellar IR Advisors Private Limited.

Bankers

State Bank of India, HDFC Bank, YES Bank
and RBL Bank

People

Premier's workforce comprises more than 850 employees across its locations, including about 100 engineers and scientists. Around 550 people are trained in propellant and pyrotechnic products.

Sectors served

The Company's products and services are consumed by defence and space organisations, mining companies, infrastructure customers, cement manufacturers and export customers.

Defence, Space and Explosives Units

Peddakandukuru supports detonators, detonating fuse, packaged explosives, pyro devices, countermeasures, propellants, PETN and ammonium perchlorate. Katepally supports solid propellants, HMX/RDX, rocket motors, ammunition, mines, warheads, bombs, flares and related products.

FY26 Performance Highlights

FY26 revenue from operations stood at ₹ 3,883.4 million, lower by 7.0% year-on-year due to execution timing after a high base in FY25. EBIT increased 42.4% to ₹ 692.8 million, and EBIT margin improved to 17.8%. Profit After Tax rose 60.5% to ₹ 458.3 million, with PAT margin at 11.8%. Cash

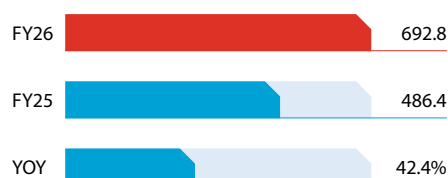
profit increased to ₹ 575.1 million. The fourth quarter showed improved momentum, with revenue increasing 20.4% year-on-year to ₹ 892.1 million. The year ended with the strongest order book in the Company's history, at ₹ 15,690 million as of May 2026.

EBITDA for FY26 was ₹ 388.2 million, reflecting raw material cost pressure. Other income was ₹ 421.4 million. Balance sheet strength improved through higher other equity and a reduction in current liabilities.

Revenue from Operations (₹ Mn)



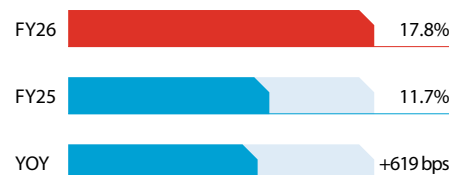
EBIT before exceptional items (₹ Mn)



Profit before tax and exceptional items (₹ Mn)



EBIT Margin



Profit After Tax (₹ Mn)



PAT Margin



EPS (₹)



Cash PAT (₹ Mn)



Opportunity Landscape and Vision 2030 Priorities

India's defence manufacturing environment remains favourable for companies with proven capability, licences, quality systems and programme experience. Government focus on domestic procurement, positive indigenisation lists, technology transfer, offsets and private sector participation continues to expand opportunities for high-energy materials and related systems.

PEL's Vision 2030 priorities are aligned with this environment. The Company aims to remain an important player in industrial

explosives, enhance production capacity for high-explosive raw materials such as RDX, HMX, TNT and ammonium perchlorate, increase participation in missile integration under DRDO-linked programmes, expand its product range to include mines, ammunition, bombs and warheads, and improve export contribution in industrial and defence explosives.

Product expansion will remain focused on Chaffs and Flares, air target imitators, air-to-air and air-to-surface missile applications,

missile refurbishment, canopy severance systems, surface-to-air missiles, UAVs, drones, loitering munitions, warheads, anti-personnel and anti-armoured vehicle mines, and medium and large calibre ammunition.

The opportunity is attractive, but execution will require qualification discipline, timely approvals, calibrated capital expenditure and continued safety reinforcement across all facilities.



10 Years at a Glance

(₹ in Lakhs, unless otherwise stated)

Statement of Profit and Loss	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Operating revenue	38834.14	41745.23	27171.67	20,203.01	19,912.77	15,337.19	15,650.80	24,093.35	26,590.85	23,071.62
Other income	4214.49	211.53	405.04	215.66	189.68	87.15	140.00	259.03	220.49	66.82
Total revenue (net)	43048.63	41956.76	27576.71	20,418.67	20,102.45	15,424.34	15,790.80	24,352.38	26,811.34	23,138.44
EBITDA before exceptional items	3882.18	5799.68	5850.31	2,581.54	2,228.32	664.10	(516.70)	2,343.80	2,001.64	2,839.38
Other income	4214.49	211.53	405.04	215.66	189.68	87.15	140.00	259.03	220.49	66.82
Depreciation	(1168.55)	(1147.42)	(1151.69)	(982.25)	(937.48)	(597.00)	(496.98)	(418.91)	(363.35)	(346.42)
Finance costs	(364.95)	(1109.55)	(1079.01)	(919.26)	(750.76)	(735.30)	(577.26)	(552.27)	(514.84)	(437.33)
Profit before exceptional items and tax	6563.17	3754.24	4024.65	895.69	729.76	(581.05)	(1,450.94)	1,631.65	1,343.94	2,122.45
Exceptional items	520.00	-	-	-	-	(908.01)	-	-	-	58.15
Profit before tax	6043.17	3754.24	4024.65	895.69	729.76	(1,489.06)	(1,450.94)	1,631.65	1,343.94	2,180.60
Tax	(1460.66)	(898.98)	(1212.50)	(227.20)	(167.75)	414.59	492.70	(459.10)	(470.53)	(705.51)
Profit for the year	4582.51	2855.26	2812.15	668.49	562.01	(1,074.47)	(958.24)	1,172.55	873.41	1,475.09
Other comprehensive income (net)	14.36	(37.63)	(108.21)	(5.01)	(59.98)	(71.40)	17.53	(81.32)	(78.76)	-
Total comprehensive income	4596.87	2817.63	2703.94	663.48	502.03	(1,145.87)	(940.71)	1,091.23	794.65	1,475.09
EBITDA/Operating revenue	10%	13.90%	21.5%	12.8%	11.2%	4.3%	-3.3%	9.7%	7.5%	12.3%
PBT/Total revenue	14.04%	8.95%	14.6%	4.4%	3.6%	-9.7%	-9.2%	6.7%	5.0%	9.4%
PAT/Total revenue	10.64%	6.81%	10.2%	3.3%	2.8%	-7.0%	-6.1%	4.8%	3.3%	6.4%

Balance sheet	31-Mar-26	31-Mar-25	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17
Non-current assets										
Fixed assets and Intangible assets	27344.04	27984.82	26960.73	24,932.85	23,199.07	22,262.59	14,828.22	14,516.27	12,839.47	12,531.64
Depreciation and Amortization	(8891.76)	(8309.83)	(7199.38)	(6,070.73)	(5,237.57)	(4,346.07)	(3,763.01)	(3,268.54)	(2,849.93)	(2,495.60)
Capital work in progress	2639.23	284.73	309.37	181.50	369.82	175.65	6,169.62	3,482.52	1,579.17	368.96
	21091.51	19959.72	20070.72	19,043.62	18,331.32	18,092.17	17,234.83	14,730.25	11,568.71	10,405.00
Right of Use asset (Leasehold land)*	85.66	86.60	79.47	75.31	76.12	76.93	77.74			
Investment property	8.02	8.02	8.02	8.02	8.02	8.02	8.02	8.02	8.02	8.02
Investments	525.90	521.00	521.00	521.00	531.00	531.00	531.00	531.00	531.00	526.00
Other non-current assets	1037.61	557.12	322.94	519.78	1,020.48	729.55	1,012.61	1,087.32	730.20	630.23
Current assets	25811.91	31922.28	23462.90	15,731.45	12,374.05	9,974.59	11,763.65	13,233.78	17,779.77	10,482.90
Total assets	48560.61	53054.74	44465.05	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15
Share capital	1075.22	1075.22	1075.22	1075.22	1,075.22	1,075.22	1,075.22	1,075.22	1,063.71	885.86
Other equity/ Reserves and surplus	27827.95	23499.89	20951.07	18,429.92	17,927.72	17,425.69	18,571.56	19,862.25	18,613.11	12,838.51
Share warrants	-	-	-	-	-	-	-	-	148.80	-
Networth	28903.17	24575.11	22026.29	19,505.14	19,002.94	18,500.91	19,646.78	20,937.47	19,825.62	13,724.37
Non-current liabilities										
Financial liabilities	1323.65	757.65	1257.65	237.58	516.65	1,031.05	405.32	660.39	818.76	704.72
Provisions	1009.03	1060.55	983.69	701.20	532.71	510.29	391.14	312.24	269.38	312.78
Deferred tax liability	1231.11	1346.53	1364.24	843.20	684.93	514.09	924.34	1,410.28	1,354.17	339.01
Current liabilities	16093.65	25314.90	18833.18	14,612.06	11,603.76	8,855.92	9,260.27	6,269.99	8,349.77	6,971.27
Equity and liabilities	48560.61	53054.74	44465.05	35,899.18	32,340.99	29,412.26	30,627.85	29,590.37	30,617.70	22,052.15
Return on capital employed	8.00%	14.66%	15.00%	5.50%	7.8%	-4.1%	-4.4%	9.4%	8.3%	17.4%
Return on networth	15.90%	11.46%	12.27%	3.4%	2.6%	-6.2%	-4.8%	5.2%	4.0%	10.7%
Long term Debt / Equity	0.05	0.03	0.06	0.01	0.03	0.06	0.02	0.03	0.04	0.05
Current ratio	1.60	1.26	1.25	1.08	1.07	1.13	1.27	2.11	2.13	1.50

Per share	2025-26	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17
Book value per share - ₹	53.76	45.71	204.85	181.41	176.73	172.07	182.72	194.73	184.98	154.93
Earnings per share - ₹	8.52	5.31	5.23	6.22	5.23	(9.99)	(8.91)	11.00	8.42	16.65
Dividend per share - ₹	0.50	0.50	2.50	1.70	1.50	-	-	2.70	2.50	3.00
No. of shareholders	92900	83,951	24,933	9,991	9,311	9,386	9,707	10,428	10,258	9,715

Note: Figures from 2017-18 are as per Ind AS

*new classification from 2019-20

[Sub-division/Split of Equity share:- Pursuant to the approval of the shareholders of the company through postal ballot, one equity share of ₹ 10/- each fully paid up was subdivided/ split into five equity share of ₹ 2/- each with effect from June 21, 2024.]

Management Discussion and Analysis

1. Global economic overview

The global economy remained resilient during FY26, but the operating environment continued to be shaped by geopolitical tensions, trade fragmentation, supply-chain reconfiguration and financial-market volatility. These conditions affected the availability, pricing and lead times of specialised chemicals, metals and energetic-material inputs. For manufacturers of high-energy materials, procurement discipline, inventory planning and qualification of alternate sources remained important operating priorities.

The Economic Survey 2025-26 characterised the external environment as fragile, with elevated risks from geopolitical tensions, trade fragmentation and financial vulnerabilities. Against this backdrop, defence expenditure and the localisation of strategic supply chains remained policy priorities across several countries. For Indian defence manufacturers, the resulting environment created export opportunities, but also increased competition, compliance requirements and exposure to raw-material price movements.

2. Indian economic overview

India sustained a strong growth trajectory in FY26. Under the revised GDP series with base year 2022-23, real GDP growth for FY26 was estimated at 7.6%, compared with 7.1% in FY25. Growth was supported by consumption, investment, manufacturing and services, while public capital expenditure continued to support infrastructure creation. The broader macroeconomic environment remained favourable for domestic manufacturing and strategic-sector investment.

For Premier Explosives Limited, the relevance of the domestic economic environment arises through three channels: public expenditure on defence and space; mining and infrastructure activity that supports demand for commercial explosives; and the development of domestic manufacturing ecosystems that improve access to specialised suppliers, testing infrastructure and skilled manpower.

3. Industry overview

3.1 Indian defence manufacturing

FY26 marked another year of expansion for India's defence industrial base. Indigenous defence production reached a record Rs 1.78 lakh crore, an increase of 15.6% over FY25. The private sector contributed 24% of total production, up from 22% in the preceding year, indicating a widening role for private manufacturers in strategic supply chains.

Defence exports reached a record Rs 38,424 crore in FY26, increasing 62.66% over FY25. Indian defence products were exported to more than 80 countries, while the exporter base expanded to 145 entities. This growth reflects stronger international acceptance of Indian systems, sub-systems and components and creates a wider addressable market for qualified manufacturers of propellants, rocket motors, pyrotechnic devices, countermeasures and energetic materials.

The Ministry of Defence fully utilised its revised capital outlay of Rs 1.86 lakh crore for FY26. Continued capital deployment, domestic procurement preferences, Positive Indigenisation Lists and simplified export procedures supported order visibility across the sector. These developments are relevant to PEL because its product portfolio participates in missile propulsion, countermeasures, high explosives, pyrotechnics and related strategic applications.

3.2 Missiles, air-defence systems and countermeasures

The operating environment remained supportive for missile and air-defence programmes. India's emphasis on indigenous tactical and strategic systems, replenishment requirements and platform modernisation sustained demand for solid propellants, pyrogen igniters, rocket motors, explosive compositions and countermeasure products. PEL's established participation in Akash, MRSAM, LRSAM, Astra, Agni and BrahMos programmes provides a relevant capability base; however, revenue conversion remains dependent on customer schedules, qualification cycles, inspection and delivery milestones.

3.3 Space sector

India's space programme continued to broaden through launch-vehicle missions, satellite deployment and increasing private-sector participation. ISRO's FY26 programme sustained the requirement for reliable launch-vehicle subsystems and specialised operations. PEL's role includes O&M services for solid propellant facilities at Sriharikota and products such as PSOM-XL solid-propellant strap-on motors and pyrotechnic devices. The opportunity remains specialised and qualification-intensive, with reliability and process discipline being central to participation.

3.4 Commercial explosives

Demand for commercial explosives is linked to coal and mineral production, cement, quarrying and infrastructure activity. The segment remained competitive and sensitive to tender pricing, raw-material costs, customer mine plans and regulatory requirements. During FY26, the stoppage of electric detonator production affected the Company's commercial explosives business. PEL continued to serve mining, infrastructure and cement customers through bulk explosives, cast boosters, detonating fuse and other permitted products, while maintaining an export presence in selected markets.

4. Company overview and business model

Premier Explosives Limited manufactures high-energy materials for defence, space, mining and infrastructure applications. The Company also undertakes O&M services for solid propellant plants at ISRO's Sriharikota Centre. Its operations combine long-standing industrial-explosives experience with specialised defence capabilities in propellants, pyrotechnics, explosive compositions, countermeasures and rocket motors.

PEL operates six manufacturing facilities across Telangana, Madhya Pradesh and Maharashtra. The Peddakandukur and

Katepally facilities support accessories, defence explosives, propellants and specialised energetic materials, while facilities at Singrauli, Chandrapur, Godavarikhani and Manuguru serve bulk-explosives customers. The Company has more than 850 employees, including around 100 engineers and scientists, and approximately 550 personnel trained in propellant and pyrotechnic products.

5. Business segment review

5.1 Defence & Space services

Defence & Space services remained the Company's principal revenue contributor. Segment revenue was Rs 3,154 million in FY26 compared with Rs 3,374 million in FY25, a decline of 6.5%. The segment accounted for 81% of FY26 revenue from operations. The year-on-year movement reflected execution timing and the larger volume of high-value Chaffs and Flares orders executed in FY25. Q4FY26 showed improved momentum, with segment revenue of Rs 677 million, 43.1% higher year-on-year.

The segment covers composite propellants, pyrotechnic devices, explosive compositions, countermeasures and O&M services. Products include pyrogen igniters, case-bonded propellants, free-standing and fuel-rich propellant grains, gas generators, rocket motors, pyro cartridges and actuators, smoke and flash generators, IR generators, specialised squibs, PETN, HMX/RDX compounds, CL-20, Chaffs and Flares. The Company is the only qualified Indian company for countermeasures and also has capability in the export of fully assembled rocket motors.

5.2 Commercial Explosives

Commercial Explosives revenue was Rs 729 million in FY26 compared with Rs 801 million in FY25, a decline of 9.0%. The segment contributed 19% of annual revenue. The decline was influenced by the stoppage of electric detonator production and lower segment execution. PEL continued to supply bulk explosives, cast boosters and detonating fuse to mining, infrastructure and cement customers, while pursuing permitted export opportunities.

5.3 Operations & Maintenance services

The Company continued to undertake process-intensive O&M assignments for solid propellant facilities at ISRO's Sriharikota Centre. This contract draw on PEL's experience in handling, mixing, casting and integration of solid propellant systems and represent recurring participation in India's strategic programmes.

6. Order book and revenue visibility

As of May 2026, PEL's order book stood at Rs 15,690 million, the highest disclosed by the Company and approximately 4.04 times FY26 revenue from operations. Defence accounted for about 95% of the order book, Explosives for about 2% and Services for about 3%. The order book provides medium-term execution visibility, but its conversion will depend on customer delivery schedules, inspections, availability of inputs, qualification requirements and the Company's capacity ramp-up.

7. Financial performance review

The following discussion is based on the standalone FY26 results. Revenue from operations was Rs 3,883.4 million, 7.0% lower than Rs 4,174.5 million in FY25. Operating EBITDA was Rs 388.2 million compared with Rs 580.0 million, and the EBITDA margin was 10.0% compared with 13.9%. The reduction reflected the lower revenue base and elevated raw-material prices during the year.

Other income increased to Rs 421.4 million from Rs 21.2 million. Consequently, EBIT increased by 42.4% to Rs 692.8 million and the EBIT margin rose to 17.8% from 11.7%. Finance cost declined to Rs 36.5 million from Rs 111.0 million. Profit before tax increased by 74.8% to Rs 656.3 million. After an exceptional ex-gratia item of Rs 52.0 million and tax expense of Rs 146.1 million, profit after tax was Rs 458.3 million, 60.5% higher than FY25. Cash profit increased by 43.7% to Rs 575.1 million, while earnings per share was Rs 8.5 compared with Rs 5.3.

Particulars (Rs million, except ratios)	FY26	FY25	Change
Revenue from operations	3,883.4	4,174.5	(7.0%)
EBITDA before exceptional items	388.2	580.0	(33.1%)
EBITDA margin	10.0%	13.9%	(390 bps)
Other income	421.4	21.2	1,887.7%
EBIT	692.8	486.4	42.4%
Finance cost	36.5	111.0	(67.1%)
Profit before tax and exceptional items	656.3	375.4	74.8%
Profit after tax	458.3	285.5	60.5%
PAT margin	11.8%	6.8%	496 bps
Cash profit	575.1	400.3	43.7%
EPS (Rs)	8.5	5.3	60.4%

7.1 Cost structure

Cost of raw materials was Rs 2,238.6 million compared with Rs 2,388.9 million. Employee benefit expense increased to Rs 689.1 million from Rs 619.3 million, reflecting the requirements of a skilled and specialised workforce. Other expenses were Rs 567.5 million compared with Rs 586.4 million. Raw-material volatility remained an important factor affecting operating margins.

7.2 Balance sheet and liquidity

Total assets stood at Rs 4,856.1 million as of March 31, 2026 compared with Rs 5,305.5 million a year earlier. Other equity increased to Rs 2,782.8 million from Rs 2,350 million. Current liabilities reduced to Rs 1,609.4 million from Rs 2,531.5 million, while current assets were Rs 2,581.2 million compared with Rs 3,192.2 million. The current ratio, computed from the disclosed balance-sheet figures, improved to approximately 1.60 from 1.26. Capital work-in-progress increased to Rs 263.9 million from Rs 28.5 million, reflecting ongoing capacity and capability-related investments.

Balance sheet item (Rs million)	March 2026	March 2025
Equity share capital	107.5	107.5
Other equity	2,782.8	2,350
Non-current liabilities	356.4	316.5
Current liabilities	1,609.4	2,531.5
Total liabilities	4,856.1	5305.5
Net fixed asset block	1,790.7	1,906.0
Capital work-in-progress	263.9	28.5
Other assets (non-current)	220.3	178.8
Current assets	2,581.2	3,192.2
Total assets	4,856.1	5,305.5

8. Research, development and technology

Research and development remains central to PEL's position in high-entry-barrier products. The Company's laboratories are recognised by the Department of Scientific and Industrial Research and accredited by the National Accreditation Board for Testing and Calibration Laboratories. PEL collaborates with Gulbarga University, IIT Madras and BITS Pilani for research in high-energy materials.

The Company's development work includes combustion-stable solid propellants for missile applications, specialised explosive compositions and products linked to countermeasures, rocket motors, warheads, mines and ammunition. R&D programmes involve long development and qualification cycles; commercialisation therefore depends on successful testing,

customer approval and production orders.

9. Opportunities and outlook

- Execution of the Rs 15,690 million order book, particularly the 95% Defence component.
- Higher domestic defence production, which reached Rs 1.78 lakh crore in FY26, and rising private-sector participation.
- Defence exports of Rs 38,424 crore in FY26 and wider acceptance of Indian defence products across more than 80 countries.
- Expansion into mines, ammunition, bombs, warheads, drones, loitering munitions, missile refurbishment and missile integration.
- Capacity enhancement for high-explosive raw materials and specialised energetic-material products.
- Continued participation in ISRO and DRDO-linked O&M and propulsion programmes.
- Selective development of commercial-explosives exports and mining-sector relationships.

The outlook is supported by a strong order pipeline and favourable policy direction. The Company's near-term priority is disciplined order execution, supported by safety, quality, working-capital management and timely capacity creation. Revenue may remain uneven across quarters because of the milestone-based and inspection-intensive nature of defence contracts.

10. Risks and concerns

Risk area	Nature of exposure	Management focus
Safety and process risk	High-energy materials require exacting controls in manufacturing, storage, movement and handling.	Process discipline, training, maintenance, audits, incident learning and emergency preparedness.
Execution and customer-schedule risk	Defence orders are linked to inspections, trials, programme schedules and milestone approvals.	Detailed production planning, customer coordination, documentation and capacity readiness.
Raw-material risk	Specialised chemicals and energetic-material inputs can face price and availability volatility.	Vendor diversification, inventory planning, alternate-source qualification and contract management.
Regulatory and licensing risk	Operations are subject to defence, explosives, environmental, labour and export-control regulations.	Licence compliance, regulatory monitoring, audits and controlled documentation.
Concentration risk	The order book is predominantly Defence and includes institutional customers.	Portfolio expansion, exports, commercial explosives and broader product participation.
Technology and qualification risk	New products require extended testing and customer qualification.	Stage-gated R&D, collaboration, testing infrastructure and prudent capital allocation.
Working-capital risk	Milestone-based contracts can create timing differences between procurement, production and collection.	Cash-flow planning, receivables monitoring, inventory control and banking discipline.
People risk	Operations depend on specialised engineers, scientists and trained production personnel.	Training, succession, retention and safety-led workforce engagement.
Cyber and information-security risk	Strategic programmes require protection of technical and commercial information.	Access controls, system security, backups, monitoring and employee awareness.

11. Internal control systems and their adequacy

The Company has internal control systems commensurate with the nature and scale of its operations. The control framework covers financial reporting, authorisation, procurement, inventory, production, quality, fixed assets, statutory compliance and safeguarding of assets. Internal audit observations and corrective actions are reviewed by management and the Audit Committee. The statutory auditors evaluate internal financial controls with reference to the financial statements in accordance with applicable standards.

12. Human resources and industrial relations

PEL's operations require specialised knowledge, process discipline and a strong safety culture. The Company has a workforce of more than 850 employees, including around 100 engineers and scientists, and approximately 550 people trained in propellant and pyrotechnic products. During FY26, the management focus remained on safety training, technical capability, supervision, accountability and employee awareness. Industrial relations remained focused on continuity of operations, compliance and workforce well-being.

13. Environment, health and safety

Environment, health and safety are fundamental to the Company's licence to operate. PEL continued to strengthen protocols, training, review mechanisms, maintenance practices and accountability across its facilities. The Company's priorities include prevention of incidents, safe handling of energetic materials, regulatory compliance, emergency preparedness, responsible waste management and continuous improvement in operating practices.

14. Cautionary statement

Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied due to risks and uncertainties, including raw-material availability and prices, customer schedules, qualification and inspection timelines, regulatory changes, economic conditions, competition, technology, safety events and other factors affecting the Company's operations. The Company assumes no obligation to update any forward-looking statement on the basis of subsequent developments, information or events, except as required by law.

Source references used for factual verification

1. Premier Explosives Limited, Investor Presentation - Q4 & FY26, dated May 29, 2026: full-year financials, segment revenue, order book, balance sheet, capabilities and opportunity landscape.
2. Premier Explosives Limited, Annual Report 2024-25: prior-year topic structure, business description and comparative FY25 information.
3. Press Information Bureau / Ministry of Defence, June 17, 2026: FY26 defence production of Rs 1.78 lakh crore, 15.6% growth and 24% private-sector share.
4. Press Information Bureau / Ministry of Defence, April 2, 2026: FY26 defence exports of Rs 38,424 crore, 62.66% growth, exports to more than 80 countries and 145 exporters.
5. Press Information Bureau / Ministry of Defence, April 1, 2026: full utilisation of revised FY26 defence capital outlay of Rs 1.86 lakh crore.
6. Press Information Bureau / MoSPI, February 27, 2026: revised GDP series and estimated FY26 real GDP growth of 7.6%.

Directors' Report

Dear Members

Your directors are pleased to present the 46th annual report including the audited financial statements of your company for the year ended March 31, 2026.

1. Financial summary (Rs. in lakhs)

	Standalone		Consolidated	
	2025-26	2024-25	2025-26	2024-25
Profit / (Loss) for the year				
Operating revenue	38834.14	41745.23	38834.14	41745.23
Other income	4214.49	211.53	4214.24	211.32
Total revenue	43048.63	41956.76	43048.38	41956.55
EBITDA before exceptional items	3882.18	5799.68	3863.15	5797.59
% to Operating revenue	10%	13.90%	9.95%	13.88%
Profit / (Loss) before exceptional items and before tax	6563.17	3754.24	6570.37	3779.86
Profit / (Loss) after tax	4582.51	2855.26	4581.55	2873.33
% to Total revenue	11.8%	6.80%	11.79%	6.88%
EPS (Rs.)	8.52	5.31	8.52	5.34
Appropriations				
Retained earnings at beginning of the year	14547.02	11960.57	14549.65	11948.93
Profit / (Loss) for the year	4582.51	2855.26	4581.34	2869.53
Non-controlling interest				
Dividend paid for previous year	(268.81)	(268.81)	(268.81)	(268.81)
Retained earnings at end of the year	18860.72	14547.02	18862.18	14549.65

2. State of affairs

The performance of the company in terms of Revenues has decreased during the year 2025-26. Operating EBITDA before exceptional items is Rs. 3882.18 lakhs as compared to Rs. 5799.68 lakhs and Profit before tax and exceptional item is Rs.6563.17 lakhs as compared to Rs. 3754.24 during previous year. Profit after tax stands at Rs.4582.51 lakhs as compared to Rs. 2855.26 lakhs for the year 2024-25. The Raw Material supplies and prices were stabilized during the year which will give positive impact in near future.

Operations

Production of detonators was 4.56 million pieces as against 10.36 million pieces in previous year. The Company has executed several orders in defence during the year. Operations & maintenance contracts at Sriharikota has been satisfactory

during the Financial Year 2025-26.

The production of bulk explosives increased to 9592 tonnes from previous year's 8557 tonnes.

3. Capital expenditure

During the year the company incurred the capital expenditure of Rs.653.52 lakhs on fixed assets and Rs.96.84 lakhs on intangible assets.

4. Dividend

The Board of Directors of your company, at their Meeting held on May 29, 2026, has recommended payment of Rs. 0.50/- (Rupees Fifty paise only) (25%) per equity share, as final dividend for the financial year ended March 31, 2026. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend on equity shares for the financial year 2025-26 would aggregate to Rs. 268.81 Lakhs.

In view of the changes made under the Income-tax Act, 2025, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

Dividend Distribution Policy

In accordance with Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, your Company has adopted a Dividend Distribution Policy formulated by the Board specifying the financial parameters, factors and circumstances to be considered in determining the distribution of dividend to shareholders and / or retaining profits earned by the Company.

The web link of the Dividend Distribution Policy has been provided below for the perusal of the shareholders – <https://www.pelgel.com/codconcsr.html>

5. Share capital and reserves

a) Share capital

During the year under review, there is no change in the Share Capital of the Company, which stood at Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crore Fifty Lakh only) equity shares having face value of Rs.2/- each and the paid up Share Capital of the Company as on March 31, 2026 was Rs.10,75,22,390/- (Rupees Ten Crore Seventy Five Lakh Twenty Two Thousand Three Hundred and Ninety only) divided into 5,37,61,195 (Five Crore Thirty Seven Lakh Sixty One Thousand One Hundred and Ninety Five Only) equity shares of Rs.2/- each fully paid up.

The company has not raised any funds or issued further shares in the form of equity during the financial year ended on March 31, 2026.

b) Transfer to Reserves

The company retained the entire surplus in the Profit and Loss Account and hence no transfer to General Reserve was made during the year.

6. Deposits

During the year, the Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

7. Change in the nature of business, if any

During the year, there was no change in the nature of business of the company.

Accident at Katepally Facility

During the financial year, on April 29, 2025, a fire and explosion occurred in the propellant mixing building at our Katepally plant/facility, leading to significant structural and equipment damage and, most regrettably, the loss of four lives. The operations at the plant were temporarily paused to facilitate restoration of structures and replacement of equipment/machinery.

We extend our sincere condolences to the families of the deceased and have taken steps to support them. The safety and well-being of our employees remain our highest priority. Comprehensive internal investigations have been conducted, and we are reinforcing our safety protocols, training programs, and operational procedures to prevent recurrence of such incidents.

All affected assets were appropriately insured, and the Company has initiated claims under its insurance policies.

8. Material changes and commitments after the reporting period

There have been no such material changes and commitments, affecting the financial position of the Company which have occurred between the end of financial year to which the Financial Statements relates and the date of this Report except for the following:

A definitive Share Purchase Agreement ("SPA") was executed on July 09, 2026, by and among the Company, Mrs. Shonika Prasad and Mrs. Kailash Gupta, in their capacity as the authorised trustees of the AKS Family Trust, ("Promoter"), and the Acquirers, Apollo Micro Systems Limited, pursuant to which the Acquirer agreed to acquire 22221735 equity shares of Face Value of Rs. 2/- each of Premier Explosives Limited, representing 41.33% of the paid up equity share capital, for an aggregate cash consideration of approximately Rs.1,550 Crore.

This transaction has triggered the provisions of Regulation 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, including subsequent amendments ("SEBI SAST Regulations"). Accordingly, the Acquirer has made public announcement (PA) on July 10, 2026, a Detailed Public Statement (DPS) was issued on July 16, 2026, followed by the filing of the Draft Letter of Offer (DLOF) with SEBI on July 23, 2026, for open offer to the Public Shareholders of the Company to acquire upto 1,39,77,911 equity shares, representing 26 % of the equity

share capital of the Company, at an offer price of Rs. 698/- per share, aggregating to a total consideration of Rs. 975,65,81,878/- , payable in cash in accordance with the applicable regulatory framework. The consummation of this transaction is subject to receipt of applicable governmental and statutory/regulatory approvals including approval from the Competition Commission of India, wherever applicable, along with the fulfilment of other conditions precedent under the SPA.

The transaction combines complementary capabilities in defence systems and energetic materials, enabling operational efficiencies, enhanced R&D, and broader participation in defence and space-related programmes.

This acquisition strengthens our nation's defence manufacturing capability and deepens our sovereign expertise in energetic materials and space programmes. Together, we are better positioned to safeguard national security interests and support our armed forces with greater scale, resilience, and technological self-reliance.

9. Subsidiary companies, Jointly controlled entity and consolidated financial statements

a) PELNEXT Defence Systems Private Limited, a 100% subsidiary company

Incorporated on July 15, 2016 PELNEXT is expected to be operated as a special purpose vehicle in defence explosives business. The company incurred a net loss of Rs. 0.80 lakh during 2025-26 (Rs. 0.91 lakh during 2024-25).

As on 31st March, 2026, Premier Explosives Limited held 10,000 Equity shares in PELNEXT representing 100% of equity share capital.

b) Premier Wire Products Limited (PWPL), an 80% subsidiary company

PWPL was engaged in manufacture of Galvanised Iron (GI) Wire catering to the requirements of detonator-manufacturers, having its registered office at Secunderabad, Telangana. The Company's manufacturing facilities are located at Ramajipet, Yadadri Bhuvanagiri District of Telangana. Due to lower demand for GI wire from detonator-manufacturers, the company has sold major property, plant and equipment, dismantled building, terminated all the employees and intimated closure of factory to various authorities during the year 2021-22.

The company incurred a net profit before tax of Rs. 8.00 lakhs during the year ended March 31, 2026 and the company has accumulated profit of Rs. 16.96 lakhs as at March 31, 2026 (Revenue of Rs.Nil lakhs and Net Profit of Rs.15.91 lakhs during previous year).

As on 31st March, 2026, Premier Explosives Limited held 52,00,000 Equity shares in PWPL representing 80% of their equity share capital.

c) Global Premier Limited, a 49% jointly controlled entity

GLOBAL PREMIER LIMITED, a joint venture company between Premier Explosives Limited (PEL) and Global Munition Limited, a subsidiary of Global Defence Industries

Limited (Formerly known as NIBE Ordnance and Maritime Limited - NIBE Group Company) to manufacture Defence and Aerospace products, was incorporated on March 07, 2025 under the Companies Act, 2013.

As on 31st March, 2026, Premier Explosives Limited held 48,980 Equity Shares in Global Premier Limited, representing 49% of their equity share capital.

d) Consolidated financial statements

Pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations, the Consolidated Financial Statements prepared in accordance with the Indian Accounting Standards, notified under the Act is attached to this report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of the company including consolidated financial statements and related information of the company and the financial statements of the subsidiaries, are available on the website of the company www.pelgel.com. Any Member desirous of obtaining copies of the said financial statements may write to the company at investors@pelgel.com

These documents will also be available for inspection during business hours at the registered office of the Company.

Details of consolidated entities are given in the Annexure 1, Form AOC-1: Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures.

10. Future outlook

PEL is embarking on newer challenges & missions for the Defence Forces, after establishing itself as the frontrunner in manufacturing countermeasures like Chaffs & Flares for the Air Force, PEL is now undertaking various types of mines which are being developed like Jumping Mine by the name of Ulka, another mine by the name of Viraj. PEL has almost completed production of Canopy Severance System (CSS) for all fighter Planes of the Air Force.

PEL has entered the field of Loitering Munitions and designing & developing explosive Pay Loads for UAVs and Drones.

The Company is working with complete proficient nimbleness & an inclination for precision to ensure that the right store is delivered at the right place and the right time to ensure that our defense forces live up to all challenges against our adversaries.

11. Board matters

A. Directors' Responsibility Statement pursuant to the provisions of Section 134 of the Companies Act, 2013-

Your Board of Directors hereby confirms that:

- a) In the preparation of the annual accounts of the Company for the year ended March 31, 2026, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

- b) the accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2026 and of the profit and loss of the company for the year ended on that date;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) adequate internal financial controls have been laid down, have been followed and have been operating effectively;
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

B. Declaration of independent directors

The Company has received declarations from all its Independent Directors that they meet the criteria of Independence as laid down under Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Independent Directors of the company have registered their names in the Independent Director's Database maintained by the Indian Institute of Corporate Affairs (IICA).

C. Board meetings

During the financial year 2025-26, five (5) Board meetings were convened and held on 22nd May, 2025; 12th August, 2025; 13th November, 2025; 23rd December, 2025 and 12th February, 2026.

D. Board evaluation

Criteria and other details of Board evaluation have been provided in the Annexure -2, Report on Corporate Governance.

E. Directors and Key Managerial Personnel

a. Directors

During the year under review, there were no changes in the Board of Directors and Key Managerial Personnel (KMPs) of the Company.

The Composition of the Board of Directors as on 31.03.2026 is as under:

Name	Designation
Dr. Amarnath Gupta	Chairman, Non-Executive Non Independent Director
Mr. T.V. Chowdary	Managing Director
Mr. Y Durga Prasada Rao	Director (Operations)
Dr.(Mrs.) Kailash Gupta	Non-Executive Non Independent Director
Dr. Narendra Kumar Nanda	Non-Executive Independent Director
Dr. Gnana Sekaran Venkatasamy	Non-Executive Independent Director
Mr. Ch Seshagiri Rao	Non-Executive Independent Director
Dr.(Mrs.) Kumuda Raghavan	Non-Executive Independent Director
Lt.Gen. P R Kumar (Retd.)	Non-Executive Independent Director
Mrs. Shonika Prasad	Non-Executive Non Independent Director

None of the directors of the company are disqualified under the provisions of the Companies Act, 2013 ('Act') or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate from a Practicing Company Secretary is annexed as Annexure-5.

Independence of the Board:

The Board comprises of optimal number of Independent Directors. Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are independent in terms of Regulations 16(1)(b) and 25 of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act:

1. Dr. Narendra Kumar Nanda (DIN: 02455894)
2. Dr. Gnana Sekaran Venkatasamy (DIN: 02012032)
3. Mr. Ch Seshagiri Rao (DIN:10595215)
4. Dr.(Mrs.) Kumuda Raghavan (DIN:10698094)
5. Lt Gen. P R Kumar (Retd.) (DIN:07352541)

All the above named Directors have registered themselves with the Independent Directors Databank maintained by Indian Institute of Corporate Affairs ('IICA') and are either exempted from or have complied with the requirements of online proficiency self-assessment test conducted by IICA. The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, experience, proficiency, expertise and hold high standards of integrity.

b. Retirement by Rotation

As per the provisions of the Companies Act, 2013 read with Companies (Qualifications and Appointment of Directors) Rules, 2014, Dr. (Mrs.) Kailash Gupta (DIN:00054045) Director, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for reappointment.

The Board of Directors recommends her re-appointment at Item No. 3 of the Notice convening 46th Annual General Meeting of the Company for consideration of the shareholders along with brief details about her.

The disclosures as required pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard are given in the Notice convening 46th AGM, forming part of the Annual Report.

c. Resignation of Non-Executive Independent Directors:

After the end of the financial year under review and as on the date of this report, Dr.(Mrs.) Kumuda Raghavan, Non Executive Independent Woman Director has resigned from the closure of the business hours on July 31, 2026 due to personal commitments and health reasons.

Key Managerial Personnel ('KMP'):

Pursuant to the provisions of Section 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Key Managerial Personnel of the Company are Mr. T.V. Chowdary, Managing Director, Mr. B.M. Vijay Kumar, Chief Financial Officer and Mrs. K. Jhansi Laxmi, Company Secretary.

F. Committees of the Board

As required under the Act, and the Listing Regulations, the Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

A detailed disclosure on the Board, its Committees, composition, brief terms of reference, and no of board and committee meetings held and attendance of the directors at each meeting is provided in the Corporate Governance Report, a part of this Annual Report.

G. Company's policy on appointment and remuneration of directors

a) Criteria for appointment of directors

Director must have relevant experience in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to company's business.

Director should possess the highest personal and professional ethics, integrity and values.

Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

Nomination and Remuneration Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director and recommend to the Board his / her appointment or re-appointment.

The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient or satisfactory for the concerned position.

iv. Variable remuneration

It is paid to encourage the employees to achieve set targets and variable remuneration shall be determined on the following basis:

Category	Nature	Basis of variable remuneration
Whole time Directors	Commission	X% of Profit in a year during the contract period (% as recommended by Board and approved by Shareholders.
Management Team (CFO, Company Secretary, President, Vice President, GM)	Profit sharing bonus	X% of Profit divided among them in proportion of their basic salary (% as decided by Committee of Whole time Directors)
Officers (Below GM level)	Profit sharing bonus	X% of Profit divided among them in proportion of their basic salary.(Minimum period of services and other conditions for eligibility are decided by Committee of Whole time Directors)
Staff and Workers	Production incentive	Quantity of production, as per the Wage Agreement revised every 3 years at Peddakandukuru (Those who are engaged in production and allied activities are eligible.

v. Statutory benefits

Employee benefits like Contribution to Provident Fund, Gratuity, Bonus, Employees State Insurance, Workmen Compensation, etc. shall be provided to all eligible employees as per the respective Acts.

While appointing an independent director, Nomination and Remuneration Committee shall consider the 'independence' of the person also in addition to the above.

b) Policy on directors' remuneration

i. Policy

The Company shall remunerate its directors, key managerial personnel, senior management, other employees and workers appropriately to retain and motivate them as well as to attract new talent when required.

ii. Components of remuneration

Remuneration package shall include fixed component for all employees and variable component to the extent desirable and practicable.

iii. Fixed remuneration

It shall be competitive and based on the individual's education, experience, responsibilities, performance, industry benchmark in the area, etc.

Fixed remuneration shall comprise of basic salary and other allowances like house rent allowance, conveyance allowance, etc. which are calculated as certain % of basic salary.

vi. Perquisites and other benefits

Perquisite	Amount
Reimbursement of medical expenses for self and family / Medical allowance	Up to one month basic salary in a year to whom ESI is not applicable
Mediclaime and personal accident insurance	Reasonable coverage to whom ESI is not applicable
Leave travel allowance	Workers - as per wage agreement
Use of Company car with driver or reimbursement of driver salary, fuel, maintenance and insurance	For Directors-as recommended by Board and approved by Shareholders
Telephone at home, Club fee	For Management team-as approved by Committee of Whole time Directors
Gas, electricity, water, servant, security, gardener and soft furnishing.(Up to 10% of basic salary)	

vii. Increments

Increments are made taking into account the individual performance, inflation and company performance.

Workers are given Variable Dearness Allowance as per Consumer Price Index semi-annually on 1st of April and 1st of October.

Wages of workers at Peddakandukuru are revised every 3 years as per the agreement between the management and unions.

Increments of other employees are made effective 1st April every year, as approved by Committee of Whole time Directors upon recommendation of heads of departments.

Mid-year increments are given in exceptional cases, as approved by the Managing Director, upon recommendation of concerned director and head of department.

viii. Remuneration to Independent and Non-Executive Directors

Remuneration / Commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations, for the time being in force and shall be entitled to such sitting fee in respect of the Board and Committee meetings attended, at the rates approved by the Board and within the applicable provisions of the Companies Act, 2013.

ix. Service contracts, notice period and severance fees:

Executive directors have entered into a service contracts with the company. The tenure of the contract is three/five years. Reappointment is done by the Board based on the recommendation of the Nomination and Remuneration Committee. Notice period is as mutually agreed between the director and the Board.

None of the directors is eligible for severance pay.

H. Formal annual evaluation by the Board

The Board has evaluated its own performance and of individual directors. The details as required u/s 134(3) (p) of the Companies Act, 2013, are mentioned in the Annexure 2: Report on Corporate Governance.

12. Transfer of shares and unclaimed dividend to Investor Education and Protection Fund (IEPF)

During the year under review, your Company transferred unclaimed dividend amount of Rs.2,96,382.50 (pertaining to dividend for the financial year 2017-18) lying with the Company for a period of seven years to the Investor Education and Protection Fund (IEPF) in compliance with the applicable provisions of the Companies Act, 2013. As required under Section 124 of the Companies Act, 2013, your Company had to transfer during the year 33,625 shares to IEPF Authority, in respect of which dividend had remained unclaimed for a consecutive period of 7 years. Details of the shares transferred to IEPF Authority have been uploaded on website of the Company.

13. Auditors

a) Independent Auditors

The Members of the Company at the 42nd Annual General Meeting held on September 16, 2022 had re-appointed M/s. Majeti & Co., Chartered Accountants, (Firm Registration No 015975S) as the Statutory Auditors of the Company for a second term of five (5) consecutive years from the conclusion of 42nd AGM till the conclusion of 47th AGM.

b) Internal Auditor

In terms of Section 138 of the Companies Act, 2013, the Board of Directors of the Company has appointed M/s. R S N L & Associates, Chartered Accountants, as Internal Auditors to conduct Internal Audit of the Company for the financial year 2026-2027.

c) Cost Auditor

The Company has maintained cost records for relevant products prescribed by the Central Government under the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014. These records have been audited by M/s. S.S.Zanwar & Associates, Cost Accountants during the financial year 2025-26.

The Board of Directors of the Company, on the recommendations of the Audit Committee, have re-appointed M/s S. S. Zanwar & Associates, Cost Accountants, as the Cost Auditors of the Company to conduct the audit of the cost records of certain products for the financial year for 2026-27 and M/s. SS Zanwar & Associates, Cost Accountants being eligible have consented to act as the Cost Auditors of the Company for the financial year 2026-27. As per the provisions of Section 148(3) of the Companies Act, 2013, the remuneration of the Cost Auditors has to be ratified by the Members and accordingly the resolution relating to the Cost Auditors' remuneration is being placed before the Members for their ratification.

d) Secretarial auditor

In terms of Section 204 of the Companies Act, 2013 and Rules made thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members of the Company at the 45th Annual General Meeting held on September 30, 2025 had appointed M/s. K V C Reddy & Associates, Company Secretaries, Hyderabad, as the Secretarial Auditor of the Company, to conduct the secretarial audit of the company for a term of five (5) consecutive years commencing from financial year 2025-26 till financial year 2029-2030.

14. Independent auditors' report

The Statutory Auditor's report to the Members on the standalone and consolidated financial statement of the Company for the financial year ended March 31, 2026 does not contain any qualification, reservation, adverse remark or any disclaimer except the following in their report on Internal Financial Controls over the financial reporting:

Auditor's Observation	Management Reply
Consequent to the significant increase in the scale and complexity of the Company's Operations in recent years, the internal financial control framework was not strengthened commensurate with such growth.	The scale and complexity of the Company's Operations has increased in the last 2-3 years, which required strengthening of the existing controls. We have since July, 2026 improved the existing controls and introduced new SOPs to ensure that they are adequate and commensurate with the size of the company and nature of its business.

Reporting of fraud

During the year under review, there were no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013.

15. Credit Rating

During the year under review, India Ratings and Research Private Limited (Rating Agency) has assigned the following credit rating for bank loan facilities of the Company:

- a) Bank Loan Facilities – 'IND A-/Stable/IND A2+'

16. Management discussion and analysis Report

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

17. Business Responsibility and Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) of your Company for the financial year 2025-26 forms part of this Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as **Annexure – 11** and Company's weblink – <https://www.pelgel.com/brsr.html>

18. Corporate governance

In terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate report on Corporate Governance along with the Auditors' Certificate on its compliance with the corporate governance requirements is annexed herewith as **Annexure – 2**, Auditors' Certificate as **Annexure-3** and CEO & CFO Certificate as **Annexure-4** to this Report.

19. Secretarial audit report

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, the Board has appointed K.V.C. Reddy & Associates, Company Secretaries, Hyderabad as Secretarial Auditor, to undertake the Secretarial Audit of the Company for the financial year 2025-26. The Secretarial Audit Report for the financial year ended March 31, 2026 is annexed herewith as **Annexure-6**. There are no qualifications, observations or adverse remarks, or disclaimers in the said report.

Annual Secretarial Compliance Report

The Company has undertaken an audit for the financial year 2025-26 for all applicable compliances as per Securities and Exchange Board of India Regulations and Circulars / Guidelines issued thereunder. The Annual Secretarial Compliance Report issued by Mr. K.V. Chalama Reddy, K.V.C. Reddy & Associates, Company Secretaries, Hyderabad has been submitted to the Stock Exchanges within the specified time.

Compliance with Secretarial Standards

The Company has complied with Secretarial Standards notified by the Institute of Company Secretaries of India (ICSI).

20. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure- 7** to this Report.

21. Particulars of loans, guarantees or investments in terms of section 186 of the Companies Act, 2013

Your company

- a) has not given any loan to any person or other body corporate except Inter Corporate loan to its wholly owned subsidiary and other than usual advances for supply of materials and services
- b) has not given any guarantee or provide security in connection with a loan to any other body corporate or person and
- c) has not acquired the securities of any other body corporate by way of subscription, purchase or otherwise, exceeding sixty percent, of its paid-up share capital, free reserve and securities premium account or one hundred percent of its free reserves and securities premium account whichever is more.

22. Particulars of contracts or arrangements with related parties

All related party transactions entered by the Company during the financial year 2025-26 with related parties were on arm's length basis and in the ordinary course of business. No material related party transactions / arrangements were entered into during the financial year by the Company.

All transactions with related parties were reviewed and approved by the Audit Committee. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for related party transactions which are of repetitive nature and entered in the ordinary course of business and are on an arm's length basis. There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

The particulars of transactions with related parties referred in section 188(1) of the Companies Act, 2013 entered by the Company during the financial year ended March 31, 2026 in prescribed Form AOC-2 is annexed herewith as **Annexure – 8** to this Report.

The details of the transactions with related parties were also provided in the notes to the financial statements.

23. Risk management policy

Your company recognizes Risk Management as a very important part of business and has kept in place necessary policies, procedures and mechanisms. The company proactively identifies monitors and takes precautionary and mitigation measures in respect of various risks that threaten the operations and resources of the company.

The Risk Management Policy of the company is available at the link <http://www.pelgel.com/codconcsr.html>

24. Vigil mechanism policy

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013 a Whistle Blower policy has been established. The policy is available at the website link <https://www.pelgel.com/codconcsr.html>

25. Corporate social responsibility (CSR) activities

A report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Board's Report as **Annexure - 9**.

26. Prevention of Sexual Harassment (POSH) Policy

Your Company has formulated an anti harassment policy to ensure safe working environment. The Internal Complaints Committee as provided in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is duly constituted by the Company to redress complaints received regarding sexual harassment. The Company has not received any complaints during the year. The Company regularly conducts awareness programs for its employees.

The following is a summary of sexual harassment complaints received and disposed off during the year:

S. No.	Particulars	Status of the No. of complaints received and disposed of
1.	Number of complaints of sexual harassment received during the year	Nil
2.	Number of Complaints disposed off during the year	Nil
3.	Number of cases pending for more than ninety days	Nil
4.	Number of workshops or awareness programmes against sexual harassment carried out	Two
5.	Nature of action taken by the employer or district officer	Not Applicable

27. Maternity Benefit

The Company is in compliance with the provisions of Maternity Benefit Act, 1961 and no Complaint has been received by the Company from any of the employee in this regard during the year under review

28. Disclosure of significant and material orders passed by regulators etc. under Rule 8(5)(vii) of the Companies (Accounts) Rules 2014

During the year under review, there were no significant or material order(s) passed by the Regulators /Courts or Tribunals which would impact the going concern status of the Company and its future operations.

During the year under review, there is no application/proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016, nor the Company has done any one time settlement with any Bank or Financial Institutions.

29. Disclosure of internal financial control systems and their adequacy Rule 8(5)(viii) of the Companies (Accounts) Rules 2014

In view of the significant increase in the scale, size and complexity of the Company's operations in recent years, the Company has, with effect from July 2026, further strengthened its existing internal financial control framework to ensure that it remains adequate and commensurate with the size, scale, nature and complexity of its business. The Company has also introduced additional Standard Operating Procedures (SOPs) and control measures to further enhance the effectiveness and adequacy of its internal financial controls.

The internal financial controls are designed to provide reasonable assurance with regard to the reliability of financial reporting, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and aid in the timely preparation of reliable financial information.

30. Annual Return

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013, the Annual Return in Form MGT-7 is available on the company's weblink <https://www.pelgel.com/annual-returns.html>

31. Other Disclosures

- The Company's equity shares were not suspended from trading during the year under review due to corporate actions or any other reasons.
- There were no revisions to the financial statements and Directors' Report during the year under review.
- Specific details required under Section 134 of the Act and the Rules made thereunder, applicable to the Company, have been provided in this report where applicable.
- There were no applications made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016.

32. Remuneration of directors and employees and related disclosures

Remuneration is paid to directors and employees in accordance with the remuneration policy of the company and applicable statutory provisions.

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act and the Rules framed thereunder is enclosed as **Annexure-10** to this Report.

33. Listing on stock exchanges

The Company's Equity shares are listed on BSE Limited(Scrip Code: 526247) and the National Stock Exchange of India Limited(Scrip Code: PREMEXPLN) and the Listing Fees has been paid to them up to date.

34. Human Resources and Industrial relations

Your directors thank all the employees for their cooperation and the contribution towards harmonious relationship and progress of the company.

35. Acknowledgements

Your directors place on record their appreciation of the continued support and cooperation received from all employees, customers, suppliers, financial institutions, banks, Government of India and various regulatory authorities, members and other business associates during the year under review.

For and on behalf of the Board

Secunderabad
13th August, 2026

Dr. A.N. Gupta
Chairman
DIN:00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Annexure-1

Form AOC-I

(Pursuant to first proviso to sub section(3) of section 129 read with rule 5 of Companies (Accounts) Rules,2014)
Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures

(₹ in lakhs)

Part A: Subsidiaries (Information in respect of each subsidiary to be presented with amounts)			
1	Name of the subsidiary	Premier Wire Products Limited	PELNEXT Defense Systems Private Limited
2	The date since when subsidiary was acquired	30-Jun-16	15-Jul-16
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Apr 2025–Mar 2026, same as for holding company	Apr 2025–Mar 2026, same as for holding company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
5	Sharecapital	650.00	1.00
6	Reserves and surplus/Other equity	18.46	(7.63)
7	Total assets	706.42	0.39
8	Total Liabilities	37.96	7.02
9	Investments	--	--
10	Turnover	--	--
11	Profit before taxation	8.00	(0.80)
12	Provision for taxation	(6.95)	--
13	Profit after taxation	1.05	(0.80)
14	Proposed Dividend	-	-
15	Extent of shareholding	80%	100%

Note:

- Names of subsidiaries which are yet to commence operations: PELNEXT Defence Systems Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: None

(₹ in lakhs)

Part B: Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
Particulars	Name of Associates/Joint Ventures Global Premier Limited	
1	Latest audited Balance Sheet Date	31.03.2026
2	Shares of Associate / Joint Ventures held by the company on the year end	
	Number of equity shares	48,980 shares
	Amount of Investment in Associates / Joint Venture	4.9 lakhs
	Extent of holding	49%
3	Description of how there is significant influence	-
4	Reason why the associate / joint venture is not consolidated	-
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	7.53
6	Profit / (Loss) for the year	(2.47)
	i. Considered in Consolidation	(1.21)
	ii. Not Considered in Consolidation	(1.26)

Note:

- Names of associates or joint ventures which are yet to commence operations: Global premier Limited (JV)
- Names of associates or joint ventures which have been liquidated or sold during the year: None

Annexure-2

Report on Corporate Governance

Report pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the requirements of Corporate Governance is set out below:

I. Corporate Governance

1. Company's philosophy

Your Company firmly believes that good corporate governance is a necessary discipline and a means of achieving and attaining the goals and objectives of the company. Your company has been practicing the principles of corporate governance over the years.

The Board of directors lays strong emphasis on transparency, accountability and integrity.

The Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws.

2. Board of directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and supervises the Company's performance. As on 31st March, 2026, the Company comprises of Ten Directors, of which Five are Non-Executive Independent Directors (including Independent Woman Director), Three are Non-Executive Non-Independent Directors and Two Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Composition of the Company's Board, their category, designation, other Directorships and memberships of Committees held by each of them is as follows:

a. Composition and category of Directors:

The Board of Directors of the Company headed by a Non-executive Chairman consists of the following Directors:

S.No.	Name of the Director	DIN Number	Designation	Category
1	Dr. A.N.Gupta	00053985	Chairman	Promoter, Non-Independent Non-Executive
2	Mr. T.V.Chowdary	00054220	Managing Director	Non-Independent Executive
3	Mr. Y. Durga Prasad Rao	08072805	Director (Operations)	Non-Independent Executive
4	Dr. (Mrs.) Kailash Gupta	00054045	Director	Promoter, Non-Independent Non-Executive
5	Dr. Narendra Kumar Nanda	02455894	Director	Independent Director
6	Dr. Gnana Sekaran Venkatasamy	02012032	Director	Independent Director
7	Mr. Ch Seshagiri Rao	10595215	Director	Independent Director
8	Dr.(Mrs.) Kumuda Raghavan*	10698094	Director	Independent Director
9	Lt.Gen. P.R.Kumar (Retd)	07352541	Director	Independent Director
10	Mrs. Shonika Prasad	00250015	Director	Promoter, Non Independent Non-Executive

Notes:-

* Dr. (Mrs.) Kumuda Raghavan has resigned as an Independent Director from the closure of business hours on July 31, 2026.

- b. **Attendance of Directors at the Board Meetings held during the year ended March 31, 2026 and the last Annual General Meeting (AGM) are given below:**

Name of the Director	No. of Board Meetings		Attendance at AGM held on September 30, 2025 (Yes/No)
	Held during tenure	Attended	
Dr. A.N.Gupta	5	5	Yes
Mr. T.V.Chowdary	5	4	Yes
Mr. Y. Durga Prasad Rao	5	3	Yes
Dr. (Mrs.) Kailash Gupta	5	5	Yes
Dr. N K Nanda	5	5	Yes
Dr. V. G. Sekaran	5	4	Yes
Mr. Ch Seshagiri Rao	5	5	Yes
Dr. Kumuda Raghavan	5	5	Yes
Lt.Gen. P.R.Kumar (Retd)	5	5	Yes
Mrs. Shonika Prasad	5	5	Yes

- c. **Number of other Board of Directors or committees in which a director(s) is a member or a chairperson**

None of the directors on the Board is a member in more than 10 committees or chairman of more than 5 committees as specified in Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, across all companies in which he or she is a director. Necessary disclosures regarding committee positions have been made by the directors.

The number of Directorships and Memberships in the Committees of Other Companies held by the Directors in other public companies as on March 31, 2026 and details of directorships in other listed entities are given below.

Name of the Director	In Other Companies\$			Name of other listed companies in which Directors of the Company are directors	Category of the directorships in the listed entity
	No. of other Directorships @	Membership	Chairmanship		
Dr. A.N.Gupta	1	1	-	-	N.A.
Mr. T.V.Chowdary	4	1	-	-	N.A.
Mr. Y. Durga Prasad Rao	1	-	-	-	N.A.
Dr. (Mrs.) Kailash Gupta	1	1	-	-	N.A.
Dr. N.K. Nanda	4	2	2	-	N.A.
Dr. V.G. Sekaran	2	1	-	MTAR Technologies Ltd	Independent Director
Mr. Ch. Seshagiri Rao	-	2	-	-	N.A.
Dr. Kumuda Raghavan	-	-	-	-	N.A.
Lt.Gen. P.R.Kumar (Retd)	1	2	1	RKEC Projects Ltd	Independent Director
Mrs. Shonika Prasad	-	-	-	-	N.A.

@ includes Directorships in the Companies (Including private limited) incorporated under the Companies Act, 1956/2013, other than Premier Explosives Limited.

\$Chairmanships/Memberships of Board Committees include only that of Audit Committee and Stakeholder Relationship Committee including Premier Explosives Limited.

d. Particulars of directorships in other companies

Name of the Director	Name of the Company	Position
Dr. A.N.Gupta	PELNEXT Defence Systems Private Limited	Director
Mr. T.V.Chowdary	Premier Wire Products Limited Octane Chemicals Private Limited PELNEXT Defence Systems Private Limited Global Premier Limited	Director
Mr. Y. Durga Prasada Rao	Premier Wire Products Limited	Director
Dr. (Mrs.) Kailash Gupta	Premier Wire Products Limited	Director
Dr. N K Nanda	Odisha Mining Corporation Limited AP Industrial Corridors Infrastructure Development Corporation Limited Minsys Mining Consultancy (OPC) Private Limited Industrial Promotion and Investment Corporation of Odisha Limited	Director
Dr. V. G. Sekaran	MTAR Technologies Limited Astramile Aerospace Private Limited	Director
Mr. Ch Seshagiri Rao	None	--
Dr.(Mrs.) Kumuda Raghavan	None	--
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited	Director
Mrs. Shonika Prasad	None	--

e. Positions in Committees of all companies

No. of committees and chairmanships held by them across all the companies are as follows:

Name of the Director	Name of the Company	Member of the Committee	Chairman of the Committee
Dr. A.N.Gupta	Premier Explosives Limited	Audit Committee	No
		Nomination and Remuneration Committee	No
Mr. T.V.Chowdary	Premier Explosives Limited	CSR committee	No
		Stakeholder Relationship Committee	No
		Risk Management Committee	No
Mr. Y. Durga Prasad Rao	None	Risk Management Committee	No
Dr. (Mrs.) Kailash Gupta	Premier Explosives Limited	CSR committee	No
		Stakeholder Relationship Committee	No
Dr. V.G. Sekaran	MTAR Technologies Limited	CSR Committee	No
	Premier Explosives Ltd	Risk Management Committee	No
		Stakeholders Relationship Committee	No
		Nomination & Remuneration committee	Yes
		Risk Management Committee	Yes
Dr. N.K.Nanda	Odisha Mining Corporation Limited	Audit Committee	Yes
	AP Industrial Corridors Infrastructure Development Corporation Limited	Nomination & Remuneration Committee	No
	Premier Explosives Ltd	Audit Committee	Yes
	Industrial Promotion and Investment Corporation of Odisha Limited		

Name of the Director	Name of the Company	Member of the Committee	Chairman of the Committee
Mr. Ch Seshagiri Rao	Premier Explosives Ltd	Audit Committee	No
		Nomination & Remuneration Committee	No
		Stakeholders Relationship Committee	No
Dr. Kumuda Raghavan	Premier Explosives Ltd	CSR Committee	Yes
Lt.Gen. P.R.Kumar (Retd)	RKEC Projects Limited	Nomination & Remuneration Committee	No
	Premier Explosives Ltd	Audit Committee	No
		Nomination and Remuneration Committee	No
		Stakeholders Relationship Committee	Yes
Mrs. Shonika Prasad	None	None	None

f. Number of Board meetings held and dates on which held

The Board of Directors met Five (5) times during the Financial Year from 01st April, 2025 to 31st March, 2026. The maximum time gap between any of two consecutive meetings did not exceed one hundred and twenty days. The dates on which the Board Meetings were held are as follows:

22nd May 2025, 12th August 2025, 13th November 2025, 23rd December 2025 and 12th February 2026.

g. Disclosure of relationship between directors inter se

Dr. A.N.Gupta, Chairman and Non-Executive Director and Dr. (Mrs.) Kailash Gupta, Non-Executive Director, are husband and wife and Mrs. Shonika Prasad, Non-Executive Director, is their daughter. Other than Dr. Amarnath Gupta, Dr.(Mrs.) Kailash Gupta and Mrs. Shonika Prasad, none of the Directors are related to any other Director of the company.

h. Number of shares held by Non-Executive Directors

Name	Category	No. of Equity Shares held as on 31.03.2026
Dr. Amarnath Gupta*	Non Executive & Non Independent Director	Nil*
Dr. (Mrs.) Kailash Gupta*	Non Executive & Non Independent Director	Nil*
Dr. Narendra Kumar Nanda	Non Executive & Independent Director	Nil
Dr. Gnana Sekaran Venkatasamy	Non Executive & Independent Director	Nil
Mr. Ch. Seshagiri Rao	Non Executive & Independent Director	Nil
Dr. Kumuda Raghavan	Non Executive & Independent Director	Nil
Lt.Gen. P.R.Kumar (Retd)	Non Executive & Independent Director	1420
Mrs. Shonika Prasad*	Non-Executive Non-Independent Director	Nil*

*1. Dr. Amarnath Gupta and Dr. (Mrs.) Kailash Gupta, Promoter Directors have transferred 1,63,84,400 equity shares and 58,37,335 equity shares respectively, held by them, to AKS Family Trust by way of settlement of shares pursuant to SEBI Exemption Order No. WTM/KCV/CFD/18/2025-26 dated January 08, 2026. Consequent to the said transfer, AKS Family Trust was added to the Promoter category with effect from February 18, 2026, and the shareholding of Dr. Amarnath Gupta and Dr. (Mrs.) Kailash Gupta has become NIL. The 22221735 equity shares reported in the names of Mrs. Kailash Gupta and Mrs. Shonika Prasad are held by them in their capacity as trustees of AKS Family Trust, hence not reported above.

i. The details of familiarisation programmes imparted to independent directors are given below

In every quarter during the year 2025-26

Managing Director apprises the directors on the latest, business developments include foreign tie-ups, technology agreements, product launch and strategy adopted for expanding the Business.

Managing Director gives a presentation on business and performance updates of the Company including Finance, Sales, Marketing of the Company's major business segments, practices relating to Human Resources, domestic and global business environment, business strategy and the future outlook.

Chief Financial Officer presents the detailed analysis of the financial results. Internal auditors give a detailed report on their findings. Statutory auditors share their views on their observations during the course of audit and make presentations to the Board of Directors with regard to the regulatory changes from time to time while approving the financial results.

The Company secretary prepares the necessary policies as required by various regulations of SEBI and are circulated to the directors for their comments.

The details are given in the weblink: <http://www.pelgel.com/fpi.html>

j. Given below is the chart setting out the skills / expertise / competence of the Board of Directors

S.NO	Name of the Director	Category	Skills/expertise/competence
1	Dr. A.N. Gupta	Promoter, Chairman & Non Executive Director (Non Executive & Non-Independent Director)	A first generation entrepreneur with expertise in Technology, Innovation & Entrepreneurship
2	Mr. T.V. Chowdary	Managing Director (Executive Director)	Strategy, Industrial Affairs & leadership
3	Mr. Y. Durga Prasad Rao	Director-Operations (Executive Director)	Project execution, Technology, Industrial and Government Affairs
4	Dr. (Mrs.) Kailash Gupta	Non-Executive & Non-Independent Director	Doctor by profession. social and philanthropic activities especially in healthcare
5	Dr. N.K.Nanda	Independent Director	Specialises in projects planning, execution and development and has special interest in diversification activities.
6	Dr. V.G. Sekaran	Independent Director	Mechanical Engineering, Specialisation in Aeronautical Engineering, Design and Technology Development of Indigeneous long range Strategic Missile System.
7	Mr. Ch Seshagiri Rao	Independent Director	Accounting, Audit, Taxation & Finance
8	Dr. Kumuda Raghavan	Independent Director	Doctor by profession. Promoting community healthcare and philanthropic activities.
9	Lt. Gen P.R. Kumar (Retd.)	Independent Director	Strategy, People Management and General Administration.
10	Mrs. Shonika Prasad	Non-Executive & non-Independent Director	A second generation entrepreneur with Administration and Management skills

Board Skill Matrix

The Board has identified the following skills/expertise/ competencies fundamental for the effective functioning of the Company, which are currently available with the Board:

Defence business	Understanding product portfolio, intricacies in defence procurement, diverse entities within defence departments, indigenisation and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends in industrial explosives and military explosives, developments in technology changes, knowledge in user industries like defence / mining and experience in guiding and leading management teams to make decisions in constrained environments.
Governance	Experience in developing and overseeing governance practices, holistic approach in serving the interests of all stakeholders, maintaining board and management accountability, eye on changing corporate and other laws and driving corporate ethics and Values

k. Confirmation as regards independence of Independent Directors

In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and they are independent of the Management.

l. Reasons for resignation of Independent Director before the expiry of term, if any

Not Applicable

1. Audit Committee

a. Brief description of Terms of reference

Audit committee reviews the audit reports submitted by the Internal Auditors and Statutory Auditors, Financial results, the effectiveness of the Internal Audit process, Management Discussion and Analysis report, Related Party Transactions, etc. These terms of reference are in line with the regulatory requirements mandated by the Section 177 of the Companies Act, 2013 and Part C of Schedule II of Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

A. Role of Audit Committee includes

- i. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- ii. Review and recommending to the Board, of the appointment, re-appointment and, if required, the replacement or removal of statutory auditors and fixation of audit fees.
- iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- iv. Reviewing with the management, the annual financial statements, before submission to the Board for approval, with particular reference to -
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board report in terms of clause (c) of sub section (3) of section 134 of the Companies Act, 2013.
 2. Change, if any, in accounting policies and practices and reasons for the same.
 3. Major accounting entries involving estimates based on the exercise of judgment by management.
 4. Significant adjustments made in the financial statements arising out of audit findings.
 5. Compliance with listing and other legal requirements relating to financial statements.
 6. Disclosure of any related party transactions.
 7. Modified opinion (s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- vi. Reviewing with the management the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- vii. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- viii. Approval of any subsequent modification of transactions of the Company with related parties.
- ix. Scrutiny of inter-corporate loans and investments.
- x. Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- xi. Evaluation of internal financial controls and risk management systems
- xii. Reviewing with the Management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- xiv. Discussion with internal auditors of any significant findings and follow up thereon.
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- xvii. To look into reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- xviii. To review the functioning of the whistle blower mechanism
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc., of the candidate.
- xx. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xxi. To review the utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary whichever is lower including existing loans / advances / investments.
- xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. The audit committee shall mandatorily review the following information:

1. Monitoring the end use of funds raised through public offers and related matters.
2. management discussion and analysis of financial condition and results of operations.
3. management letters/letters of internal control weaknesses issued by the statutory auditors.
4. internal audit reports relating to internal control weaknesses.
5. the appointment, removal and terms of remuneration of the chief internal auditor.
6. the statement of deviations of the following:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b) Annual statement of Funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32 (7) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Composition - names of the members, and Chairperson

Audit Committee consists of three Independent Directors and one Non-Executive Non-Independent Director, who are financially literate. The Committee is headed by Dr. Narendra Kumar Nanda, an Independent Director.

Name of the director	Position
Dr. Narendra Kumar Nanda	Chairman
Mr. Ch. Seshagiri Rao	Member
Lt Gen P R Kumar (Retd.)	Member
Dr. Amarnath Gupta	Member

c. Attendees

The Managing Director, Chief Financial Officer and Head of Internal Audit attend meetings of the Audit Committee, as invitees. Audit Committee invites such of the executives, as it considers appropriate to be present at its meetings.

The Internal / Statutory Auditors of the Company are invited to join the Audit Committee Meetings for discussing the financial results, financial statements and the Annual/Audited Accounts / respective audit reports before placing it to the Board of Directors. The Secretarial Auditors and Cost Auditors are also invited for Audit Committee meetings on need base.

The Company Secretary, Mrs. K. Jhansi Laxmi acts as the Secretary to the Audit Committee.

d. Audit Committee meetings and attendance during the financial year ended 31st March, 2026

During the year, the Committee held Four (4) meetings on 22nd May 2025, 12th August 2025, 13th November 2025 and 12th February 2026.

Attendance at the Audit Committee Meetings:

Name of the director	Position	No. of meetings held	No. of meetings attended
Dr. Amarnath Gupta	Member	4	4
Dr. Narendra Kumar Nanda	Chairman	4	4
Mr. Ch. Seshagiri Rao	Member	4	4
Lt Gen P R Kumar (Retd.)	Member	4	4

The Chairman of the Audit Committee Dr. N.K. Nanda in compliance with the provisions of the Companies Act, 2013, attended the last Annual General Meeting held on September 30, 2025.

2. Nomination and remuneration committee

a. Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommending to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other Employees

- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. Use the services of an external agencies, if required;
 - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. Consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal
- Devising a policy on Board Diversity
- Extension or continuing the term of appointment of the Independent Director, on the basis of the report of the performance evaluation of independent directors
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Undertaking other matters as the Board may refer from time to time.

b. Composition, members and chairperson

The Nomination and Remuneration Committee was constituted by the Board with three Independent Directors and one Non-Executive Director. The Committee is headed by Dr. V.G. Sekaran, Independent Director. The composition of the Nomination and Remuneration committee:

Name of the director	Position
Dr. Amarnath Gupta	Member
Dr. V. G. Sekaran	Chairman
Mr. Ch. Seshagiri Rao	Member
Lt Gen P R Kumar (Retd.)	Member

c. Committee meetings and attendance during the year

During the year, the Committee held 2 (Two) meetings on 22nd May 2025 and 12th August 2025.

Name of the director	Position	No. of meetings held	No. of meetings attended
Dr. Amarnath Gupta	Member	2	2
Dr. V. G. Sekaran	Chairman	2	1
Mr. Ch. Seshagiri Rao	Member	2	2
Lt Gen P R Kumar (Retd.)	Member	2	2

The Company Secretary, Mrs. K. Jhansi Laxmi acts as the Secretary to the Nomination and Remuneration Committee.

d. Nomination and Remuneration policy

- The total remuneration to Executive Directors pursuant to shareholders approval consists of a fixed component and performance bonus. The compensation is determined based on the remuneration prevailing in the industry and the performance of the company. The remuneration package of the executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Nomination and Remuneration Committee within the limits approved by the shareholders.
- The Non-Executive Directors are paid sitting fees for attending the meetings of the Board / Committees. Remuneration and Commission is paid to Dr. Amarnath Gupta, Non-Executive Director, as recommended to the Board by the Nomination & Remuneration Committee and approved by shareholders and as per the limits prescribed under Section 197 of the Companies Act, 2013.

e. Criteria for performance evaluation

Performance evaluation criteria for Independent Directors

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. Factors of evaluation include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

Executive Directors

Performance of the Executive Directors is evaluated on broad criteria such as contribution and value addition to the Board and Committees thereof; contribution to the Company and management to achieve its plans, goals, corporate strategy and risk mitigation; level of participation in the Board and Committee meetings, etc. Director being evaluated does not participate in the evaluation process. The performance of Board as a whole is evaluated by the Independent Directors on the basis of its duties and responsibilities as per terms of reference. The Chairman's performance is evaluated by Independent Directors on the above parameters after taking into account the views of Executive and Non-Executive Directors.

3. Meeting of Independent Directors

A separate meeting of Independent Directors of the Company was held on 12th February, 2026. At the meeting, the Independent Directors reviewed the performance of the Non-Independent Directors and the Board as a whole; reviewed the performance of the Chairman of the Company, taking into account the views of the Executive and Non executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed their satisfaction with the overall performance of the Directors and the Board as a whole.

4. Succession planning

The Nomination and Remuneration Committee works with the Board on succession plan to ensure orderly succession in appointments to the Board and in the senior management. The Company strives to maintain an appropriate balance of skills and experience within the Board of Directors and the Organisation.

5. Remuneration of Directors

- a. There were no pecuniary transactions with any Non-Executive Director of the Company.
- b. Apart from the sitting fees, Non-Executive Directors are not paid any remuneration/Commission except to Dr. Amarnath Gupta, who was appointed as Non-Executive Chairman w.e.f. February 14, 2022. The details of the remuneration/sitting fees paid to the Non-Executive Directors for attending Board and Committee Meetings during the year 2025-26 are as follows:

S. No.	Name of the Director	Amount of Sitting fees (Rs. in lakhs)
1	Dr. Amarnath Gupta	89.33*
2	Dr. (Mrs.) Kailash Gupta	1.42
3	Dr. N K Nanda	1.53
4	Dr. V.G. Sekaran	1.20
5	Mr. Ch. Seshagiri Rao	1.83
6	Dr.(Mrs.) Kumuda Raghavan	1.33
7	Lt.Gen. P.R.Kumar (Retd)	1.82
8	Mrs. Shonika Prasad	1.12

*Note: Sitting fees includes remuneration and commission @ 1% of Net Profits for the financial year 2025-26.

The above figures are inclusive of fees paid for attendance of committee meetings.

c. Disclosures with respect to remuneration

- i. Details of Remuneration paid to Executive Directors for the year ended March 31, 2026 is as follows:

S. No.	Name of the director	Salary & Allowances	Benefits	Commission	Bonus	Pension	Total
Executive directors							
1	Mr. T.V.Chowdary	148.26	29.02	63.60	-	-	240.89
2	Mr. Y. Durga Prasad Rao	71.17	13.83	31.80	-	-	116.80
Total		219.43	42.85	95.40	-	-	357.69

- ii. A fixed remuneration shall comprise of basic salary and other allowances like house rent allowance, conveyance allowance, etc., which are calculated as certain percent of basic salary.
- iii. Variable remuneration It is paid to encourage the employees to achieve set targets and variable remuneration shall be determined on the following basis:

Category	Nature	Basis of variable remuneration
Whole time Directors	Commission	X% of Profit in a year during the contract period (% as recommended by Board and approved by Shareholders)

- iv. All the whole time directors have been appointed for a term of three/five years in accordance with the terms and conditions contained in the resolutions passed by the Members in the General Meeting.

There is no severance fees and stock option plan for the Executive/Non Executive Directors. The appointment of Managing Director and Whole Time Directors is made for a period of five/three years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meeting.

6. Stakeholders Relationship Committee

a. Composition of the Committee

The Committee consists of two(2) Non-Executive Independent Directors, one(1) Non-Executive Non-Independent Director and one(1) Executive Director. The Chairman of the Committee is a Non-Executive Independent director. The Committee is headed by Lt. Gen P R Kumar (Retd.), an Independent Director.

Name of the director	Position
Mr. T.V.Chowdary	Member (Executive)
Dr. (Mrs.) Kailash Gupta	Member (Non Executive-Non Independent)
Lt. Gen P R Kumar (Retd.)	Chairman (Non-Executive Independent)
Mr. Ch. Seshagiri Rao	Member (Non Executive Independent)

Name and designation of the Compliance Officer

Mrs. K. Jhansi Laxmi, Company Secretary

b. Number of Shareholder's complaints received

During the year under review, the Company has received five (5) complaints from Shareholders and no pending unresolved complaints during the year.

- c. Number of complaints not resolved to the satisfaction of shareholders is Nil

- d. There were no pending complaints as at the year ended 31st of March, 2026.

Brief Description of Terms of Reference

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Such other matters as may be specified by the Board from time to time or specified / provided under the Companies Act, 2013 and rules made thereunder & SEBI Listing Regulations, or such other regulation prescribed by SEBI from time to time.

As per Section 178(7) of the Act and Secretarial Standards, the Chairman of the Committee or in his absence, any other Member of the Committee authorized by him in this behalf shall attend the General Meetings of the Company. The Chairman of the Committee, Lt Gen P R Kumar (Retd.) was present at the 45th Annual General Meeting of the Company held on 30th September, 2025.

Email ID for Investor Grievances: investors@pelgel.com

7. Corporate Social Responsibility Committee

The Company has set up a CSR Committee to, inter alia

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified by law
- Recommend the amount of expenditure to be incurred on the activities specified and
- Monitor the Corporate Social Responsibility Policy of the company from time to time.

a. Composition, members and chairperson

The committee consists of two Non-Executive Directors and one Executive Director. The Chairman Dr.(Mrs.) Kumuda Raghavan, Independent Woman Director is the Chairperson of the Committee.

Name of the director	Position
Mr. T.V.Chowdary	Member
Dr. (Mrs.) Kailash Gupta	Member
Dr.(Mrs.) Kumuda Raghavan*	Chairperson

Notes:-

* Dr. (Mrs.) Kumuda Raghavan has resigned as an Independent Director from the closure of business hours on July 31, 2026.

b. Committee meetings and attendance during the year

During the year the Committee held two(2) meetings on 22nd May 2025 and 12th August 2025.

Name of the director	Position	No. of meetings held	No. of meetings attended
Dr. (Mrs.) Kumuda Raghavan	Chairperson	2	2
Mr. T.V.Chowdary	Member	2	2
Dr.(Mrs.) Kailash Gupta	Member	2	2

The CSR Report as required under the Companies Act, 2013 for the year ended March 31, 2026 is attached as Annexure 9 to the Board's Report.

8. Risk Management Committee

Brief Description of Terms of Reference

1. To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Composition, members and chairperson

The committee consists of one(1) Non-Executive Independent Director, two(2) Executive Directors and one(1) Non-Board Member. The Chairman Dr. V.G. Sekaran, Independent Director is the Chairperson of the Committee.

Name of the director	Position
Dr. V.G. Sekaran	Chairperson
Mr. Y. Durga Prasad Rao	Member
Mr. T.V.Chowdary	Member
Mr. Vijay Kumar B.M., Chief Financial Officer (CFO)	Member(Non-Board Member)

Committee meetings and attendance during the year

During the year the Committee held two(2) meetings on 18th October 2025 and 12th February 2026.

Name of the director	Position	No. of meetings held	No. of meetings attended
Mr. T.V.Chowdary	Member	2	1
Mr. Y. Durga Prasad Rao	Member	2	2
Mr. Vijay Kumar B.M., Chief Financial Officer (CFO)	Member (Non-Board Member)	2	2
Dr. V.G. Sekaran	Chairperson	2	2

9. Particulars of Senior Management

Particulars of Senior Management Personnel as per the SEBI (LODR) Regulations, 2015:

S. No.	Name of the Senior Management Personnel	Designation
1	Mr. T.V. Chowdary	Managing Director
2	Mr. Y. Durga Prasad Rao	Director (Operations)
3.	Mr. B.M. Vijay Kumar	Chief Financial Officer
4.	Mrs. K. Jhansi Laxmi	Company Secretary

10. General Body Meetings

a. Details of the last three AGMs are as follows

Year	Date & Time	Venue	Special resolutions passed
45 th AGM 2024-25	September 30, 2025 at 11:00 a.m	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Approval of payment of remuneration to Mr. T. V. Chowdary (DIN: 00054220), Managing Director of the Company ii) Approval of payment of remuneration of Mr. Y Durga Prasad Rao (DIN: 08072805), Director (Operations) of the Company iii) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director iv) Approval to raise capital through issuance of equity shares or other eligible securities for an amount not exceeding Rs. 300 crore

Year	Date & Time	Venue	Special resolutions passed
44 th AGM 2023-24	September 27, 2024 at 11:30 a.m	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director ii) Appointment of Dr. Narendra Kumar Nanda (DIN: 02455894) as an Independent Director of the Company. iii) Appointment of Dr. Gnana Sekaran Venkatasamy (DIN:02012032) as an Independent Director of the Company iv) Appointment of Mr. Ch. Seshagiri Rao (DIN:10595215) as an Independent Director of the Company. v) Appointment of Dr. (Mrs.) Kumuda Raghavan (DIN:10698094) as an Independent Woman Director of the Company.
43 rd AGM 2022-23	September 29, 2023 at 11.30 a.m.	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	i) Payment of remuneration to Dr. Amarnath Gupta (DIN: 00053985), Chairman and Non-Executive Director

b. Extraordinary General Meeting

No Extra-ordinary General Meeting of the shareholders was held during the year 2025-26.

c. Postal Ballot:

During the financial year 2025-26, no postal ballot was conducted by the Company to seek the approval of its members as required under the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014:

person who conducted the postal ballot exercise Not applicable during the financial year 2025-26.

Whether any special resolution is proposed to be conducted through postal ballot;

For the time being, no special resolution is proposed to be conducted through postal ballot.

The details of the previous postal ballots are available on the website, at www.pelgel.com.

None of the businesses proposed to be transacted at the ensuing AGM requires passing a resolution through postal ballot.

d. Procedure for postal ballot

Company conducts a postal ballot, where required, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and applicable regulations

11. Means of communication

The quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after the same are considered by the Board and are published in Business Standard (English) and Nava Telangana (Telugu). The results and presentations made to the Investors/analysts are placed on the Company's website: www.pelgel.com

A statement whether the Board had not accepted any recommendation of any committee of the Board which is mandatorily required.

During the year, there has been no instance where the Board did not accept the recommendation of its Committees.

12. General shareholder information

- a. 46th AGM, date, time and Venue/Mode** : Wednesday, the 30th September 2026 at 11.30 a.m.
Mode: audio-visual means
- b. Financial year: April 1, 2026 to March 31, 2027 Tentative schedule for considering financial results:**
For the quarter ended June 30, 2026 : 13th August, 2026
For the quarter ending September 30, 2026 : October/November, 2026
For the quarter ending December 31, 2026 : January/February, 2027
For the quarter / year ending March 31, 2027 : April/May, 2027
Book Closure dates / Record Date : September 23, 2026.
- c. Dividend payment date:** Within 30 days from the AGM date upon declaration of dividend by the Members at the ensuing AGM
- d. Listing on stock exchanges**

The Company's equity shares are listed at

Name and Address of the Stock Exchange	Stock Code
BSE Limited	
Phiroze Jeejeebhoy Towers, Dalal street, Mumbai-400001	526247
National Stock Exchange of India Limited	
Exchange Plaza, Floor 5, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai-400051	PREMEXPLN EQ

The Company has paid till date listing fee of both the above Stock Exchanges.

- e. There was no suspension of trading in Securities of the Company during the year under review.**
- f. Registrar and Share Transfer Agents**
M/s. KFin Technologies Limited is the Company's Registrar and Transfer Agents. KFinTech is a SEBI registered Category I – Registrar to an Issue and Share Transfer Agents. For any queries relating to the equity shares of the Company, the shareholders/investors may contact them at the following address:
KFin Technologies Limited.
Selenium Building,,Tower B, Plot No.31 & 32, ,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad-500032, Telangana.
Ph:040-6716 1606/1776
Toll free No.:1-800-309-4001 Email: inward.ris@kfintech.com
website: <https://www.kfintech.com>
- g. Share transfer system**
In terms of regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form except in case of request received for transmission or transposition of securities. They are processed and the share certificates/ Letter of Confirmation are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.
Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
Transfer of equity shares in electronic form is effected through the depositories with no involvement of the Company.

h. Instruction to Members

As per SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, Members holding shares in physical mode are requested to update their KYC details viz., (i) PAN (ii) Nomination (iii) Updation of complete postal address, Mobile No. and E-mail ID (iv) Updation of Bank details (v) Updation of Specimen signature of shareholder. Members may get in touch with KFin Technologies Limited, Registrar and Share Transfer Agent for further information.

i. Distribution of shareholding as on 31.03.2026

S. No	Category of Shares	No of Shareholders	% to no.of share holders	No of Equity shares held (Value in Rs,)	% of Shareholding
1	1 –5000	91920	98.95	2,24,79,718	20.91
2	5001 – 10000	521	0.56	38,87,520	3.62
3	10001 – 20000	234	0.25	34,43,850	3.20
4	20001 – 30000	71	0.08	17,99,486	1.67
5	30001 – 40000	37	0.04	13,27,722	1.23
6	40001 – 50000	16	0.02	7,49,330	0.70
7	50001 – 100000	49	0.05	34,51,138	3.21
8	100001 & Above	52	0.06	7,03,83,626	65.46
Total		92900	100.00	10,75,22,390	100.00

Shareholding pattern as on March 31, 2026

Category	No of shares	% of shareholding
Promoters	2,22,21,735	41.33
Mutual Funds	48,94,455	9.10
Alternate Investment Funds	30,000	0.06
NBFCs registered with RBI	2,710	0.01
Foreign Portfolio Investors	6,33,742	1.18
Directors & their relatives	2,62,245	0.49
Key Managerial Personnel	520	0.00
Resident Individuals	1,95,13,477	36.3
Non Resident Indians	8,88,034	1.65
Bodies Corporate	38,91,317	7.24
IEPF Authority	5,41,941	1.01
HUF	8,80,707	1.64
Clearing Members	312	0.00
Total	5,37,61,195	100.00

j. Dematerialisation of shares and liquidity

Your Company's shares are compulsorily tradable in the electronic form only. The International Securities Identification Number (ISIN) allotted to your shares under the Depository system is INE863B01029. Equity shares of the Company representing 99.43 % of the Company's equity share capital are dematerialized as on 31st March, 2026, and the rest in physical form.

Members are requested to note that in line with the SEBI circular dated January 25, 2022, issuance of shares in case of transmission and requests for duplicate share certificates can only be undertaken in dematerialized mode.

Members holding shares in physical mode are requested to furnish their KYC details viz., PAN, Nomination, postal address, Mobile No., E-mail address, bank details, specimen signature etc. immediately failing which all such physical folios shall stand frozen.

Shares held in demat and physical mode as on March 31, 2026 are as follows:

Mode of holding	No. of shares	% to Equity
Physical	3,04,140	00.57
Electronic - NSDL	4,26,23,440	79.28
- CDSL	1,08,33,615	20.15
Total	5,37,61,195	100.00

k. Outstanding GDRs/ADRs/Warrants or any convertible Instruments, conversion date and likely impact on equity

The company has not issued any GDRs/ADRs/Warrants or any convertible instrument, which is likely to have impact on the Company's equity.

l. Commodity price risk or Foreign exchange risk and hedging activities

The Company is not carrying on any commodity business and has also not undertaken any hedging activities. Hence the same are not applicable to the Company.

m. Plant locations

Plant	Location
Detonators, Detonating fuse, Packaged explosives, Research centre for defence products, Solid propellants, explosives accessories	Peddakandukuru Village, Yadagirigutta Mandal, Yadadri Bhuvanagiri District, Telangana
Solid Propellants, RDX/HMX, Ammunition, warheads, mines bombs	Katepally
	1. C-16, MIDC, Gugus Road, Chandrapur, Maharashtra
	2. Manuguru, Kothagudem District, Telangana
Bulk explosives	3. Plot No.42, Industrial Area, Udyog Deep, Waidhan, Sidhi District, Madhya Pradesh
	4. Godavarikhani, Peddapalli District, Telangana

n. Address for correspondence

PREMIER EXPLOSIVES LIMITED,
 'Premier House', 11, Ishaq Colony,
 Near AOC Centre, Secunderabad-500015, Telangana Ph: 040-66146801-03, Fax: 040-27843431
 E-mail: investors@pelgel.com Website: www.pelgel.com

o. Credit ratings

India Ratings and Research Private Limited (Rating Agency) has assigned and affirmed the credit ratings for bank loan facilities as IND A-/Stable/IND A2+. These ratings are valid till May, 2027.

13. Other disclosures

a. Related party transactions

Transactions with related parties are disclosed in the Notes to Accounts in the Financial Statements.

All related party transactions are entered into by the Company only after obtaining the prior approval of the Audit Committee and the Board of Directors and are entered into on arm's length basis. During the year, there are no materially significant related party transactions that may have potential conflict with the interests of Company at large.

Related party transactions entered during the year 2025-26 have been at Arm's length basis and reported in Form AoC-2 attached as Annexure -8 to the Board's Report

b. The Company has formulated a policy for determining the material related party transactions and the details of such policy are available on the Company's website at: <https://www.pelgel.com/codconcsr.html>

c. Disclosure of Non-Compliances

Stock Exchanges have not imposed fine on the Company except for delay in taking of approval from the Members of the Company for appointment of Non-Executive Director, as required under Regulation 17(1A) of the SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2024-25.

d. Details of establishment of Vigil mechanism (Whistle blower policy)

The Board of Directors of the Company had adopted Whistle blower policy and the Company has established an innovative and empowering mechanism for employees. Employees can report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

No personnel have been denied access to the audit committee. A copy of the whistleblower policy is available on the website: <https://www.pelgel.com/codconcsr.html>

The designated person had not received any complaint during the financial year ended 31st March, 2026.

e. Compliance with mandatory requirements and adoption of the non mandatory requirements

The company has complied with all mandatory requirements of Corporate Governance as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The non mandatory requirements will be adopted on a need basis.

f. Accounting principles

In preparation of financial statements, the company has followed the accounting principles generally accepted in India, including Indian Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies which are consistently applied have been set out in the notes to the financial statements.

g. The Company has not raised any funds through preferential allotment or qualified institutions placement during the financial year ended March 31, 2026.**h. Certificate from PCS under sub-para 10(i) of Part C of Schedule V of the Listing Regulations**

A Certificate from a Practicing Company Secretary stating that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or Ministry of Corporate Affairs or any such statutory authority is enclosed to this report as Annexure - 5.

i. Confirmation by the Board of Directors' acceptance of recommendation of mandatory committees

In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company, confirm that during the year under review, it has accepted all recommendations received from its mandatory committees.

j. Details of total fees paid to the Statutory Auditors of the Company

M/s. Majeti & Co., Chartered Accountants are the statutory auditors of the Company. The total fees/paid/payable to the statutory auditors by the company for the year ended March 31, 2026 is given below. They are not auditors for any of the group companies and they are also not part of any network of audit firms.

S. No.	Description of fees paid	Amount (Rs. in lakhs)
1	Statutory audit fees paid	9.35
2	Fee paid for quarterly reviews	8.25
3	Fee paid for certifications	3.00
4	Fee paid for GST Matters	3.00
5	Reimbursement of expenses	2.45
Total fees paid		26.05

k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

- Number of complaints filed during the financial year : Nil
- Number of complaints disposed off during the financial year: Nil
- Num of complaints pending as on end of the financial year: Nil

I. Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the year under review, the listed entity and its subsidiaries have not given Loans and advances in the nature of loans to firms/companies in which directors are interested

- m.** The Company has complied with the requirements of the Schedule V-Corporate Governance report sub-para (2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- n.** The Company has complied with the following discretionary requirements specified in Part E of Schedule II of Regulation 27(1):
- A. Board: The Company has Non-Executive Chairperson, Separate persons were appointed for the post of Chairman and Managing Director.
- B. Reporting of Internal Auditor: The Internal Auditors of the Company directly report to the Audit Committee.
- o.** The disclosures of compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	Yes
24A	Secretarial Audit & Secretarial Compliance Report	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

2. Subsidiary companies

Regulation 16 of the Listing Regulations defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year,

The Company does not have any material unlisted subsidiary in India. The minutes of the Board Meetings of the subsidiary is periodically placed at the Board Meeting of the Company.

The Company has formulated a policy on material subsidiaries and the details of such policy are available on the Company's website at: <https://www.pelgel.com/codconcsr.html>

3. Code of conduct

The Board has laid down a Code of Conduct covering the ethical requirement to be complied with covering all the Board Members and Senior Management Personnel of the Company. All Board members and senior managerial personnel have affirmed compliance with the code of conduct. A declaration to this effect is signed by Mr. T.V. Chowdary, Managing Director is annexed to this Report.

4. CEO and CFO certification

The Managing Director and the CFO have given a Certificate to the Board as contemplated in Schedule – V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is separately annexed as Annexure-4.

5. Transfer of shares to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), shares in respect of which dividends have remained unclaimed or unpaid for a period of seven consecutive years or more is required to be transferred to the Investor Education and Protection Fund Authority (‘IEPF Authority’).

Accordingly, the Company has transferred an amount of Rs.2,96,382.50/- being unclaimed/unpaid dividend relating to the financial year 2017-18 into Investor Education and Protection Fund Authority Account during the financial year ended March 31, 2026.

- II. A compliance certificate from the Auditors regarding compliance with conditions of Corporate Governance is annexed with the Directors’ report.
- III. Disclosure of certain types of Agreements binding the Company.
 1. There were no such agreements as mentioned in Clause 5A of Paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015 required to be disclosed.
- IV. Disclosure with respect to Demat suspense account/unclaimed suspense account.

There are no shares in the Demat suspense account or unclaimed suspense account; hence the disclosure is not applicable.

For and on behalf of the Board

Secunderabad
13.08.2026

Dr. A.N. Gupta
Chairman
DIN:00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Declaration

As provided under Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of Board of directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2026.

For Premier Explosives Limited

Secunderabad
13.08.2026

Mr. T.V. Chowdary
Managing Director
DIN: 00054220

Annexure-3

Independent Auditors' Certificate on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members of
PREMIER EXPLOSIVES LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated October 11, 2025.
2. This report contains details of compliance of conditions of Corporate Governance by Premier Explosives Limited ('the Company'), for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), pursuant to listing agreement with Stock exchanges.

Management's Responsibility

3. The compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

4. Our responsibility was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended March 31, 2026.
6. We conducted our examination in accordance with the Guidance Note on Certificates for Special purposes, Guidance note on Certificate of Corporate Governance, both issued by the Institute of the Chartered Accountants of India (the "ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on Use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For MAJETI & CO
Chartered Accountants
Firm Registration Number: 0159755

Kiran Kumar Majeti
Partner
Membership No.: 220354
UDIN No: 26220354RZGVQP9707

Place: Hyderabad
Date: August 13, 2026

Annexure-4

CEO and CFO Certification

To the Board of Directors of Premier Explosives Limited

We, T.V. Chowdary, Managing Director and Mr. B.M. Vijay Kumar, Chief Financial Officer, responsible for the finance function, hereby certify that

- A. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2026 and to the best of our knowledge and belief
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2026 are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- D. We have indicated to the Auditors and Audit Committee
1. Significant changes in internal control over financial reporting during the year
 2. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the company's internal control system over financial reporting.

Secunderabad
13.08.2026

T.V Chowdary
Managing Director
DIN: 00054220

B.M. Vijay Kumar
Chief Financial Officer

Annexure-5

To
The Members
Premier Explosives Limited
Hyderabad

Sub: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We have examined the statutory registers, records, books, papers, returns, forms, documents and other relevant records of Premier Explosives Limited (CIN: L24110TG1980PLC002633), having its Registered Office at 'PREMIER HOUSE', #11, Ishaq Colony, Near AOC Centre, Secunderabad – 500015, Telangana, India ("the Company"), as maintained under the provisions of the Companies Act, 2013 ("the Act"), the Rules made thereunder, the applicable provisions of the Securities and Exchange Board of India Act, 1992, the Regulations, Circulars and Guidelines issued thereunder, and other applicable laws, regulations and secretarial records, for the financial year ended 31st March, 2026.

Based on our examination of the aforesaid records and according to the information and explanations furnished to us by the Company, we hereby certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2026:

Sl.No	DIN	Name of the director	Designation
1	00053985	Dr. Amar Nath Gupta	Non-ExecutiveChairman
2	00054220	Mr. Tripuraneni Venkaiah Chowdary	Managing Director
3	08072805	Mr. Durga Prasad RaoYachamaneni	Whole time Director (Director-Operations)
4	00054045	Dr. (Mrs.) Kailash Gupta	Non-Independent and Non-Executive Director
5	02455894	Dr. Narendra Kumar Nanda	Independent Director
6	02012032	Dr. Gnana Sekaran Venkatasamy	Independent Director
7	10595215	Mr. CH. Seshagiri Rao	Independent Director
8	10698094	Dr. (Mrs.) Kumuda Raghavan	Independent Director
9	07352541	Lt.Gen. Peruvemba Ramachandran Kumar	Independent Director
10	00250015	Mrs.Shonika Prasad	Non-Independentand Non-Executive Director

For K V C REDDY & ASSOCIATES
Company secretaries

Place: Hyderabad
Date:13.08.2026

K.V. Chalama Reddy
(Proprietor)
M. No.: F9268, C.P.No.:5451
Peer Review No: 2301/2022
UDIN: F009268H001090029

Annexure-6

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31-03-2026 FORM NO.MR- 3

(Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
M/s. Premier Explosives Limited

We have conducted Secretarial Audit pursuant to Section 204 of the Companies Act 2013, on the compliance of applicable Statutory Provisions and the adherence to good corporate practices by **Premier Explosives Limited** (hereinafter called as “**the Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

1. Based on our verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided and explanations furnished and representations made to us by the Company, its officers, agents and authorized representatives and according to the examinations carried out by us, during the conduct of Secretarial Audit, I hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2026 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
2. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2026 (“Audit Period”) according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made thereunder;
 - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not applicable during the audit period**
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable during the audit period.**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable during the audit period**
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.: **Not applicable during the audit period**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable during the audit period**
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2018; **Not applicable during the audit period**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the audit period and**
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - j. The Securities and Exchange Board of India (Depositories and participant) Regulations, 2018:

vi. **The following other industry specific acts applicable to the Company**

- a. The Explosives Act, 1884 and Rules and notifications made there under;
- b. The Electricity Act, 2003 and rules and regulations made thereunder.

We have also examined compliance of Secretarial Standards issued by the Institute of Company Secretaries of India in respect of board and general meetings of the Company.

During the period under review, the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines and standards etc., as mentioned above

3. We, further report that:

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015.
 - b. Adequate Notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were being sent at least 7 days in advance, wherever possible. There is adequate system for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through and there were no instances of dissenting members in the Board of Directors.
4. We further report that there exist adequate systems and processes in the Company that are commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.
 5. The compliance by the Company of applicable financial laws such as Direct and Indirect tax laws have not been reviewed thoroughly in this audit, since the same have been subject to review by Statutory Financial Auditor and other designated professionals.
 6. We further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations and guidelines having a major bearing on the company's affairs.

For **K V C REDDY & ASSOCIATES**
Company secretaries

Place: Hyderabad
Date: 13.08.2026

K.V. Chalama Reddy
(Proprietor)
F.C.S: 9268, C P No.: 5451
P R No.: 2301/2022
UDIN Number: F009268H001090062

Note: This report is to be read with my letter of even date which is given as Annexure 'A' and forms an integral part of this report.

To,
The Members
M/s. Premier Explosives Limited

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **K V C REDDY & ASSOCIATES**
Company secretaries

Place: Hyderabad
Date: 13.08.2026

K.V. Chalama Reddy
(Proprietor)
F.C.S: 9268, C P No.: 5451
P R No.: 2301/2022
UDIN Number: F009268H001090062

Annexure-7

Information on Conservation of Energy, Technology absorption, Foreign exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

A Conservation of energy (Form 'A')		The operations of the company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.	
B Technology absorption (Form 'B')			
a)	Research & Development		
1.	Specific areas in which R & D carried out by the company	Development of specialised high energy chemicals	
2.	Benefits derived as a result of above R & D	Commercializing the in-house developed products	
3.	Future plan of action	To continuously improve existing products and develop cost effective processes	
4.	Expenditure on R & D (₹ in lakhs)	2025-26	2024-25
	Capital	0.00	0.00
	Recurring	49.71	43.86
	Total	49.71	43.86
	R & D expenditure as % of total revenue	0.13%	0.11%
b)	Technology absorption, adaptation and innovation		
1.	Efforts	New products were developed	
2.	Benefits	Successfully started commercial production of new products	
3.	Particulars of imported technology in the last five years	No technology imported	
		(₹ in lakhs)	
C	Foreign exchange earnings and outgo	2025-26	2024-25
	Earnings	5168.78	7848.01
	Outgo	3205.90	14932.95

For and on behalf of the Board

Secunderabad
Date: 13.08.2026

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

Annexure-8

Particulars of contracts or arrangements with related parties [section 188 (1)] in Form AOC-2 [Chapter IX - Rule 8.4]

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

There were no materially significant related party transactions made by the company.

Form no. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1	Details of contracts or arrangements or transactions not at arm's length basis:	No such transactions
2	Details of contracts or arrangements or transactions at arm's length basis:	
a)	Name(s) of the related party and nature of relationship	Premier Wire Products Limited, a subsidiary company
b)	Nature of contracts/ arrangements/ transactions	Payment of rent
c)	Duration of the contracts/ arrangements/ transactions	April 2025 - March 2026
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Payment of rent: 1.19 lakhs
e)	Date(s) of approval by the Board, if any	22.05.2025
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Secunderabad
Date: 13.08.2026

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V Chowdary
Managing Director
DIN: 00054220

Annexure-9

Annual Report on CSR Activities for Financial Year 2025-26

1. Brief outline of the Corporate Social Responsibility (CSR) Policy

The Company's CSR policy is in alignment with the guidelines provided by the Ministry of Corporate Affairs (MCA). The Board has formulated a CSR Policy with the main objective that "the Company shall undertake the CSR activities that help the surrounding communities possible in its means and meeting the regulatory requirements.

Details of the policy can be seen at the company's website: <https://www.pelgel.com/codconcsr.html>

2. Composition of CSR Committee:

The CSR Committee of the Board is responsible for overseeing the execution of the Company's CSR Policy. The members of the CSR committee as on March 31, 2026 are as under:

S. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr.(Mrs.) Kumuda Raghavan*	Chairperson of CSR Committee (Independent Director)	2	2
2	Dr.(Mrs.) Kailash Gupta	Member (Non-Executive Director)	2	2
3	Mr. T.V. Chowdary	Member (Executive Director)	2	2

@ CSR Committee was reconstituted with Dr. N.K Nanda, Dr.(Mrs.) Kailash Gupta and Mr. T.V. Chowdary as its members w.e.f. July 25, 2026

- Dr. (Mrs.) Kumuda Raghavan resigned as Non-Executive Independent Woman Director with effect from the closure of business hours on July 31, 2026

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.pelgel.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

Not Applicable for the financial year under review.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

S.No	Financial Year	Amount Available for set-off from preceding financial years (Rs. In Lakhs)	Amount required to be set off for the financial year, if any (in Rs. Lakhs)
1	FY-1 (31-03-2026)	1.06	0.00
2	FY-2 (31-03-2025)	1.19	0.00
3	FY-3 (31-03-2024)	--	0.00
	Total	2.25	

6. **Average net profit of the company for last three financial years as per section 135(5):** Rs. 2915.92 lakhs

7. a. Two percent of average net profit of the company as per section 135(5): Rs. 58.32 lakhs
- b. Surplus arising out the CSR projects or programmes or activities of the previous financial year: Rs.1.19 lakhs
- c. Amount required to be set off for the financial year, if any: (Rs.1.19 lakhs)
- d. Total CSR obligation for the financial year (7a+7b+7c): Rs. 58.32 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Amount unspent (in Rs.)		
Total Amount spent for the Financial Year (Rs. In lakhs)	Total Amount transferred to Unspent CSR Account as per Section 135(6)	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)
59.38	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	
S. No.	Name of the Project	Item from the list of activities in schedule VII of the Act	Local Area (Yes/ No)	Location of the Project		Project duration (in months)	Amount allocated for the Project (in Rs. Lakhs)	Amount spent in the reporting Financial Year (in Rs. Lakhs)	Mode of Implementation Direct (Yes/ No)	Mode of Implementation – Through Implementing Agency	
				State	District					CSR Registration No.	Name
1	Healthcare	Promoting Healthcare	Yes	Telangana	Bhuvangiri Yadadri District	12	12.00	12.00	No	CSR 00058751	Cheyutha for wellbeing Foundation
2	Education	Promoting Education	Yes	Telangana	Bhuvangiri Yadadri District	12	2.38	2.38	yes	--	Directly by the company
3	Environment Sustainability	Environment Sustainability	Yes	Telangana	Bhuvangiri Yadadri District	12	15.00	15.00	No	CSR 00107631	Beerla Foundation
4	Environment Sustainability	Environment Sustainability	Yes	Telangana	Bhuvangiri Yadadri District	12	30.00	30.00	No	CSR 00010965	Sathwik Rural and youth Integrated Association

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5	6	7	8
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes/No)	Location of the Project	Amount spent for the project (in ₹)	Mode of implementation Direct(Yes/No)	Mode of implementation- Through implementing Agency
				State/District			
				NIL			
					Name/CSR Registration No.		

(d) Amount spent in Administrative Overheads: None

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 59.38 Lakhs

(g) Excess amount for set off, if any:

(In ₹ Lakhs)

S.No.	Particulars	Amount
1	Two Percent of average net profit of the company as per section 135(5)	58.32
2	Total amount spent for the Financial Year	59.38
3	Excess amount spent for the financial year [(ii)-(i)]	1.06
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	1.19
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.25

9(a) Details of Unspent CSR amount for the preceding three financial years: NIL

9(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for them project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project- Completed/ Ongoing

NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

- Date of creation or acquisition of the capital asset(s) – Not Applicable
- Amount of CSR spent for creation or acquisition of capital asset – Not Applicable
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – Not Applicable
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

11. Specify the reason(s), if the company has failed to spent two per cent of the average net profit as per section 135(5): Not Applicable.

For and on behalf of the Board of Directors

Dr. N K Nanda
Independent Director
Chairman of CSR Committee
DIN: 02455894

Dr. Kailash Gupta
Director
Member of CSR Committee
DIN: 00054045

Place: Secunderabad
Date: 13.08.2026

Annexure-10

Particulars of remuneration and other disclosures

I. Information as per Rule 5(1) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Ratio of remuneration of the directors and key managerial personnel to the median remuneration of the employees of the company

Sl. No.	Name	Designation	Amount of remuneration paid for the year (₹ Lakhs)		Increase / (decrease) (₹ Lakhs)	Increase / (decrease) %	Ratio to median remuneration of employees
			2025-26	2024-25			
1	Dr. A N GUPTA*	Chairman	87.60	62.12	-	-	2.05
2	T V CHOWDARY*	Managing Director	240.89	189.31	51.58	27.25	5.64
3	Y DURGA PRASADA RAO*	Director-Operations	116.80	89.90	26.90	29.92	2.73
4	B M VIJAY KUMAR	Chief Financial Officer (KMP)	79.00	27.33	-	-	1.85
5	K JHANSI LAXMI	Company Secretary (KMP)	22.51	18.96	3.55	18.72	0.53

*Remuneration includes Commission also.

*Median remuneration of the employees was Rs. 5.07 lakhs during the 2025-26 and Rs. 4.95 lakhs during 2024-25.

- Median remuneration of employees during 2025-26 has increased compared to the amount during 2024-25
- Number of permanent employees on the rolls of the company as on 31.03.2026 was 855 (838 as on 31.03.2025).
- Remuneration has been paid as per remuneration policy.

B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- Particulars of top ten employees in terms of remuneration and also who were in receipt of remuneration not less than ₹102 lakhs per annum or ₹8.50 lakhs per month during the year 2025-26

SI	Employee name	Designation	Remuneration (₹ in Lakhs)	Nature of employment – Contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last date and designation	No. and % of equity shares held at year-end	Relationship to any other director
1	A.N. Gupta	Chairman	87.60	Contractual	M.Sc., D.Sc., 14 Feb 80, 56 years 14 Apr 45 81 years	I.E.L. Limited, Area Sales Manager	-	Dr.(Mrs.) Kailash Gupta is his wife & Mrs. Shonika Prasad is his daughter
2	T.V. Chowdary	Managing Director	240.89	Contractual	B.Sc., B.Tech. (Petroleum), 25 May 89, 41 years 16 Aug 57 69 years	STP Limited, Production Manager	1,57,290 0.29%	None
3	Y. Durga Prasada Rao	Director (Operations)	116.80	Contractual	B.E. Mechanical, 01 Jul 89, 38 years, 20 May 63 63 years	Rohini Refractories Ltd Mechanical Engineer	385 0.00%	None

SI	Employee name	Designation	Remune- ration (₹ in Lakhs)	Nature of employment – Contractual or otherwise	Qualification, Date of joining, Experience, Date of birth and Age	Last date and designation	No. and % of equity shares held at year- end	Relationship to any other director
4	B M Vijay Kumar	Chief Financial Officer (w.e.f. 11/11/2024)	79.00	Permanent	F.C.A., F.C.S., F.C.M.A., LLB 18 Oct 2024, 35 years 31 Aug 64 61 years	Suryalakshmi Cotton Mills Ltd., Chief Financial Officer	-	None
5	Indraneel deb	Vice President (Defence Operations)	45.92	Permanent	M.Tech (Aerospace), Armed Force Programme (IIIM), 02 Feb 16 31 years 06 Sep 69 56 years	Reliance Defence & Engineering Ltd, DGM (Guns & Missiles)	-	None
6	Gangraj Tadinada	Vice President (Marketing)	50.73	Permanent	B.Sc. & MBA (Mktg), 19 Feb 2020, 29 years, 16 Nov 1970 55 years	DCW Limited, General Manager (Marketing)	25 0.00%	None
7	S. Janardhan	Vice President	34.23	Permanent	B.Tech & MBA (HR), 27 Feb 95, 28 years 03 July 1968 58 years,		-	None
8	T. Raghuveer	General Manager	22.06	Contractual	B.Sc., Safety PG Diploma, 08 May 1963 63 years		-	None

During the year under review, there was no employee in receipt of remuneration which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director and holds by himself or along with his/her spouse and dependent children, not less than two percent of the equity shares of the company.

Annexure-11

Business Responsibility & Sustainability Report

Premier Explosives Limited | FY 2025-26

SECTION A

I. General Disclosures

I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity:** L24110TG1980PLC002633
- Name of the Listed Entity:** Premier Explosives Limited
- Year of incorporation:** 14/02/1980
- Registered office address:** 'Premier House', 11, Ishaq Colony, Near AOC Center, Secunderabad -500 015, Telangana, India
- Corporate address:** 'Premier House', 11, Ishaq Colony, Near AOC Center, Secunderabad -500 015, Telangana, India
- E-mail:** investors@pelgel.com
- Telephone:** 040-66146801 to 03
- Website:** <http://www.pelgel.com/>
- Financial year for which reporting is being done:** 2025-26
- Name of the Stock Exchange(s) where shares are listed:** BSE Limited & National Stock Exchange of India Limited
- Paid-up Capital:** Rs. 10,75,22,390/-
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:** K. Jhansi Laxmi, Company Secretary, 040-66146801, investors@pelgel.com
- Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):** On Standalone basis
- Name of the assurance provider:** Not Applicable – the Company is outside the top 500 listed entities by market capitalisation, and the assurance requirement is not applicable for FY 2025–26.
- Type of assurance obtained** Not applicable

II. Product & Services

16. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Manufacturing	High Energy Materials and O&M Services for defense space and mining sectors	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Defence and Space	202902	81.22%
2	Bulk Explosives	202902	18.78%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Supporting Operational Units	Number of Offices	Total
National	6	0	1	7
International	Nil	Nil	Nil	Nil

19. Markets served by the entity:**a. Number of Locations**

Locations	Locations
National (No of States)	14
International (No of Countries)	9

b. What is the contribution of exports as a percentage of the total turnover of the entity? 13.31%**c. A brief on types of customers**

Defence and Space Public Sector Units, Mining Companies, Cement Companies

IV. Employees**20. Details at the end of the financial year****a. Employees and workers(including differently abled):**

SL No.	Particulars	Total (A)	Male No. (B) % (B/A)	Female No.(C) % (C/A)	Others No.(H) % (H/A)
Employees					
1	Permanent (D)	234	216 92.31	18 7.69	0 0
2	Other than Permanent (E)	0	0 0.00	0 0.00	0 0
3	Total Employees (D+E)	234	216 92.31	18 7.69	0 0
Workers					
4	Permanent (F)	610	554 90.82	56 9.18	0 0
5	Other than Permanent (G)	508	464 91.34	44 8.66	0 0
6	Total Workers (F+G)	1118	1018 91.06	100 8.94	0 0

20 b. Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male No. (B) % (B/A)	Female No. (C) % (C/A)	Others No.(H) % (H/A)
Differently Abled Employees					
1	Permanent (D)	1	1 100	0 0	0 0
2	Other than Permanent (E)	0	0 0	0 0	0 0
3	Total Employees (D+E)	1	1 100	0 0	0 0
Differently Abled Workers					
4	Permanent (F)	14	14 100	0 0	0 0
5	Other than Permanent (G)	0	0 0	0 0	0 0
6	Total Workers (F+G)	14	14 100	0 0	0 0

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board of Directors	10	3	30%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY2026 (Turnover Rate in current FY)			FY2025 (Turnover Rate in previous FY)			FY2024 (Turnover Rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.70%	5.71%	10.26%	12.72%	5.88%	12.24%	7.27%	0%	6.74%
Permanent Workers	7.03%	5.60%	6.89%	8.45%	11.11%	8.67%	5.76%	3.81%	4.06%

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Include whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Premier Wire Products Limited	Subsidiary	80%	No
2	PELNEXT Defense Systems Private Limited	Subsidiary	100%	No
3	Global Premier Limited	Joint Venture	49%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) : Yes

(ii) Turnover (in Rs.) 38834.14 lakhs

(iii) Net worth (in Rs.): 28903.17 lakhs

VII. Transparency and disclosures compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place.	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Yes/No	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
	If yes(then provide web link for grievance redress policy)						
Communities	Yes	0	0	-	0	0	-
Investors (Other than Shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	5	0	-	4	0	-
Employees & Workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-
Other (Please specify)	-	-	-	-	-	-	-

*Grievance Redressal Mechanism in Place (Yes/No) If Yes, then provide web-link for grievance redress policy)

Stakeholder group from whom complaint is received	Web link for grievance policy / grievance mechanism
Communities	https://www.pelgel.com/contact-us.html
Investors (other than shareholders)	https://scores.sebi.gov.in/
Shareholders	https://www.pelgel.com/investor_grievances.html
Employees and workers	No web-based grievance mechanism exists, as there is no specific grievances policy for employees and workers. Grievances are addressed, as and when required, through email and notice board.
Customers	Emails as and when required and also https://www.pelgel.com/defence-products.html
Value Chain Partners	No web-based grievance mechanism exists, as there is no specific grievance policy for Value Chain Partners. Grievances are addressed, as and when required, through email and phone calls with the respective department heads.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rationale for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
1	Regulatory and environmental compliance	Risk	Operations involve hazardous materials, subject to strict environmental and safety norms	Adopt best-in-class safety protocols, conduct regular audits, train personnel, invest in pollution control	Negative: potential penalties, disruption, and compliance costs
2	Raw material cost volatility and supply chain stability	Risk	Dependency on specific raw materials makes operations sensitive to input availability and price changes	Secure diversified sourcing, build long-term supplier partnerships, maintain adequate inventories	Negative: impact on cost structure and margins
3	Competitive intensity in commercial explosives	Risk	Industrial explosives are a price-sensitive and tender driven segment with many players	Focus on innovation, strengthen customer relationships, offer differentiated products like advanced detonators	Negative: pricing pressure may erode margins
4	Expansion into defence and space segments	Opportunity	The company has capabilities in propellants and ignition systems, aligning with growing demand in strategic sectors	Scale manufacturing facilities, pursue collaborations, invest in R&D, align with national self-reliance policies	Positive: access to high value segments and improved brand equity
5	Growth in infrastructure and mining sectors	Opportunity	Demand for explosives is driven by activity in infrastructure, construction, and mining sectors	Enhance production readiness, deepen presence across regions, develop relationships with large mining clients	Positive: higher demand and economies of scale
6	Safety and social license to operate	Risk	Handling of explosive materials poses inherent safety risks, which can affect community trust and operational continuity	Maintain a strong safety culture, engage proactively with local communities, transparently report incidents	Negative: any lapse could lead to reputational damage and operational constraints

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rationale for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity(Indicate positive or negative implications)
7	Indigenous product development and innovation	Opportunity	Indigenous technologies can reduce import dependence and open up new market opportunities	Leverage internal R&D strengths, collaborate with research institutions, align with national defence objectives	Positive: greater market relevance and value addition
8	Human capital and technical expertise	Risk	The industry demands high technical competence, and talent retention is a challenge	Strengthen internal training, create a pipeline of skilled professionals, build partnerships with technical institutions	Negative: shortage of skilled workforce can hinder project execution and compliance standards

SECTION B

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.pelgel.com/codconcsr.html								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Principle 9: 1. ISO 9001:2015 2. AS9100D 3. NABL 4. CE Marking								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has established a structured governance framework to implement the National Guidelines on Responsible Business Conduct (NGRBC). This approach aligns perfectly with best practices for corporate sustainability and regulatory reporting. Each short, medium, and long-term goal is directly mapped to one of the 9 NGRBC Principles (ranging from ethics and product safety to employee well-being and environmental protection).								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The entity's performance against its specific sustainability goals, commitments, and targets is comprehensively tracked through the relevant Key Performance Indicators and reviewed by Executive Directors with relevant departmental heads.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	We are committed to transparently reporting our business responsibility, addressing risk & opportunities. Our targets & achievements reflect our dedication to environmental, social and governance factors. We assure our stakeholders that we will continuously improve and strive for sustainable growth and positive impact on society and environment.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. T.V Chowdary, Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes								
If yes, details.	Mr. T.V. Chowdary, Managing Director								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, Performance reviews against policies aligned with each principle were conducted, with clear follow-up actions executed by the respective department heads, Managing Director, Board Committees and the Board of Directors.									Based on requirements of the respective principle, reviews are conducted on Annual/ Half-yearly/ Quarterly/ as and when required / on-demand basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes									The Company is in compliance with applicable Laws & Regulations								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency. No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable, Since the Company's policies cover each principle and its core elements of the NGRBCs.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C

PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	At each meeting of the Board and other Committees, Directors deliberate on key matters that help to reflect focus on key strategies and compliance (SEBI, ROC, Industry overview, Corporate Governance, Knowledge Enhancement)	100%
Key Managerial Personnel	4	Training and awareness programmes for Key Managerial Personnel on topics includes corporate governance, regulatory compliance, business ethics, risk management, cybersecurity, data privacy, health and safety, and other relevant business matters etc.	100%
Employees other than BoD and KMPs	14	Skill development, general safety, personal effectiveness	24.79%
Workers	12	Works related information, ISO, safety	45.41%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (in Rs)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	Principle 6	Telangana State Pollution Control Board, Hyderabad	6,75,000	Environmental compensation payable as a condition for revocation of the closure order dated 07-May-2025 relating to stoppage of industrial activities at the Katepally unit (Yadadri-Bhuvanagiri Dist., Telangana) following the accident on 29-Apr-2025. Closure order revoked and resumption of production approved by TGPCB.	No
Settlement	Not applicable	Not applicable	Nil	Not applicable	Not applicable
Compounding Fee	Not applicable	Not applicable	Nil	Not applicable	Not applicable

B. Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Imprisonment	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	Not applicable	Not applicable	Not applicable	Not applicable

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide the details in brief and if available, provide a web-link to the policy.

While the Company does not have a standalone policy on anti-corruption or anti-bribery, its commitment to zero tolerance for corrupt or dishonest practices is embedded across several core governance policies. These policies require the Board, Senior Management Personnel, employees, and workers to conduct business ethically, transparently, and with complete accountability.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest

Particulars	FY2026 (Current Financial Year)		FY2025 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil/NA

8. Number of days of accounts payables ((Accounts payable*365)/Cost of goods/services procured) in the following format

	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Number of days of accounts payables	88	134

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advancements & investments,with related parties, in the following format

Parameter	Metrics	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	17.47%	6.81%
	b. Number of trading houses where purchases are made from	222	70
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	11.80%	5.61%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	0%	0%
	b. Number of dealers/distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	0%	0%
Share of RPTS in	a. Purchases (Purchases with related parties as % of total purchases)	0%	0%
	b. Sales (Sales to related parties as % of total Sales)	0%	0%
	c. Loans and advances given to related parties as % of total loans and advances	100%	100%
	d. Investments (Investments in related parties as %Total investments made)	100%	100%

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0.13%	0.11%	The Company has undertaken initiatives in relevant areas, and the environmental and social improvements arising from these initiatives will be evaluated and realized over time as the technologies and processes mature.
Capex	0%	0%	Not applicable

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

2. Sustainable Sourcing

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)** Yes. The Company has established procurement procedures that encourage sourcing from approved and compliant suppliers while considering quality, regulatory compliance, ethical business practices, and environmental and social aspects, wherever applicable. The Company continues to strengthen its sustainable sourcing practices in line with its business requirements and applicable regulations.
- If yes, what percentage of inputs were sourced sustainably?** The Company maintains records of its procurement; however, the percentage of inputs sourced sustainably is not currently tracked separately. Wherever feasible, the Company procures materials from reputable and compliant suppliers who are expected to follow applicable environmental, quality, and ethical standards, and it is committed to further strengthening its sustainable sourcing practices.

3. Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for

- Plastics (Including Packaging) :** No plastic waste is generated from operations. Product packaging is not reclaimed, as products are supplied to institutional customers under statutory transport and handling regulations (refer Leadership Indicator 4).
- E-Waste:** The E-waste will be disposed by sending to TGPCB authorized recyclers.
- Hazardous waste:** Regarding hazardous waste management, we generate two types: Solid and Liquid. For the disposal of solid hazardous waste, Premier Explosives has an agreement with the Hyderabad Waste Management Project in Dundigal, MedchalMalkajgiri District. For liquid effluent, we have an agreement with the MANA Effluent Treatment Plant in Mallapur, Hyderabad
- Other waste :** As a manufacturer of explosives, we are unable to send any explosive-contaminated material or residual explosives to third parties due to their inherent explosive nature. Therefore, such materials are disposed of within our factory premises at designated locations, in accordance with the Explosive Rules 2008.

4. Extended Producer Responsibility (EPR)

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Extended Producer Responsibility is not applicable as the Company is not a producer, importer or brand owner of plastic packaging, electronics or batteries; e-waste generated as a consumer is channeled to TGPCB authorized recyclers.

Leadership Indicators

Life Cycle Assessment

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, details in the following format.**

NIC Code	Name of Product / Service	% of total turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency	Results communicated in public domain (Yes/No) If yes, provide the web-link
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No. The Company has not conducted a formal Life Cycle Perspective/Assessment (LCA) for its products. The Company's products – High energy materials, detonators, propellants and allied high-energy/defence materials – are manufactured under strict statutory licensing and to the specifications of institutional customers (defence, PSUs and licensed industrial users), and are consumed/functionally expended at the point of use. Environmental and social impacts across the product life cycle are instead managed through the Company's environmental management practices, conditions of the Consents for Operation, and safe handling/disposal procedures for process waste.

- If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the product / Service	Description of the risk / concern	Action Taken
High Energy Defence Materials and Bulk Explosives	Safety Incidents during Production	The Company has implemented comprehensive safety measures, daily inspection of critical processes, special inspection teams, safety committees, emergency preparedness drills and regular safety audits. Following the incidents in the previous period, safety protocols, training practices, review mechanisms and accountability have been further strengthened across all operating locations (refer Principle 3).

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material
FY2026 Current Financial Year	FY2025 Previous Financial Year
Nil. In view of the safety-critical and statutorily regulated nature of explosives/energetic materials manufacture, only fresh raw materials of certified quality are used as inputs; recycled or re-used input materials are not used in production.	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Category	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Re-used	Re-Cycles	Safely Disposed	Re-used	Re-Cycles	Safely Disposed
Plastics (including packaging)						
E-waste						
Hazardous waste						
Other waste						

Not applicable. The Company's products (explosives, detonators, propellants and allied high-energy materials) are consumed/expended at the point of use, and there is no reclamation of products at the end of life. Packaging is not reclaimed as products are supplied to institutional customers under statutory transport and handling regulations.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
---------------------------	---

Not applicable, for the reasons stated in response to Question 4 above – the nature of the Company's products does not permit reclamation of products or their packaging after sale.

Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators:

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	216	193	89.35%	216	100%	0	0%	0	0%	0	0%
Female	18	10	55.55%	18	100%	2	11.11%	0	0%	0	0%
Total	234	203	86.75%	234	100%	2	0.85%	0	0%	0	0%
Other than Permanent Employees											
Male	nil										
Female	nil										
Total	nil										

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	554	278	50.18%	554	100%	0	0%	0	0%	0	0%
Female	56	34	60.71%	56	100%	0	0%	0	0%	0	0%
Total	610	312	51.15%	610	100%	0	0%	0	0%	0	0%
Other than permanent workers											
Male	464	Covered under ESI									
Female	44	Covered under ESI									
Total	508	Covered under ESI									

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

C. Spending of measures towards well-being of employees and workers(including permanent and other than permanent) in the following format:

	FY2026 Current Financial Year	FY2025 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.99%	0.70%

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	100.00%	100%	Yes	100%	100%	Yes
Gratuity	83%	100%	Yes	71.80%	100%	Yes
ESI	7.26%	25.90%	Yes	2.86%	17.30%	Yes
Others						-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, The corporate office ("Premier House") and non-hazardous administrative blocks across plant locations are equipped with basic physical accessibility features, including ground-floor access, wheelchair ramps, and accessible restrooms., in alignment with the Rights of Persons with Disabilities Act, 2016. However, the Company operates under the strict regulatory oversight of the Explosives Act, 1884, Explosives Rules, 2008, and PESO regulations. These statutory frameworks explicitly prohibit the employment and engagement of persons with physical or mental challenges in direct explosive handling, manufacturing, and high-consequence operational zones due to extreme safety risks and critical emergency egress requirements. Accordingly, accessibility and employment in direct process plant areas are restricted in compliance with these overarching statutory mandates.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, Policy can be accessed at <https://www.pelgel.com/codconcsr.html>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention rate	Return to work Rate	Retention rate
Male	NA	NA	NA	NA
Female	Not yet due – refer note	Not yet due – refer note	NA – refer note	NA – refer note
Total	Not yet due – refer note	Not yet due – refer note	NA – refer note	NA – refer note

Note: There were no maternity leaves during FY 2024-25. During FY 2025-26, 2 female employees proceeded on maternity leave and had not returned as on 31.03.2026; return to work and retention rates are therefore not yet due.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (if yes then give details of the mechanism in brief)	
Permanent Workers	Yes, as per I D Act
Other than Permanent Workers	Yes, as per I D Act
Permanent Employees	Yes. Grievances are redressed through the internal escalation mechanism (immediate supervisor, next level manager and the HR Department) described under Principle 5, Question 6.
Other than permanent Employees	Yes. Grievances are redressed through the internal escalation mechanism (immediate supervisor, next level manager and the HR Department) described under Principle 5, Question 6.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Total employees	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
	/workers in respective category (A)			/workers in respective category (A)		
Total Permanent Employees	234	0	0%	231	0	0%
Male	216	0	0%	214	0	0%
Female	18	0	0%	17	0	0%
Total Permanent Workers	610	610	100%	607	607	100%
Male	554	554	100%	556	556	100%
Female	56	56	100%	51	51	100%

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY2026 Current Financial Year					FY2025 Previous Financial Year				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	216	50	23.15%	0	0%	214	158	73.80%	0	0%
Female	18	8	44.44%	0	0%	17	15	88.20%	0	0%
Total	234	58	24.79%	0	0%	231	171	74%	0	0%
Workers										
Male	554	264	47.65%	31	5.60%	556	399	71.76%	71	12.77%
Female	56	13	23.21%	3	5.36%	52	39	76.47%	2	3.92%
Total	610	277	45.41%	34	5.57%	607	438	72.15%	73	12.03%

9. Details of performance and career development reviews of employees and workers:

Category	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	216	216	100%	214	214	100%
Female	18	18	100%	17	17	100%
Total	234	234	100%	231	231	100%
Workers						
Male	554	554	100%	556	556	100%
Female	56	56	100%	51	51	100%
Total	610	610	100%	607	607	100%

10. Health and safety management system

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?** Yes, the Company has occupational health and safety management system, which covers processes mentioned below.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?** Safety Audit, HARA, Daily inspection of critical processes and Special Inspection Team.
- Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)** Yes, Safety committee meetings, Building safety meetings and daily inspection of buildings.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)** Yes

11. Details of safety related incidents

Safety Incident / Number	Category	FY2026 Current Financial Year	FY2025 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	1.73	0
	Workers	3.27	0.34
Total recordable work-related injuries	Employees	1	0
	Workers	9	1
No of fatalities	Employees	1	0
	Workers	4	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	5	0

12. Describe the measures taken by the entity to ensure a safe and healthy work-place.

Personal Protective Equipment (PPE): Ensure employees have access to and use appropriate PPE for their tasks and work environment

House keeping : Maintain a clean and organized work environment to minimize hazards like slips, trips and falls

Ergonomics: Provide ergonomic equipment and adjust workstations to fit employees' needs, promoting physical well-being.

Regular Inspections and Audits: Conduct regular safety inspections and audits to ensure compliance with safety policies and procedures.

Safety Committees: Establish safety committees with representatives from different departments to promote employee involvement in safety initiatives.

Leadership Commitment: Demonstrate a strong commitment to safety from top management, setting the tone for the entire organization.

Emergency Preparedness: Develop and practice emergency response plans, including evacuation procedures, first aid and fire safety

13. Number of complaints made by employees and workers

	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

% of plants and offices that were assessed (By entity or statutory authorities or third parties)	
Health and safety practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The compliance reports to the observations of both Factory department and Telangana Pollution Control board (TGPCB) is uploaded in their Portal.

Leadership Indicators:**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, for both employees and workers. The Company extends benefits in the event of death of employees/workers while in service, including insurance benefits under the Employees' Deposit Linked Insurance (EDLI) scheme, accident insurance coverage, gratuity, ESI/ employee compensation benefits as applicable, and support extended by the Company to the family of the deceased.

2. Provide measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company deducts and deposits all applicable statutory dues (PF, ESI, TDS, professional tax, etc.) within prescribed timelines in respect of its own employees and workers. In respect of workers engaged through contractors (value chain partners), the Company verifies proof of remittance of PF, ESI and other statutory dues by the contractors before releasing payments against their bills.

3. Provide the Number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2026 Current Financial Year	FY2025 Previous Financial Year	FY2026 Current Financial Year	FY2025 Previous Financial Year
Employees	1	0	0	0
Workers	9	1	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No formal transition assistance programme is currently in place. Retirement benefits (PF, gratuity, leave encashment) are settled as per statute, and re-engagement of experienced retired personnel on contract/advisory basis is considered where their expertise is required.

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & and safety practices	Nil – value chain partners have not been formally assessed during FY 2025-26
Working conditions	Nil – value chain partners have not been formally assessed during FY 2025-26

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable, as assessment of health and safety practices and working conditions of value chain partners has not been undertaken during FY 2025-26.

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Describe the process for identification of key stakeholder groups of the entity.

The entity identifies its key stakeholders through a structured assessment process that considers the degree of influence stakeholders have on the company's operations as well as the extent to which they are impacted by the company's activities. This involves mapping stakeholder categories such as customers (defence establishments, aerospace agencies, and commercial clients), regulators and government authorities, employees, suppliers, investors, and local communities. The process combines internal reviews, management deliberations, and periodic engagement mechanisms to ensure that the most relevant groups are prioritized for dialogue and collaboration. Stakeholder mapping is revisited regularly to reflect changes in business context, regulatory landscape, and societal expectations.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors/ shareholders	No	Stock Exchange Intimations, Investors Grievances email, General Meetings	Quarterly, Annually and event based	To ensure transparent corporate governance, disseminate periodic statutory and financial information, address investor queries and grievances, and keep investors informed of material developments and regulatory disclosures.
Employees	No	Email, Notice Board, HR Meetings, Internal Portal	Quarterly / As needed	To communicate HR policies, safety protocols, training needs, and address employee grievances and suggestions.
Local Communities	Yes	Community Meetings, Notice Board, Pamphlets	Half yearly / Project-specific	Discuss safety, employment opportunities, CSR initiatives, and environmental impact.
Government Authorities	No	Email, Official Letters, Regulatory Filings, In-person Meetings	As per regulatory requirements	Compliance updates, licensing, audit reports, and safety standards.
Customers (Defence/PSUs)	No	Email, B2B Meetings, Contracts, Secure Channels	Project-based / Quarterly	Product specifications, quality standards, project updates, delivery schedules, and performance feedback.
Suppliers & Vendors	No	Email, Purchase Orders, Supplier Meets, Phone Calls	Quarterly / As needed	Procurement terms, supply chain coordination, timely delivery, and quality expectations.

Leadership Indicators:

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company has established a structured stakeholder engagement process to identify and address key economic, environmental, and social matters. Feedback from stakeholders—including investors, employees, customers, suppliers, local communities, and regulatory authorities—is gathered through various formal and informal engagement mechanisms such as meetings, grievance channels, surveys, statutory interactions, and periodic reviews. Responsibility for stakeholder consultation is delegated to the respective functional heads and senior management, who evaluate the issues raised and escalate significant matters to the Board or its Committees through periodic management reports, risk assessments, compliance updates, and sustainability reviews. The Board considers this feedback while overseeing the Company's strategy, risk management, governance, sustainability initiatives, and long-term value creation, ensuring that stakeholder perspectives are appropriately integrated into key business decisions.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Inputs received through stakeholder engagement are considered while framing and reviewing the Company's policies and activities. Illustratively, concerns raised by local communities on safety, employment and environment are addressed through strengthened safety communication, local employment and CSR initiatives in healthcare, education and environmental sustainability; feedback from customers on quality and delivery is incorporated through the Quality Management System; and suggestions from employees and workers on safety are acted upon through safety committee and building safety meetings

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

The Company recognizes local communities residing around its two manufacturing plants as a vulnerable and marginalized stakeholder group and actively engages with them through regular community meetings, project-specific consultations, CSR outreach programs, and interactions with local representatives. These engagements provide a platform to understand community concerns related to employment opportunities, health and safety, environmental management, infrastructure development, and overall community well-being. Feedback received from these interactions is considered while planning and implementing the Company's Corporate Social Responsibility (CSR) initiatives. Based on identified needs, the Company undertakes CSR programs focused on education, healthcare, sanitation, skill development, environmental sustainability, and community infrastructure. The effectiveness of these initiatives is periodically reviewed through ongoing community engagement, enabling the Company to address concerns promptly and strengthen its relationship with the communities surrounding its manufacturing facilities.

Principle 5. Businesses should respect and promote human rights**Essential Indicators**

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	234	234	100%	231	231	100%
Other than Permanent	0	0	0	0	0	0%
Total Employees	234	234	100%	231	231	100%
Workers						
Permanent	610	610	100%	NA	NA	NA
Other than permanent	508	508	100%	NA	NA	NA
Total Workers	1118	1118	100%	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2026 Current Financial Year					FY2025 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	% (B/A)	No.(C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Permanent	234	0	0%	234	100%	231	0	0%	231	100%
Male	216	0	0%	216	100%	214	0	0%	214	100%
Female	18	0	0%	18	100%	17	0	0%	17	100%
Other than Permanent	NIL									
Male	NIL									
Female	NIL									
Workers										
Permanent	610	0	0%	610	100%	607	0	0%	607	100%
Male	554	0	0%	554	100%	556	0	0%	556	100%
Female	56	0	0%	56	100%	51	0	0%	51	100%
Other than Permanent	508	508	100%	0	0%	606	0	0%	606	100%
Male	464	464	100%	0	0%	585	0	0%	585	100%
Female	44	44	100%	0	0%	21	0	0%	21	100%

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number (as on 31/03/2026)	Median remuneration/salary/ wages of respective category (calculated Financial Year basis)	Number (as on 31/03/2026)	Median remuneration/salary/ wages of respective category (calculated Financial Year basis)
Board of Directors	3	11680196	0	0
Key Managerial Personal excluding Director	1	7899581	1	2251353
Employees other than BoD and KMP	216	576888	18	407583
Workers	554	339583	56	414798

4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2026 Current Financial Year	FY2025 Previous Financial Year
Gross wages paid to females as % of total wages	7.17%	7.29%

5. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes

6. Describe the internal mechanisms in place to redress grievances related to human rights issues

Yes, Employees are encouraged to promptly report any grievances to their immediate supervisor for resolution. In instances where the grievance pertains to the immediate supervisor, employees may directly approach the next-level manager. Still, if the employee is not satisfied with the resolution provided by the immediate supervisor/next level manager, they have the right to escalate the matter to the HR Department. This grievance redressal process ensures fairness, transparency, and accountability in addressing human rights-related concerns within the organization.

7. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY2026 Current Financial Year			FY2025 Previous Financial Year		
	Filed during the year	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human right related issues	Nil	Nil	Nil	Nil	Nil	Nil

8. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2026 Current Financial Year	FY2025 Previous Financial Year
Total Complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees/workers	0%	0%
Complaints on POSH Upheld	Nil	Nil

9. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established multiple mechanisms to protect complainants against retaliation and ensure fair redressal of discrimination and harassment-related concerns. An Internal Committee (IC) has been constituted in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) to receive and investigate complaints of sexual harassment. The Company maintains strict confidentiality throughout the inquiry process and provides safeguards against retaliation or victimization of complainants, witnesses, and other participants, in accordance with the provisions of the POSH Act. In addition, the Company has implemented a Vigil Mechanism/Whistleblower Policy that enables employees, directors, and other stakeholders to report concerns relating to unethical conduct, discrimination, harassment, or other improper practices in good faith. Complaints may be submitted to designated reporting authorities, including supervisors or the Audit Committee, with an option for anonymous reporting. The Policy mandates confidentiality of the whistleblower's identity, protection against reprisal or victimization, and investigation of complaints by the Audit Committee within defined timelines, with significant matters reported to the Board. Employees also have access to statutory grievance redressal mechanisms under applicable labour laws, including approaching the Labour Commissioner under the Industrial Disputes Act, wherever applicable. These mechanisms collectively ensure that complainants can raise concerns without fear of adverse consequences while promoting a transparent, ethical, and respectful workplace.

10. Do human rights requirements form part of your business agreements and contracts? (Yes/No) : No

11. Assessments of the year

Category	% of plants and offices that were assessed by the entity or by the statutory authorities or third parties
Child Labour	100
Forced/Involuntary Labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others – please specify	Nil

12. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY2026 Current Financial Year	FY2025 Previous Financial Year
From renewable sources	GJ	GJ
Total electricity consumption (A)	741.71	1,006.56
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable resources (A+B+C)	741.71	1,006.56
From non-renewable resources		
Total electricity consumption (D)	5051.67	4,583.55
Total fuel consumption (E)	375.29	401.47
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable resources (D+E+F)	5426.96	4,985.02
Total energy consumed (A+B+C+D+E+F)	6168.67	5,991.58
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1.59E-06	1.44E-06
Energy intensity per rupee of turnover adjusted for Purchasing power parity(PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	35.58	32.15

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

No

3. Details of the following disclosures related to water

Parameter	FY2026 Current Financial Year	FY2025 Previous Financial Year
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	Nil	Nil
(ii) Groundwater	26,224.48	21,375.09
(iii) Third party water	300	300
(iv) Seawater / desalinated water	Nil	Nil
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26,524.48	21,675.09
Total volume of water consumption (in kilolitres)	26,524.48	21,675.09
Water intensity per rupee of turnover (Water consumed / revenue from operations)	6.83E-06	0.00000519
Water intensity per rupee of turnover adjusted for Purchasing power parity(PPP) (Total water consumption / Revenue from operations adjusted for PPP)	153.00	116.30599123

Note - Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

No

4. Please provide the following details related to water discharge

Parameter	FY2026 Current Financial Year	FY2025 Previous Financial Year
Water discharge by destination and level of treatment(in kilolitres)		
(i) To Surface Water	Nil	Nil
- No Treatment	Nil	Nil
- With Treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No Treatment	Nil	Nil
- With Treatment - please specify level of treatment	Nil	Nil
(iii) To Sea Water	Nil	Nil
- No Treatment	Nil	Nil
- With Treatment - please specify level of treatment	Nil	Nil
(iv) Sent to third parties		
- No Treatment	Nil	Nil
- With Treatment - please specify level of treatment	404.24 (neutralised effluent sent with treatment to CETP / MANA Effluent Treatment Plant – refer Question 10)	444.30
(v) Others	nil	Nil
- No Treatment	Nil	Nil
- With Treatment - please specify level of treatment	Nil	Nil
Total water discharged (in Kilolitres)	404.24	444.30

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.
No

6. Details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2026 Current Financial Year	FY2025 Previous Financial Year
Nox	µg/m3	32.8	19.4
Sox	µg/m3	33.4	14.2
Particulate Matter	µg/m3	124.7	57.8
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY2026 Current Financial Year	FY2025 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	27.85	29.79
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1004.72	911.62
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations)		2.66E-07	2.26E-07
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for purchasing power parity PPP (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations adjusted for PPP)		5.96	5.05
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.

Premier Explosives is associated with “green” technology and products, particularly their manufacture of safe, green Nickel Hydrazine Nitrate (NHHN) detonators, making them a pioneer in the safe, commercial-scale production of such detonators worldwide. This technology aims to be more environmentally friendly and safer, fitting into the company’s overall role in the explosives and defense sector.

9. Provide details related to waste management by entity, in the following format

Parameter	FY2026 Current Financial Year	FY2025 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	Nil	NIL
E-waste (B)	1.841	NIL
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	138.940	NIL
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste (G)	22.977	24.948
Other Non-hazardous waste generated (H)	NIL	NIL
(Break-up by composition i.e by materials relevant to the sector	NIL	NIL
Total (A+B+C+D+E+F+G+H)	163.758	24.948
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations)	4.22E-08	5.98E-09
Waste intensity per rupee of turnover adjusted for Purchasing power parity(PPP) (Total waste generated /Revenue from operations adjusted for PPP)	0.94	0.13
Waste intensity in terms of physical output		
Waste intensity(optional) - the relevant metric may be selected by the entity		

Parameter	FY2026 Current Financial Year	FY2025 Previous Financial Year
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i. Re-cycled	NIL	NIL
ii. Re-used	NIL	NIL
iii. Other recovery operations	NIL	NIL
Total	NIL	NIL
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i. Incineration	13.397	15.748
ii. Landfilling	NIL	NIL
iii. Other disposal operations	150.361	9.200
Total	163.758	24.948

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) . If yes, name of the external agency

No

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Premier explosives have obtained Consent for Operation (CFO) for both our Peddakandukuru and Katepally units

Peddakandukuru: CFO No. TSPCB/ZO/RCP/NLG/58/CFO/2021-1035, dated October 11, 2021, valid until October 31, 2026.

Katepally: CFO No. TGPCB/ZO/RCP/NLG/1069/CFO/2025-250525746734, dated March 1, 2025, valid until January 31, 2030.

Generally, the manufacturing process involves the assembly of hardware and the mixing of materials into a homogenous product, which typically does not generate any waste. Any residual explosives left over after the process are disposed of by burning with the necessary safety precautions at designated locations within our factory premises.

Liquid effluent generated during the Nitration process is collected, neutralized, and then either sent to a Common Effluent Treatment Facility (in the case of Peddakandukuru) or treated in a forced evaporation plant, with the condensed water collected and reused (in the case of Katepally). All raw materials used in our processes comply with customer requirements or are approved by the Petroleum and Explosive Safety Organization (PESO).

Regarding hazardous waste management, we generate two types: solid and liquid, these wastes are treated at the factory and transported to Telangana pollution control board authorised waste management facilities for further treatment and disposal as mentioned in the Consent for operation order.

For the disposal of solid hazardous waste, Premier Explosives has an agreement with the Hyderabad Waste Management Project in Dundigal, Medchal-Malkajgiri district. For liquid effluent, we have an agreement with the MANA Effluent Treatment Plant in Mallapur, Hyderabad.

As a manufacturer of explosives, we are unable to send any explosive-contaminated material or residual explosives to third parties due to their inherent explosive nature. Therefore, such materials are disposed of within our factory premises at designated locations, in accordance with the Explosive Rules 2008.

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
			If no, the reasons thereof and corrective action taken, if any.
Nil			

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Nil					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Response: The entity is compliant with the applicable environmental laws and regulations, except as disclosed below.

SL No	Specify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	As per Central Pollution Control Board (CPCB) guidelines Policy for levying Environmental compensation (EC) for industries vide order No. B-400 (S)/IPC-III/2019-20/1162, dated 04.09.2019	Environmental compensation imposed for the non compliance of as per 1) AIR (PREVENTION & CONTROL OF POLLUTION ACT 1981 (AS AMENDED BY ACT 47 OF 1987) 2) WATER (PREVENTION & CONTROL OF POLLUTION) ACT 1974 (AS AMENDED BY ACT 53 OF 1988)	Rs 6,75,000	Paid Environment compensation imposed by Telangana Pollution Control Board as a condition for revoking the closure order dated 07 May 2025 on Katepally unit.

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. a. Number of affiliations with trade and industry chambers/associations. 2
b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/associations (State/National)
1	The federation of Telangana and chambers of Commerce and Industry (FTCCI)	State
2	Society of Indian Defence Manufacturers	National

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective actions taken
Nil		

Leadership Indicators:**1. Details of public policy positions advocated by the entity:**

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly /Quarterly / Others – Please specify	Weblink if available
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Nil. The Company did not advocate any specific public policy positions during FY 2025-26. The Company participates in policy discussions, where relevant, through its memberships of industry bodies, namely the Federation of Telangana Chambers of Commerce and Industry (FTCCI) and the Society of Indian Defence Manufacturers (SIDM).

Principle 8. Businesses should promote inclusive growth and equitable development**Essential Indicators:****1. Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
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Not applicable – no projects attracting Social Impact Assessment under applicable laws were undertaken during the year.

2. Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY (INR)
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Not applicable – no projects involving rehabilitation and resettlement were undertaken during the year.

3. Describe the mechanisms to receive and redress grievances of the community

The Company has established accessible channels for communities to raise their concerns, primarily through dedicated email and phone contacts. All grievances received are formally recorded, acknowledged, and directed to the concerned team for examination and resolution. The process is designed to ensure timely responses, with unresolved matters escalated to higher levels of management where necessary. By maintaining these transparent and responsive mechanisms, the Company is able to address issues effectively and sustain constructive relations with the surrounding communities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Directly sourced from MSMEs/small producers	38.43%	32.69%
Sourced directly from within the district and neighbouring districts	55.88%	48%

5. Job creation in smaller towns - disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following location, as a % of total wage cost

Location	FY2026 (Current Financial Year)	FY2025 (Previous Financial Year)
Rural	84.51%	86.34%
Semi-Urban	-	-
Urban	-	-
Metropolitan	15.49%	13.66%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators:

1. Please provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above)

Details of negative social impact identified	Corrective action taken
Nil. No negative social impacts were identified, as Social Impact Assessments were not applicable to the Company's projects during the year (refer Essential Indicators 1 and 2 above).	

2. Please provide following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies

SL No.	State	Aspirational District	Amount Spent (In Rs)
		Nil	

3. a. Do you have any preferential procurement policy where you give preference to purchase from suppliers comprises marginalized / vulnerable groups (Yes/No) No. The Company does not have a formal preferential procurement policy. However, in practice, procurement from MSMEs/small producers and from local suppliers within the district and neighbouring districts is encouraged.

- b. From which marginalized /vulnerable groups do you procure? MSMEs/small producers and local suppliers located within the district and neighbouring districts of the Company's operations.

- c. What percentage of total procurement (by value) does it constitute? During FY 2025-26, 38.43% of input material (by value) was sourced directly from MSMEs/small producers and 55.88% from within the district and neighbouring districts (refer Essential Indicator 4 above).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge.

SI No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	Nil. The Company does not own and has not acquired any intellectual property based on traditional knowledge.			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
	Not applicable. There were no adverse orders in intellectual property related disputes involving usage of traditional knowledge.	

6. Details of the beneficiaries of CSR projects

SI NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Promoting Healthcare, Promoting Education and Environment Sustainability initiatives	The Company does not maintain records of the number of individuals benefitted through its CSR programs and contributions; and percentage beneficiaries from vulnerable and marginalised groups. During FY 2025–26, the Company's CSR expenditure included contributions to Cheyutha for Wellbeing Foundation (CSR Registration No. CSR00058751) for promoting healthcare; Beerla Foundation (CSR Registration No. CSR00107631) and Sathwik Rural and Youth Integrated Association (CSR Registration No. CSR00010965) for environmental sustainability initiatives; and direct expenditure by the Company towards promoting education.	

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner**Essential Indicators:****1. Describe the mechanism in place to receive and respond to consumer complaints and feedback**

Procedure for customer complaints and feedback analysis is mentioned in the Quality Management System Functional manual of Quality control department viz., Document No. PEL/QCD/FM, Rev.No.00, Section code QCD/FM/8.6, Process code QCD/PCS/06, dated 01.04.2022

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following

Particulars	FY2026 Current Financial Year		Remarks	FY2025 Previous Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	0	0		0	0	-
Advertising	0	0		0	0	-
Cyber-security	0	0		0	0	-
Delivery of essential services	0	0		0	0	-
Restrictive Trade Practices	0	0		0	0	-
Unfair Trade Practices	0	0		0	0	-
Other (Complaint relating to the products)	0	0		0	0	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	Nil
Forced recalls	Nil	Nil

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy?

The Company has implemented cybersecurity and data privacy measures, including firewalls, antivirus solutions, and Endpoint Detection and Response (EDR) systems, to protect its IT infrastructure and sensitive information. As a defence sector company handling confidential customer data, the Company is continuously reviewing and strengthening its cybersecurity framework and data privacy practices to address evolving cyber threats and ensure the security of its networks, systems, and information assets.

6. Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Nil

7. Provide the following information relating to data breaches

- Number of instances of data breaches :** Nil
- Percentage of data breaches involving personally identifiable information of customers:** Nil
- Impact, if any, of the data breaches:** Not Applicable

Leadership Indicators:**1. Channels / platforms where information on products and services of the entity can be accessed (web link, if available).**

Product and service information is available on the company's official website, where details of its offerings, specifications, and solutions are provided.

<https://www.pelgel.com/defence-products.html>

<https://www.pelgel.com/commercial-explosives.html>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Premier Explosives Limited promotes the safe and responsible use of its products by providing safety guidelines, technical support on proper handling, storage, and usage. The Company supplies products only to authorized customers and ensures compliance with all applicable safety and regulatory requirements.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not Applicable**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

No. Product information is displayed as mandated under applicable laws, including statutory marking and safety information requirements for explosives; no additional product information beyond the statutory mandate is displayed.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as whole? (Yes/ No)

No. A formal, structured consumer satisfaction survey was not carried out during FY 2025-26. The Company's customers are primarily defence establishments, PSUs and institutional/licensed industrial buyers, and customer satisfaction is monitored on a continuous basis through the complaint and feedback procedure under the Quality Management System, periodic contract/project performance reviews and direct engagement with customers.

Independent Auditor's Report

To The Members of Premier Explosives Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Premier Explosives Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 7(ii) to the financial statements regarding the accident at the Company's manufacturing facility during the year, resulting in damage to certain plant and machinery and buildings aggregating to net book value of ₹709.80 lakhs. Based on management's assessment, the Company has recognized an insurance claim receivable of ₹609.80 lakhs and charged the balance amount of ₹100 lakhs to the Statement of Profit and Loss. The said insurance claim, recognized as other financial asset during the first quarter of the financial year, remains pending for settlement with the insurer as at March 31, 2026.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Fair value assessment of trade receivables: Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note no 11 to the standalone Ind AS financial statements, 29.61% of the trade receivables are past due more than 180 days. The most significant portion of the trade receivables over 180 days comprises of Public Sector companies and Government organisations which are within their historic payment patterns. Company applies the simplified approach and recognises Expected credit loss (ECL) for trade receivable balances (refer Note No 32(A)). Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics, by grouping days past due of customers.	Principal audit procedures performed: - We have Performed Audit confirmation procedures and due to non-response of the same, we performed alternative procedures as below to assess the validity outstanding receivables. - We verified payments received subsequent to year-end against the outstanding amounts as on March 31, 2026. - Verified client source documentation to provide evidence for the existence assertion of the receivables. - Performed Analytical procedures for revenue recognised to find out unusual patterns in sales to identify potentially impaired balances. - Enquiries with respective Marketing managers and with those charged with governance about long outstanding customer balances. The assessment of the appropriateness of the ECL allowance for trade receivables comprised of audit procedures including: - We assessed management's ECL impairment model consistent with the requirements of IND AS 109; - We tested the mathematical accuracy of Management's ECL impairment model;

Sr. No.	Key Audit Matter	Auditor's Response
	Accordingly, the estimation of the Expected Credit Losses allowances on trade receivables outstanding as at year end is a significant judgement area, hence considered as a key audit matter. (Trade receivables outstanding as at March 31, 2026, 5344.57 lakhs– which is 45.07% of total financial assets)	3) We agreed the data utilised in Management's ECL impairment model at March 31, 2026 to receivables aging report, calculations and other audited information; 4) We challenged assumptions and judgements made by Management through discussion, comparison to data and our knowledge of the operations as gained through our audit in determining future expected loss rates
2	Revenue Recognition The Company derives a significant portion of its revenue from the sale of explosives, detonators, defence products and related services under customer-specific contracts. Revenue recognised under such contracts is subject to various forms of variable consideration and contractual adjustments, including powder factor deductions, performance-based adjustments, liquidated damages, rebates, pricing revisions, quality-related claims and other contractual deductions, the final determination of which may occur subsequent to the reporting date. In accordance with Ind AS 115 – Revenue from Contracts with Customers, management is required to estimate the transaction price, including variable consideration, based on contractual terms, technical assessments, historical settlement experience and other relevant information, while ensuring that only amounts not expected to reverse are recognised as revenue. Given the diversity of customer contracts, the significant judgement involved in estimating contractual deductions and variable consideration, and the potential impact on the amount and timing of revenue recognised, this matter was considered to be a Key Audit Matter.	Principal audit procedures performed: - Evaluated the design, implementation and operating effectiveness of key internal controls relating to contract review, revenue recognition and estimation of contractual deductions and variable consideration. - Assessed the Company's accounting policy for revenue recognition for compliance with the requirements of Ind AS 115. - Examined, on a sample basis, underlying customer contracts, purchase orders and amendments to understand the contractual terms governing pricing, delivery obligations, acceptance conditions and variable consideration. - Evaluated management's methodology for estimating powder factor deductions, liquidated damages, rebates, performance-linked adjustments and other contractual deductions recognised against revenue. - Tested the mathematical accuracy of management's computations and verified the underlying operational and financial data used in the estimation process. - Compared historical estimates with actual settlements and customer adjustments in subsequent periods to assess the reliability of management's estimation process. - Assessed whether management had appropriately constrained variable consideration in accordance with Ind AS 115 and whether the related disclosures in the standalone financial statements adequately described the significant judgements and estimation uncertainties involved.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports comprising other information are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

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

and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026, 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 and

the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements for the reasons stated therein.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 litigation on its financial position as stated in note no 34 to the Standalone Ind AS Financial Statements.

ii. The Company was not required to recognise the provision as at March 31, 2026, under the applicable law or Indian accounting standards, as it does not have any material foreseeable losses on long – term contracts. The company doesn't have derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv.(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 45 to the standalone Ind AS financial statements

a) The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

b) The company has not issued any interim dividend during the year.

c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kiran Kumar Majeti

Partner

Membership No:220354
UDIN: 26220354RSEZVA8030

Place: Hyderabad
Date: May 29, 2026

Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to standalone financial statements of **Premier Explosives Limited** (the “Company”) as at March 31, 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s internal financial controls with reference to standalone financial statements .

Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the Company’s internal financial controls with reference to standalone financial statements as at March 31, 2026:

We observed that, consequent to the significant increase in the scale and complexity of the Company’s operations in recent years, the internal financial control framework was not strengthened commensurate with such growth.

- Specifically, the Company is yet to establish adequately designed and operating procurement controls appropriate to its current scale of operations. As per the existing delegation of authority framework, Significant procurement decisions and approvals

were concentrated with a single authorised individual, resulting in inadequate segregation of duties and increasing the risk of errors, or management override of controls.

In our opinion, the aforesaid deficiency constitutes a material weakness in the Company's internal financial controls over financial reporting because there is a reasonable possibility that a material misstatement of the Company's financial statements could occur and may not be prevented, or detected and corrected, on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements may not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026,

based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the Company for the year ended March 31, 2026, and these material weaknesses do not affect our opinion on the said standalone Ind AS financial statements of the Company.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kiran Kumar Majeti

Partner
Membership No : 220354
UDIN: 26220354RSEZVA8030

Place: Hyderabad
Date: 29 May 2026

Annexure “B” to the Independent Auditor’s Report

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

i In Respect of the Company’s Property Plant and Equipment and Intangible Assets:

- a) A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, Property, Plant and Equipment have been physically verified by the management at reasonable intervals. The discrepancies noticed on such verification such as unserviceable, discard/scrapped assets, the net book value of which was Rs 37.50 lakhs and the same have been appropriately adjusted as loss in the books of account.
- c) The title deeds of immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the notes no 3 & 4 to standalone financial statements are held in the name of the Company.
- d) The company has not revalued any its Property, Plant and Equipment (including Right of Use of Assets) and Intangible Assets during the year.
- e) Based on the information and explanation furnished to us, no Proceeding have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

- ii a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. For the inventory lying with third party for job work, have been confirmed as at 31st March 2026, The discrepancies noticed on physical verification of inventory as compared to book records were not more than 10% in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

- iii a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly reporting under clause iii(a) and iii(b) not applicable.
- b) In respect of the loan given in earlier years to a subsidiary, no schedule for repayment of principal and Interest has been stipulated by the Company. Therefore, in the absence stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.
- c) As there was no repayment schedule, we are not able to comment on any amount overdue by the subsidiary in respect of loan given.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the over dues of existing loan given to the same party.
- e) Following loan was granted during the earlier years (including outstanding) to related parties under Section 2(76), which are repayable on demand or was no schedule for repayment of principal and payment of interest has been stipulated by the Company. No loans were granted to promoters during the year.

(In Lakhs)

Related Parties	
Aggregate amount of loan given	
- Repayable on demand (A)	-
- Agreement does not specify any terms or period of repayment (B)	-
- No agreement and Repayable on demand (C)	6.66
Total (A+B+C)	6.66
Percentage of loans	100%

- iv According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loan given and investments made.

- v The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 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, the Company is generally regular in depositing undisputed statutory dues, including Goods and Services Tax, Income tax, Provident fund, Customs Duty, cess and other material statutory dues, as applicable.
- As confirmed by the management sales tax, service tax, duty of excise value added tax are not applicable to the company.
- b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026, which have not been deposited on account of a dispute, are as follows:

Nature of the Statute	Nature of Dues	Forum	Period	Amount (in Lakhs)
Central Sales tax, 1956	Sales Tax	Honorable High Court of Telangana	2007-08	151.31
Tamil Nadu Value Added tax, 2006	Value Added tax,	Honorable High Court of Judicature at Madras	2009-10 to 2015-16	424.52
Central Goods and Service Tax (CGST) act, 2017	GST	Local Jurisdictional Tax Office- Singrauli	2017-18 & 2018-19	98.88

- viii According to the information and explanations given to us and the records of the company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix a) According to the records of the Company examined by us and the information and explanation given to us,
- A. The Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government during the year.
- B. Loans Includes an amount of Rs. 423.39 lakhs are repayable on demand and terms and conditions for

payment of interest thereon have not been stipulated. According to the information and explanations given to us, such loans and interest thereon have not been demanded for repayment during the relevant financial year.

- b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful Defaulter by any bank or financial institution or government or any government authority.
- c) According to the records of the Company examined by us and the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.
- d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on a short-term basis have been used for long-term purposes by the Company.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint venture.
- We report that the Company did not have associate companies during the year.
- f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.
- x a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence reporting under clause 3(x)(b) is not applicable.
- xi a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed

with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- c) According to the information and explanations given to us and based on our examination of the records of the Company, one whistle-blower complaint was received by the Company during the year and up to the date of this report. We have considered the complaint, the special audit carried out by the Internal auditors under the oversight of Those Charged with Governance (TCWG), and the outcome thereof for the purpose of our audit and reporting under this clause. Based on special audit report, and other audit procedures performed by us, no fraud on or by the Company has been identified pursuant to the said complaint. The matters arising from the complaint resulted in identification of deficiencies in internal financial controls, which have been considered by us while reporting on the adequacy and operating effectiveness of the Company's internal financial controls.
- xii As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to the Company. Hence reporting under clause 3(xii)(a), (b), (c) are not applicable.
- xiii The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (IND AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv The Company has not entered into any noncash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
b) The Company has not conducted any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

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

- xvii The company has not incurred cash losses during the immediately preceding financial year and the current financial year.
- xviii There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix According to the information and explanation given to us and on the basis of the financial

Ratios (Also Refer Note 43 to the Ind AS Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by, the Company as and when they fall due.

- xx The company has spent the requisite amount during the year as Corporate Social Responsibility under Section 135 of the Act.
- xxi The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For MAJETI & CO

Firm Registration Number: 0159755
Chartered Accountants

Kiran Kumar Majeti

Membership Number: 220354
UDIN No: 26220354RSEZVA8030
Partner

Place: Hyderabad
Date: May 29, 2026

Balance Sheet

as at March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	17,907.14	19,059.97
(b) Capital work-in-progress	3	2,639.23	284.73
(c) Right-of-use assets	4	85.66	86.60
(d) Investment property	5	8.02	8.02
(e) Intangible assets	6	545.14	615.02
(f) Financial assets			
(i) Investments	7(i)	525.90	521.00
(g) Other non-current assets	9(i)	1,037.61	557.12
Total non-current assets		22,748.70	21,132.46
II Current assets			
(a) Inventories	10	10,301.26	15,349.46
(b) Financial assets			
(i) Trade receivables	11	5,344.57	3,807.81
(ii) Cash and cash equivalents	12	5,057.21	9,309.24
(iii) Bank balances other than (ii) above	13	923.48	815.75
(iv) Loan	8	6.66	4.38
(v) Other financial assets	7(ii)	683.59	-
(c) Other current assets	9(ii)	3,495.14	2,635.64
Total current assets		25,811.91	31,922.28
TOTAL ASSETS		48,560.61	53,054.74
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	14	1,075.22	1,075.22
(b) Other equity		27,827.95	23,499.89
Total equity		28,903.17	24,575.11
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,316.00	750.00
(ii) Other financial liabilities	16(i)	7.65	7.65
(b) Provisions	17(i)	1,009.03	1,060.55
(c) Deferred tax liabilities (net)	18	1,231.11	1,346.53
Total non-current liabilities		3,563.79	3,164.73
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,340.71	3,714.47
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note: 36)		56.34	566.05
- dues to others		4,095.29	11,088.85
(iii) Other financial liabilities	16(ii)	2,369.44	2,150.29
(b) Provisions	17(ii)	282.19	179.14
(c) Other current liabilities	19	6,699.36	7,313.24
(d) Current tax liabilities (net)	20	250.32	302.86
Total current liabilities		16,093.65	25,314.90
Total liabilities		19,657.44	28,479.63
TOTAL EQUITY AND LIABILITIES		48,560.61	53,054.74

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kiran Kumar Majeti

Partner

Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
Income			
I Revenue from operations	21	38,834.14	41,745.23
II Other income	22	4,214.49	211.53
III Total income (I+II)		43,048.63	41,956.76
IV Expenses			
Cost of raw materials consumed	23	19,086.69	26,820.08
Purchases of stock in trade		241.52	160.95
Changes in inventories of finished goods, work-in-progress and scrap	24	3,058.28	(3,092.33)
Employee benefit expenses	25	6,890.82	6,192.83
Finance costs	26	364.95	1,109.55
Depreciation and amortisation expense	27	1,168.55	1,147.42
Research and development expenses	28	49.71	43.86
Other expenses	29	5,624.94	5,820.16
Total expenses (IV)		36,485.46	38,202.52
V Profit/(loss) before exceptional items and tax (III-IV)		6,563.17	3,754.24
VI Exceptional items			
Ex-gratia (Refer note No 29(d))		520.00	-
VII Profit/(loss) before tax (V-VI)		6,043.17	3,754.24
VIII Income tax expense			
Current tax	30	1,625.00	895.00
Adjustment of tax relating to earlier periods		(44.09)	6.23
Deferred tax	30	(120.25)	(2.25)
Total tax expense		1,460.66	898.98
IX Profit for the year (VII-VIII)		4,582.51	2,855.26
X Other comprehensive income			
A Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	25(D)	19.19	(53.09)
Income tax relating to above	30	(4.83)	15.46
B Items that will be reclassified to profit or loss			
Income tax relating to above		-	-
Other comprehensive income after tax for the year (X)		14.36	(37.63)
XI Total comprehensive income for the year (IX+X)		4,596.87	2,817.63
XII Earnings per share (par value of Rs.2 each)	40		
Basic		8.52	5.31
Diluted		8.52	5.31

The accompanying notes are an integral part of the financial statements

As per our report of even date**For MAJETI & CO.**Chartered Accountants
Firm's registration number: 015975S**Kiran Kumar Majeti**Partner
Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

For and on behalf of the Board**B.M. Vijay Kumar**
Chief Financial Officer**Dr. A.N.Gupta**
Chairman
DIN: 00053985**K. Jhansi Laxmi**
Company Secretary**T.V. Chowdary**
Managing Director
DIN: 00054220

Changes in Equity

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

Issued, subscribed and paid up Equity shares	Note	No. of shares	Amount
As at April 1, 2024		1,07,52,239	1,075.22
Change during the year		4,30,08,956	-
As at March 31, 2025		5,37,61,195	1,075.22
Change during the year (Refer Note 14(v))		-	-
As at March 31, 2026	14	5,37,61,195	1,075.22

B Other equity

	Reserves & surplus				Other comprehensive income	Total other equity
	Capital reserve	Securities premium	General reserve	Retained earnings		
Balance as at April 1, 2024	20.53	7724.08	1700.00	11960.57	(454.11)	20951.07
Profit for the year	-	-	-	2,855.26	-	2,855.26
Remeasurement of defined benefit plans, net of income tax	-	-	-	-	(37.63)	(37.63)
	-	-	-	2,855.26	(37.63)	2,817.63
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(268.81)	-	(268.81)
	-	-	-	(268.81)	-	(268.81)
Balance as at March 31, 2025	20.53	7,724.08	1,700.00	14,547.02	(491.74)	23,499.89
Balance as at April 1, 2025	20.53	7,724.08	1,700.00	14,547.02	(491.74)	23,499.89
Profit for the year	-	-	-	4,582.51	-	4,582.51
Remeasurement of defined benefit plans, net of income tax	-	-	-	-	14.36	14.36
	-	-	-	4,582.51	14.36	4,596.87
Transactions with owners in their capacity as owners						
Dividend	-	-	-	(268.81)	-	(268.81)
Balance as at March 31, 2026	20.53	7,724.08	1,700.00	18,860.72	(477.38)	27,827.95

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents share application money received from allottees and forfeiture due to non payment of remaining call money within due date as per terms of issue.

(ii) Securities premium reserve

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

(iii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iv) Retained earnings

This reserve represents the cumulative profits of the company. It includes land revaluation amount of Rs. 5,570.59 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kiran Kumar Majeti

Partner
Membership number: 220354

Place: Secunderabad
Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman
DIN: 00053985

T.V. Chowdary

Managing Director
DIN: 00054220

Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before income tax	6,043.17	3,754.24
Adjustments for:		
Depreciation and amortisation expense	1,168.55	1,147.42
Unrealised foreign exchange (gain)(net)	(21.51)	(157.44)
Expected credit loss provision no longer required written back (net)	-	-
Provision for expected loss on long term contracts no longer required written back	(500.00)	-
Provision for Expected credit loss	383.67	389.66
Voluntary Retirement expenses	-	-
Excess liabilities no longer required	(32.71)	-
Credit balances written back	(0.84)	(0.20)
Interest income	(221.51)	(138.07)
Loss on destruction of Property, Plant and Equipment	100.00	-
Finance costs	364.95	1,109.55
Bad debts written off(net)	30.13	9.64
Loss on sale of Property, plant and equipment	1.14	0.13
Book deficit on assets discarded	37.50	16.09
Operating profit before working capital changes	7,352.54	6,131.02
Adjustments for		
Trade receivables and other assets	(3,446.92)	4,830.53
Inventories	5,048.20	(6,562.45)
Trade payables, other liabilities and provisions	(7,464.51)	8,566.41
Cash generated from operating activities	1,489.31	12,965.51
Income taxes (paid)/ Refund	(1,633.45)	(1,103.85)
Net cash generated from operating activities (A)	(144.14)	11,861.66
B Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(2,783.15)	(1,305.95)
Payments for investment in joint venture	(4.90)	-
Proceeds from disposal /sale of property, plant and equipment	10.50	0.44
Investment in bank deposits (having original maturity of more than three months)	(125.09)	78.29
Interest received	236.27	145.84
Net cash inflow / (outflow) from investing activities (B)	(2,666.37)	(1,081.38)
C Cash flows from financing activities		
(Repayment)/ Proceeds from non-current borrowings (net)	875.97	(728.79)
(Repayment)/ Proceeds from current borrowings (net)	(1,683.73)	(1,375.60)
Finance costs	(364.95)	(1,113.51)
Dividends paid to company's shareholders	(268.81)	(268.81)
Net cash inflow / (outflow) from financing activities (C)	(1,441.52)	(3,486.71)
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	(4,252.03)	7,293.57
Cash and cash equivalents at the beginning of the year	9,309.24	2,015.67
E Cash and cash equivalents at end of the year	5,057.21	9,309.24
F Reconciliation of cash and cash equivalents as per cash flow statement		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (Refer note :12)	5,057.21	9,309.24
Balance as per statement of cash flows	5,057.21	9,309.24

The accompanying notes are an integral part of the financial statements

- The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".
- Previous year figures have been regrouped /reclassified to conform to current year classification.
- Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Reconciliation of liabilities arising from financing activities pursuant to Paragraph 44A of Ind AS 7 - Refer note no 33 (c).

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kiran Kumar Majeti

Partner

Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

Notes to the Financial Statements for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

1. Background

- 1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.
- 1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.
- 1.3 The Standalone financial statements are approved for issue by the Company's Board of Directors on May 29, 2026.

2. Material accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these Standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of standalone financial statements

(i) Compliance with Ind AS

The Standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules as amended from time to time and other relevant provisions of the Act.

(ii) Historical cost convention

The Standalone financial statements have been prepared as a going concern on accrual basis of accounting. The company has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) Current and non-current classification

An asset is classified as current, if

- (i) It is expected to be realized or sold or consumed in the company's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is 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 classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has 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.

All assets and liabilities have been classified as current or non-current as per company's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. Managing Director has been identified as being 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 is engaged in the business of "High Energy Materials" and has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the company has disclosed segment information only on the basis of consolidated financial statements.

2.3 Foreign currencies Transactions and Translation

(i) Functional and presentation currency

Items included in the standalone financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the

functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.4 Critical estimates and judgements

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. Uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 25(a) (ii)]
- Estimation of expected credit loss on financial assets [refer note: 32(A)]
- Estimation of useful life of property, plant and equipment [refer note: 2.6]
- Estimation of useful life of intangible asset [refer note: 2.7]
- Estimation of Variable consideration [refer note :2.5]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the Company and that are believed to be reasonable under the circumstances.

2.5 Revenue recognition

Sale of Products - Recognition & Measurement

Revenue from the sale of products is recognised at the point in time when the products are delivered to the customer (as it considered as that customer has obtained the control / legal title has been transferred) as per the terms of the contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

For revenues disaggregated by geography and timing of recognition [refer note 21]

In determining the transaction price for the sale of goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Variable consideration

- Liquidated damages and penalties are accounted as per the contract terms wherever there is a delay / default attributable to the Company and when there is a reasonable certainty with which the same can be estimated.
- The Group estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

Sale of Services- Recognition & Measurement

Revenue from operations and maintenance services are recognised on output basis measured by efforts expended, number of transactions processed, etc.

Some contracts include multiple deliverables, such as the sale of products required for maintenance services. It is therefore accounted for as a separate performance obligation. The revenue from sale of products is recognised at a point in time when the product is delivered, the legal title has been passed and the customer has accepted the product.

Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other income in the Statement of profit and loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.6 Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the company has elected the option of fair value as deemed cost of land as at April 01, 2016.

All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the company has elected to continue with the carrying value of all its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight-line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.7 Intangible assets and amortisation

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

(i) Computer software

Costs associated with maintaining software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- the expenditure attributable to the software during its development can be reliably measured.

(ii) Transfer of Technology

Separately acquired transfer of technology are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iii) Other Licence

Separately acquired licence are shown at historical cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(iv) Amortisation methods and periods

The company amortises intangible assets using the straight-line method over the following periods:

- Computer software – 3 years based on their estimated useful lives.
- Transfer of Technology – is amortised over the license period.
- Other Licence - 5 years.

All intangible assets are tested for impairment. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortisation expenses and impairment losses and reversal of impairment losses are taken to the

Statement of profit and loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortisation and/or impairment losses.

2.8 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the amount of proceeds, net of direct costs of the capital issue.

2.9 Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(i) 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 profit or loss), and
- those measured at amortised cost.

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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Subsequent measurement - 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. There are three measurement categories into which the company classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Investment in subsidiaries and joint ventures

Investment in subsidiaries and Joint ventures are measured at cost less impairment (if any) as per Ind AS 27. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Cash and cash equivalents

Cash and cash equivalents 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.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has unconditional right to defer settlement of the liability for at least 12 months after reporting period.

Buyers credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months, where these arrangements are for raw materials with a maturity of up to twelve months.

Packing credit

The company enters into arrangements whereby financial

institutions will provide working capital based on the export order. These are normally settled up to twelve months.

Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.10 Impairment of assets

Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, plant & equipment and intangible assets

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

2.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.12 Inventories

- (i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.
- (iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.
- (iv) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of

completion and the estimated costs necessary to make the sale.

- (v) Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT)

paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

2.14 Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset

and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Short-term leases and leases of low-value assets

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

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes

- (a) Defined benefit plans such as gratuity
- (b) Defined contribution plans such as provident fund
- (c) State plans
- (d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation

denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The Company pays provident fund contributions to publicly administered funds as per applicable regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

(d) Voluntary retirement scheme

Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.19 Research and development expenditure

Revenue expenditure pertaining to research is charged to the

statement of profit and loss. Product development costs are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.20 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.21 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.22 Government grants

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export entitlements from government authorities are recognised in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the group, and where there is no significant uncertainty regarding the ultimate realisation of the entitlement

2.23 Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.24 Recent accounting pronouncements

(i) New and amended standards adopted by the Company

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Company's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in note 15(e).

(c) International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Company operates.

(d) Lack of Exchangeability - Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind

AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that

the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 : Property, plant and equipment (Own Assets)

Particulars	Freehold land	Freehold buildings	Plant and Machinery			Furniture, fittings and equipment	Vehicles	Data processing equipment	Total	Capital work-in-progress
			Plant and machinery	Research and development equipment						
Year ended March 31, 2025										
Gross carrying amount (Cost)										
Opening gross carrying amount	6,919.05	7,447.70	10,394.19	337.34		265.41	237.77	123.73	25,725.19	309.37
Additions	93.57	302.03	567.48	-		17.36	8.98	6.16	995.58	559.66
Disposals		(31.69)	-	-		(0.44)	(20.64)	-	(52.77)	(584.30)
Closing gross carrying amount	7,012.62	7,718.04	10,961.67	337.34		282.33	226.11	129.89	26,668.00	284.73
Accumulated depreciation										
Opening accumulated depreciation	-	1,834.61	4,159.80	208.06		197.75	158.04	95.99	6,654.25	-
Depreciation charge during the year	-	291.07	629.95	23.19		15.68	17.93	12.06	989.88	-
Disposals		(16.10)	-	-		(0.39)	(19.61)	-	(36.10)	-
Closing accumulated depreciation	-	2,109.58	4,789.75	231.25		213.04	156.36	108.05	7,608.03	-
Net carrying amount as at March 31, 2025	7,012.62	5,608.46	6,171.92	106.09		69.29	69.75	21.84	19,059.97	284.73
Year ended March 31, 2026										
Gross carrying amount (Cost)										
Opening gross carrying amount	7,012.62	7,718.04	10,961.67	337.34		282.33	226.11	129.89	26,668.00	284.73
Additions	-	316.13	276.02	-		27.64	22.23	11.50	653.52	2,486.93
Disposals (Refer Note No 4 below)		(278.19)	(1,011.26)	(24.35)		(45.29)	(8.03)	(24.02)	(1,391.14)	(132.43)
Closing gross carrying amount	7,012.62	7,755.98	10,226.43	312.99		264.68	240.31	117.37	25,930.38	2,639.23
Accumulated depreciation										
Opening accumulated depreciation	-	2,109.58	4,789.75	231.25		213.04	156.36	108.05	7,608.03	-
Depreciation charge during the year	-	277.83	658.47	20.39		16.79	15.11	12.30	1,000.89	-
Disposals		(52.46)	(436.22)	(23.11)		(42.91)	(8.03)	(22.95)	(585.68)	-
Closing accumulated depreciation	-	2,334.95	5,012.00	228.53		186.92	163.44	97.40	8,023.24	-
Net carrying amount as at March 31, 2026	7,012.62	5,421.03	5,214.43	84.46		77.76	76.87	19.97	17,907.14	2,639.23

Notes to Property, plant and equipment

- Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer note 41 for information on property, plant and equipment provided as security by the company.
- The company has not revalued its property plant and equipment during the year
- The Disposal includes loss of assets (plant and machinery and buildings) due to accident Refer note no (7(ii)).

3) Aging of capital work-in-progress as at March 31, 2026

	Amount in capital work-in-progress for			
	Less than 1 Year	1- 2 Years	2- 3 years	More than 3 Years
(a) Projects in Progress	2,557.87	80.77	-	0.59
(b) Projects temporarily Suspended	-	-	-	-
	2,557.87	80.77	-	0.59
				2,639.23

4) Aging of capital work-in-progress as at March 31, 2025

	Amount in capital work-in-progress for			
	Less than 1 Year	1- 2 Years	2- 3 years	More than 3 Years
(a) Projects in Progress	276.96	7.77	-	-
(b) Projects temporarily Suspended	-	-	-	-
	276.96	7.77	-	-
				284.73

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2025-26 and 2024-25 and also cost not exceeded as compared to its original plan

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Right -of -use assets

	As at March 31, 2026	As at March 31, 2025
Land (Gross Carrying value)	93.16	85.16
Additions	-	8.00
Opening accumulated depreciation	(6.56)	(5.69)
Depreciation	(0.94)	(0.87)
Total Right -of -use asset	85.66	86.60

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The company has not revalued its Right -of -use assets during the year

Note 5: Investment property

	As at March 31, 2026	As at March 31, 2025
Land	8.02	8.02
Net carrying amount	8.02	8.02

Fair value of the investment property determined by a recognised independent valuer Mr. K. Anjaneyulu, based on valuation as at April 1, 2016 is Rs. 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations. (Pricing model approach Level 3).

Note 6: Intangible assets (acquired)

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2025				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	288.78	1,235.54
Additions	0.56	80.72	-	81.28
Closing gross carrying amount	56.14	971.90	288.78	1,316.82
Accumulated amortisation				
Opening accumulated amortisation	49.47	415.09	80.57	545.13
Amortisation charge during the year	0.22	98.70	57.75	156.67
Closing accumulated amortisation	49.69	513.79	138.32	701.80
Closing net carrying amount as at March 31, 2025	6.45	458.11	150.46	615.02
Year ended March 31, 2026				
Gross carrying amount				
Opening gross carrying amount	56.14	971.90	288.78	1,316.82
Additions	6.20	90.64	-	96.84
Closing gross carrying amount	62.34	1,062.54	288.78	1,413.66
Accumulated amortisation				
Opening accumulated amortisation	49.69	513.79	138.32	701.80
Amortisation charge during the year	0.72	108.25	57.75	166.72
Closing accumulated amortisation	50.41	622.04	196.07	868.52
Net carrying amount as at March 31, 2026	11.93	440.50	92.71	545.14

Technology transfer rights (Transfer of Technology) provided by Defence Research and Development Organisation (DRDO), High Energy Materials Research Laboratory (HEMRL), Balkan Novotek DOO, Adron R&D Company Limited and Indian Space Research Organisation (ISRO) to the Company for manufacturing of products for Indian Armed Forces which is amortised over the license period.

The company has not revalued its Intangible assets during the year

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 7(i): Non-current investments

	As at March 31, 2026	As at March 31, 2025
(Un quoted, fully paid up)		
Investment in equity instruments in subsidiary companies (at cost)		
Premier Wire Products Limited 52,00,000 (March 31, 2024: 52,00,000) equity shares of Rs.10/- each, fully paid	520.00	520.00
PELNEXT Defence Systems Private Limited 10,000 (March 31, 2024:10,000) equity shares of Rs.10/- each fully paid	1.00	1.00
Investment in equity instruments in joint venture (at cost)		
Global Premier Limited 48,980 (March 31, 2025: Nil) equity shares of Rs.10/- each, fully paid	4.90	-
Total Non-current investments	525.90	521.00
Aggregate amount of unquoted investments	525.90	521.00
Aggregate amount of impairment in the value of investments	-	-

7(ii). Other financial assets

	As at March 31, 2026	As at March 31, 2025
Insurance receivable (Refer Note Below)	683.59	-
Total other financial assets	683.59	-

During the year, an accident occurred at the Company's manufacturing facility resulting in damage to certain plant and machinery and buildings aggregating to ₹709.80 lakhs. The Assets were adequately insured covering the risk and claim has been lodged. Based on management's assessment of the recoverable insurance claim, the Company has recognized ₹609.80 lakhs as insurance claim receivable and charged the balance amount of ₹100 lakhs to the Statement of Profit and Loss (refer note no 29) . The insurance claim was recognized during the first quarter of the financial year and remains pending settlement with the insurer as at March 31, 2026.

Note 8: Loan

(i) Current

	As at March 31, 2026	As at March 31, 2025
Loan considered good -unsecured		
Loan to related parties* (Refer note: 38)	6.66	4.38
Total Loans	6.66	4.38

*Financial assets carried at amortised cost

Note 8(a): The following are the details of loans and advances in the nature of loans given to subsidiaries, associates and other entities in which directors are interested in terms of the Regulation 34(3) read together with para A of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

	As at March 31, 2026	As at March 31, 2025
PELNEXT Defence Systems Private Limited		
Outstanding at year end	6.66	4.38
Maximum outstanding	6.66	4.38

Note :The Loan to subsidiary representing the inter corporate loan given to its subsidiary to meet its business needs and exigencies which carries interest.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 8(b): Amounts repayable on demand

Type of Borrowers	As at March 31, 2026		As at March 31, 2025	
	Amount of Loan	Percentage to total Loans	Amount of Loan	Percentage to total Loans
Related Party	6.66	100%	4.38	100%

Note 9 : Other assets

(i) Non current

	As at March 31, 2026	As at March 31, 2025
Capital advances	821.20	334.61
Advances other than capital advances:		
Security deposits	206.23	201.51
Pre-paid expenses	10.18	16.10
Share Application Money	-	4.90
Total other non-current assets	1,037.61	557.12

(ii) Current

	As at March 31, 2026	As at March 31, 2025
Balances with government authorities	956.11	1,193.87
Prepaid expenses	128.89	157.15
Advances to suppliers	2,115.95	1,065.61
Other receivable	294.19	219.01
Total other current assets	3,495.14	2,635.64

Note 10: Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw materials	6,067.25	8,026.15
Work-in-progress	2,388.07	6,024.82
Finished goods	1,229.36	650.58
Stores and spares	616.07	647.09
Scrap (at net realisable value)	0.51	0.82
Total inventories	10,301.26	15,349.46
Raw materials includes stock in transit	-	-

Note 10 (a): Refer note 41 for information on inventories provided as security by the company.

Note 10 (b): Quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.

Note 10 (c): During the year 2025-26, the company has recognised an amount of ₹ 13.72 Lakh towards provision for obsolete stock(Previous year Rs. 15.23 lakhs)

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11: Trade receivables

(i) Current

	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customer - Billed	6,108.44	4,191.11
Trade receivables from contract with customer - Unbilled	141.60	138.50
Less: Provision for expected credit loss (Refer Note:32(A))	905.47	521.80
Total current trade receivables	5,344.57	3,807.81

Note 11 (a): Refer note 41 for information on trade receivable provided as security by the company.

Note 11 (b): Break-up of security details

	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	6,250.04	4,329.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	6,250.04	4,329.61
Less: Provision for expected credit loss (Refer note:32(A))	905.47	521.80
Total trade receivables	5,344.57	3,807.81

Note 11(c): Trade Receivables ageing as at March 31, 2026

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
-Considered good	3,724.82	942.85	395.64	298.38	556.28	332.07	6,250.04
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Disputed							
-Considered good	-	-	-	-	-	-	-
-Considered doubtful	-	-	-	-	-	-	-
-Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							905.47
Total trade receivables							5,344.57

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 11(d): Trade Receivables ageing as at March 31, 2025

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	2,701.88	740.37	-	575.62	123.87	187.87	4,329.61
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							521.80
Total trade receivables							3,807.81

Note 12: Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
in current accounts	431.28	2,371.13
Deposits with banks with original maturity is less than three months	4,610.86	6,935.99
Cash on hand	15.07	2.12
Total cash and cash equivalents	5,057.21	9,309.24

*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Note 13: Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Earmarked balances with bank *	9.48	10.74
Deposits with original maturity over 3 months but less than 12 months	-	9.11
Margin money deposits with banks	914.00	795.90
Total Bank balances other than cash and cash equivalents	923.48	815.75

* Earmarked balances represent unpaid dividend.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Equity share capital

Movement of equity share capital during the year

(i) Authorised

(Face value) #	No of shares	Amount
As at April 1, 2024	1,50,00,000	1,500.00
Change during the year	6,00,00,000	-
As at March 31, 2025	7,50,00,000	1,500.00
Change during the year (Refer Note14 (v))	-	-
As at March 31, 2026	7,50,00,000	1,500.00

(ii) Issued, subscribed and paid up

(Face value) #	No of shares	Amount
As at April 1, 2024	1,07,52,239	1,075.22
Change during the year	4,30,08,956	-
As at March 31, 2025	5,37,61,195	1,075.22
Change during the year	-	-
As at March 31, 2026	5,37,61,195	1,075.22

#(face value of each Rs 2/- w.e.f from 21st June, 2024), Face value of Rs.10 each up to 21st June 2024.

(iii) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2026		As at March 31, 2025	
	Number of shares (Face Value ₹ 2)	% holding	Number of shares (Face Value ₹ 10)	% holding
Dr. A.N.Gupta	-	-	1,31,00,915	24.37%
Dr. (Mrs.) Kailash Gupta	-	-	58,37,335	10.86%
A. N. Gupta (HUF)	-	-	32,83,485	6.11%
HDFC Trustee Company Limited-HDFC Infrastructure -HDFC Defence	48,88,455	9.09%	43,13,389	8.02%
AKS Family trust	2,22,21,735	41.33%	-	-

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2026		% Change during the year	As at March 31, 2025		% Change during the year
	Number of shares (Face Value ₹ 2)	% of total shares		Number of shares (Face Value ₹ 10)	% of total shares	
1) Dr. A.N.Gupta	-	-	-	1,31,00,915	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	-	-	-	58,37,335	10.86%	0.00%
3) A. N. Gupta (HUF)	-	-	-	32,83,485	6.11%	0.00%
4) AKS Family trust	2,22,21,735	41.33%	100	-	-	-

(v) Sub-division/Split of Equity share:-

Pursuant to the approval of the shareholders of the company through postal ballot, one equity share of Rs. 10 /- each fully paid up was subdivided/split into five equity share of Rs. 2/- each with effect from June 21, 2024.

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 15: Borrowings

(i) Non-current

	As at March 31, 2026	As at March 31, 2025
Term loans		
Secured -At Amortised Cost		
From banks	2,125.97	1,250.00
Less: Current maturities of long-term debt	(809.97)	(500.00)
Total Non current borrowings	1,316.00	750.00

Note 15 (a): Above secured term loans are secured by first charge on the Non current assets of the company and second charge on current assets of the company and personal guarantee by Managing Director of the company.

Note 15 (b): Repayment terms: Secured term loan comprise of 6 quarterly instalment of Rs. 125.00 Lakhs carries interest rate of 10.60% as on the reporting date.2 Term loan from hdfc bank comprise of 12 quarterly instalment of Rs.103.32 lakhs carries interest rate of 8.75% and Loan from sbi comprise of 16 quarterly instalments of Rs.8.51 lakhs carries interest rate of 8.60 % as on reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2026	As at March 31, 2025
Loans repayable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.45	359.79	1,986.56
Current maturities of long-term borrowings	8.60 to 10.60	809.97	500.00
Unsecured -At Amortised Cost			
Loans from related parties (Refer note: 38 (f))	7 to 8.95	423.39	399.56
Loans from banks (Refer note: 15 (e))	8.95 to 9.95	747.56	828.35
Total current borrowings		2,340.71	3,714.47

Note 15(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of stocks, receivables, other current assets, and Property plant and equipment of the company and personal guarantee of managing director of the company.

Note 15(d): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 41.

Note 15(e): The Company has entered into supplier finance arrangements with certain financial institutions whereby the financial institutions settle amounts due to suppliers before their contractual due dates. Upon settlement of the supplier invoices by the banks , the Company's obligation is transferred to the respective Bank and is presented within borrowings as at 31 March 2026.

Note 16: Other financial liabilities

i) Non-current

	As at March 31, 2026	As at March 31, 2025
Dealership deposits	1.20	1.20
Earnest money deposits	6.45	6.45
	7.65	7.65

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

ii) Current

	As at March 31, 2026	As at March 31, 2025
Unclaimed dividend (Refer note: 16.1)	9.48	10.74
Capital creditors	205.42	53.44
Employee benefits payable	1,248.26	680.06
Creditors for expenses (Refer note: 16.2)	906.28	1,406.05
Total other financial liabilities	2,369.44	2,150.29

Note 16.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 16.1 : Creditors for expenses Consists no dues in respect of micro and small enterprises. (refer Note no 36).

Note 17: Provisions

	As at March 31, 2026	As at March 31, 2025
Employee benefit obligations		
i) Non-current		
Gratuity (Refer note : 25(a))	789.83	836.25
Leave encashment	219.20	224.30
Total	1,009.03	1,060.55
ii) Current		
Gratuity (Refer note : 25(a))	150.26	100.38
Leave encashment	131.93	78.76
Total	282.19	179.14

Note 18: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2026	As at March 31, 2025
Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	1,785.80	2,009.35
Mat Credit Entitlement	-	-
Provision for expected credit loss	(227.89)	(151.95)
Expenses allowable on the basis of payment	(326.80)	(510.87)
Carry forwarded losses	-	-
Deferred tax (assets) / liabilities (net)	1,231.11	1,346.53

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Movement in deferred tax (assets) / liabilities

	Property, plant and equipment	Provision for expected credit loss	Expenses allowable on the basis of payment	MAT Credit Entitlement	Total
As at April 1, 2024	2,262.47	(38.48)	(386.92)	(472.83)	1,364.24
Charged / (credited)					-
- to profit or loss	(253.12)	(113.47)	(108.49)	472.83	(2.25)
- to other comprehensive income	-	-	(15.46)	-	(15.46)
As at March 31, 2025	2,009.35	(151.95)	(510.87)	-	1,346.53
Charged / (credited)					-
- to profit or loss	(223.55)	(75.94)	184.07	-	(115.42)
- to other comprehensive income	-	-	-	-	-
As at March 31, 2026	1,785.80	(227.89)	(326.80)	-	1,231.11

Note 19: Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory taxes payable	77.10	70.55
Advance from customers	6,622.26	7,242.69
Total other current liabilities	6,699.36	7,313.24

Note 20: Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for taxation(Net of Prepaid taxes Rs. 1383.53 Lakhs; Previous Year Rs. 566.95 Lakhs)	241.47	294.01
Interest on income tax	8.85	8.85
Total current tax liabilities	250.32	302.86

Note 21: Revenue from operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
- Sale of products	34,874.95	38,844.07
- Sale of traded goods	238.41	160.75
- Sale of services	3,593.78	2,622.00
	38,707.14	41,626.82
Other operating revenue	127.00	118.41
Total revenue from operations	38,834.14	41,745.23

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Disaggregation of revenue from contracts with customers

The company derives revenue from transfer of goods and services from the following geographical locations.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Geographical location		
- India	33,665.36	33,897.22
- Other countries	5,168.78	7,848.01
Total	38,834.14	41,745.23

Information about major customers:

One customers represents 10% or more of the Company's total revenue during the year ended March 31, 2026 and One customer represents 10% or more of the Company's total revenue during the year ended March 31, 2025.

Contract Price Reconciliation

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract Price	41,310.61	46,061.49
Less: Variable consideration	2,476.47	4,316.26
	38,834.14	41,745.23

Note 22: Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets measured at amortised cost	221.51	138.07
Excess liabilities no longer required	32.71	-
Provision Reversal on Expected Loss On Long Term Contract (Ref note 29(c))	500.00	-
Credit balances written back	0.84	0.20
Other non-operating income*	3,459.43	73.26
Total other income	4,214.49	211.53

*Other non-operating income for the year ended March 31, 2026, includes purchase discounts of ₹3,417.80 lakhs arising from a commercial settlement with a supplier relating to materials procured and consumed in the previous financial year

Note 23: Cost of raw materials consumed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials at the beginning of the year	8,026.15	4,648.55
Add: Purchases	17,127.79	30,197.68
Less: Raw materials at the end of the year	(6,067.25)	(8,026.15)
Total cost of raw materials consumed	19,086.69	26,820.08

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 24: Changes in inventories of finished goods, work-in-progress and scrap

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance		
Finished goods	650.58	239.93
Work-in-progress	6,024.82	3,342.94
Scrap	0.82	1.02
Total opening balance	6,676.22	3,583.89
Closing balance		
Finished goods	1,229.36	650.58
Work-in-progress	2,388.07	6,024.82
Scrap	0.51	0.82
Total closing balance	3,617.94	6,676.22
Changes in inventories of finished goods, work-in-progress and scrap	3,058.28	(3,092.33)

Note 25: Employee benefit expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus and other allowances	6,113.51	5,550.26
Contribution to provident fund and other funds	339.10	337.40
Contribution to ESI	12.14	10.92
Staff welfare expenses	426.07	294.25
Total employee benefits expense	6,890.82	6,192.83

Note 25(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to Provident Fund	197.09	196.59
Employer's contribution to ESI	12.14	10.92

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Gratuity

A) Reconciliation of opening and closing balances of defined benefit obligation

	Gratuity (funded)	
	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at beginning of the year	1,514.86	1,392.95
Current service cost	82.46	82.54
Interest cost	98.08	97.03
Actuarial (gain) / loss	(15.75)	55.38
Benefits paid	(140.77)	(113.04)
Defined benefit obligation at year end	1,538.88	1,514.86

B) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (funded)	
	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at beginning of year	578.23	530.45
Expected return on plan assets	38.54	38.76
Actuarial (gain) / loss	3.43	2.29
Employer's contribution	119.36	119.77
Benefits paid	(140.77)	(113.04)
Fair value of plan assets at year end	598.79	578.23

C) Reconciliation of fair value of assets and obligations

	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets	598.79	578.23
Present value of obligation	1,538.88	1,514.86
Amount recognised in balance sheet, surplus/(deficit)	(940.09)	(936.63)

D) Expenses recognised during the year

	Gratuity (funded)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
In income statement		
Current service cost	82.46	82.54
Interest cost	98.08	97.03
Return on plan assets	(38.54)	(38.76)
Net cost	142.01	140.81
In other comprehensive income		
Actuarial (gain) / loss	(19.19)	53.09
	122.82	193.90

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.49%	6.79%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	15.01	14.90
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	1,538.88	1,514.86
Discount rate: (% change compared to base due to sensitivity)		
Increase : +1%	1,458.78	1,427.68
Decrease: -1%	1,628.02	1,612.15
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,639.35	1,622.76
Decrease: -1%	1,447.14	1,416.74
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,555.75	1,529.23
Decrease: -1%	1,520.30	1,499.00

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 6.00 years (March 31, 2025:7.00 years). The expected cash flows over the years is as follows:

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation - gratuity		
Less than a year	154.14	102.27
Between 2-5 years	931.09	840.52
Over 6 years	1,488.33	1,549.92

Risk management

Defined benefit plans are prone to a number of risks, the most significant of which are detailed below:

Interest rate risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Salary cost inflation risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 26: Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest and finance charges on financial liabilities carried at amortised cost	152.35	689.01
Other borrowing costs	212.60	420.54
Total finance costs	364.95	1,109.55

Note 27: Depreciation and amortisation expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment	1,000.89	989.88
Depreciation of right-of-use assets	0.94	0.87
Amortisation of intangible assets	166.72	156.67
Total depreciation and amortisation expense	1,168.55	1,147.42

Note 28: Research and development expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials consumed	3.48	3.99
Salaries, wages, bonus and other allowances.	45.58	39.01
Contribution to provident and other funds.	0.65	0.86
Total research and development expenses	49.71	43.86

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 29: Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spares	239.11	243.47
Consumption of packing materials	484.55	731.49
Power and fuel	375.65	380.51
Repairs and maintenance		
- Plant and machinery	430.40	509.85
- Buildings	202.58	60.08
- Others	189.69	165.45
Insurance	124.59	122.14
Rent	3.17	32.14
Rates and taxes, excluding taxes on income	76.70	65.88
Legal and professional charges	226.49	174.33
Directors sitting fees	11.98	16.13
Travelling and conveyance	407.37	365.86
Sales commission	348.04	526.68
Carriage outward	405.32	305.01
Other selling expenses	327.76	611.11
Payments to auditors (Refer Note no 29(a))	26.05	25.12
Bad Debts Written off (net)	30.13	9.64
Book deficit on assets discarded	37.50	16.09
Loss on destruction of Property, Plant and Equipment (Refer note no 7(ii))	100.00	-
Donations	15.40	4.90
Provision for Expected credit losses (Net)	383.67	389.66
Corporate social responsibility expenditure (Refer Note no 29(b))	59.38	29.74
Security charges	173.91	168.33
Provision for Expected loss on long term contracts (Refer Note no 29(c))	-	500.00
Provision for doubtful advances	-	82.00
Testing fees	57.26	68.73
Loss on sale of property, plant & equipment	1.14	0.13
Net loss on foreign currency transactions and translations	591.64	2.53
General expenses	295.46	213.16
Total other expenses	5,624.94	5,820.16

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 29 (a): Details of payments to auditors

	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment to auditors		
As auditors		
As Statutory auditor	9.35	9.35
For Quarterly reviews	8.25	8.25
In other capacities		
For GST Matters	3.00	3.00
For Certification	3.00	2.95
Re-imbursement of expenses	2.45	1.57
Total payments to auditors	26.05	25.12

Note 29 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2026	For the year ended March 31, 2025
Amount required to be spent as per section 135 of the Act	58.32	38.06
Amount of expenditure incurred during the year on		
(i) Promoting education	2.38	15.34
(ii) Promoting healthcare	12.00	11.40
(iii) Armed forces veterans	-	0.50
(iv) Environmental sustainability	45.00	2.50
Total Amount spent during the year	59.38	29.74
(Shortfall)/Excess at the end of previous year	1.19	9.51
Total of Previous years (short fall)/Excess	2.25	1.19
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Note 29 (c): Reversal of provision for Expected loss on long term contracts

The company made a provision of Rs.500 lakhs in F.Y. 2024-25 towards expected loss on long term contracts which has been reversed in the first quarter of F.Y. 2025-26 pursuant to reassessment of the expected contract income

Note 29 (d): Exceptional Item – Ex-gratia Compensation

The Company incurred ex-gratia compensation of ₹520.00 lakhs towards financial assistance provided to employees affected by the accident at the manufacturing facility. Owing to its exceptional nature and materiality, the expenditure has been presented as an Exceptional Item in the Statement of Profit and Loss.

Note 30: Income tax expense

This note provides an analysis of the company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense		
Current tax		
Current tax on profits for the year	1,625.00	895.00
Adjustments for current tax of prior periods	(44.09)	6.23
Total current tax expense	1,580.91	901.23
Deferred tax		
Decrease/ (increase) in deferred tax assets	(223.55)	(253.12)
(Decrease)/ increase in deferred tax liabilities	103.30	250.87
Total deferred tax expense/(benefit)	(120.25)	(2.25)
Income tax expense	1,460.66	898.98
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit /(loss)from operations before income tax expenses	6,043.17	3,754.24
Income tax expense		
Tax at the rate of 25.168% (2024-25 : 29.12%)*	1,520.95	1,093.23
Tax effect on account of change in tax rate of Long term Capital Gain	-	(281.26)
Tax effect of expenses not allowed for tax purpose	18.82	38.76
Tax effect of expenses relating to voluntary retirement scheme	-	(45.71)
Tax effect of items in other comprehensive income considered for income tax	(4.83)	15.46
Effect of interest on income tax	38.05	32.38
Adjustments for current tax of prior periods	(44.09)	6.23
Impact on remeasurement of deferred tax balances due to the revised applicable tax rate.	(69.29)	-
Tax effect on others	1.05	39.89
Income tax expense	1,460.66	898.98

*During the year, the Company exercised the option permitted under Section 115BAA of the Income-tax Act, 1961

Note 31 : Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The following table represents the fair value hierarchy of assets and liabilities:

	Fair value hierarchy	Notes	As at March 31, 2026		As at March 31, 2025	
			Carrying value	Fair value	Carrying value	Fair value
A. Financial assets						
Measured at amortised cost						
Cash and cash equivalents	Level -1	12	5,057.21	5,057.21	9,309.24	9,309.24
Other bank balances	Level -2	13	923.48	923.48	815.75	815.75
Trade receivables	Level -3	11	5,344.57	5,344.57	3,807.81	3,807.81
Loans	Level -3	8	6.66	6.66	4.38	4.38
Total financial assets			11,331.92	11,331.92	13,937.18	13,937.18
B. Financial liabilities						
Measured at amortised cost						
Trade payables	Level -3		4,151.63	4,151.63	11,654.90	11,654.90
Borrowings	Level -2	15	3,656.71	3,656.71	4,464.47	4,464.47
Other financial liabilities	Level -3	16	2,377.09	2,377.09	2,157.94	2,157.94
Total financial liabilities			10,185.43	10,185.43	18,277.31	18,277.31

Note:

- Investments mentioned in note 7 include equity investments in Subsidiaries which are carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.
- The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances, trade receivables, unbilled receivable and other financial assets are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Note 32 : Financial instruments and risk management - Financial risk management

The Company's activities are exposed to Credit risk, Market risk and Liquidity risk. The Company emphasises on risk management and has an enterprise wide approach to risk management. The Company's risk management and control procedures involve prioritization and continuing assessment of these risks and devises appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Company is managed at the company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The Company follows a 'simplified approach' (i.e. based on Life time expected credit losses based on provision matrix) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring ECL allowance for trade receivables, the company estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Particulars	As at March 31, 2026	As at March 31, 2025
Expected credit losses (ECL)		
Opening balance	521.80	132.14
Less: No longer required written back	-	-
Add: ECL Movement during the year	383.67	389.66
Closing balance	905.47	521.80

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(B) Market risk

Market risk is the risk that the future value of a financial instrument will fluctuate due to movements in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

- Interest rate risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

- Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

Foreign currency risk - Sensitivity

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The Company manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the Company is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date

	As at March 31, 2026			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	11,63,707	-	1,101.50
Balance with banks	-	-	-	-
Deposits recoverable	-	-	-	-
Total	-	11,63,707	-	1,101.50
Foreign currency liabilities				
Payables for supplies and services	-	29,63,126	-	2,804.73
Capital Creditors	-	-	92,400	95.40
Outstanding Liabilities	-	-	-	-
Total	-	29,63,126	92,400	2,900.13
Net foreign currency assets / (liabilities)	-	(17,99,419)	(92,400)	(1,798.63)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	10,86,322	21,300	921.69
Advance from customers	-	29,05,584	-	2,546.28

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2025			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	9,26,872	-	793.23
Balance with banks	-	-	-	-
Deposits Recoverable	-	-	-	-
Total	-	9,26,872	-	793.23
Foreign currency liabilities				
Payables for supplies and services	-	1,14,41,660	-	9,791.93
Buyers Credit	-	-	-	-
Current borrowings	-	-	-	-
Capital Creditors	2,032	-	-	2.25
Outstanding Liabilities		4,58,540	1,71,597	550.85
Total	2,032	1,19,00,200	1,71,597	10,345.03
Net foreign currency assets / (liabilities)	(2,032)	(1,09,73,328)	(1,71,597)	(9,551.80)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance to suppliers	-	8,57,374	92,500	819.15
Advance from customers	-	11,30,378	-	967.39

2.5% increase or decrease in foreign exchange rates will have the following impact on profit / (loss) before tax

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
GBP	-	0.06
USD	(42.65)	(234.83)
EURO	(2.38)	(3.96)

(C) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The company invests its surplus funds in deposits with maturity of 12 months, which carry no / low mark to market risk.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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

	< 1 Year	1-3 Years	> 3 Years	Total
Year ended March 31, 2026				
Non-current borrowings	-	1,316.00	-	1,316.00
Current borrowings	2,340.71	-	-	2,340.71
Trade and other payable	4,151.63	-	-	4,151.63
Other financial liabilities	2,369.44	7.65	-	2,377.09
Total financial liabilities	8,861.78	1,323.65	-	10,185.43
Year ended March 31, 2025				
Non-current borrowings	-	750.00	-	750.00
Current borrowings	3,714.47	-	-	3,714.47
Trade and other payable	11,654.90	-	-	11,654.90
Other financial liabilities	2,150.29	7.65	-	2,157.94
Total financial liabilities	17,519.66	757.65	-	18,277.31

Note 33: Capital management

(a) The Company's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The company's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Company decides the optimum capital structure. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The company's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2026	As at March 31, 2025
Net debt*	-	-
Equity	28,903.17	24,575.11
Total capital (net debt + equity)	28,903.17	24,575.11
Gearing ratio (Net debt / Total capital)	0.00%	0.00%

*Net debt is as follows

	As at March 31, 2026	As at March 31, 2025
A) Borrowings		
Non-current borrowings	1,316.00	750.00
Current borrowings	2,340.71	3,714.47
Total (A)	3,656.71	4,464.47
B) Cash and cash equivalents	5,057.21	9,309.24
Bank balances other than cash and cash equivalents	914.00	805.01
Total (B)	5,971.21	10,114.25
C) Net debt (A-B)	(2,314.50)	(5,649.78)

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(b) Loan covenants

Under the terms of major borrowing facilities, the company is required to comply with the following financial covenants:

- * Total net worth should be greater than Rs. 220 crores including deferred tax liabilities.
- * Total outside liabilities should be less than 1.00 times of the total net worth of the company
- * Total debt should be less than 2.00 times of the Earnings before interest, depreciation, taxes and amortisation of the company
- * Debt service coverage ratio should be greater than 1.25 throughout the tenor of the loan

The company has complied with these covenants throughout the reporting period.

(c) Reconciliation of liabilities arising from financing activities pursuant to Paragraph 44A of Ind AS 7

Particulars - Borrowings	As at March 31, 2026	As at March 31, 2025
Opening balance	4,464.47	6,568.86
Proceeds from borrowings	875.97	(728.79)
Repayment of borrowings	(1,683.73)	(1,375.60)
Foreign exchange fluctuation	-	-
Interest accrued but unpaid	-	-
Closing balance	3,656.71	4,464.47

Note 34: Contingent liabilities

	As at March 31, 2026	As at March 31, 2025
On account of letters of credit and guarantees issued by the bankers	7,607.05	5,945.21
Claims against the company not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Goods and Service tax	98.88	
- Income tax (It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings)	61.84	61.84

Note 35: Commitments

	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,708.70	1,441.54

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is not likely to be material. Once Central/ State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 36(a): Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the company:

	As at March 31, 2026	As at March 31, 2025
Principal amount remaining unpaid as at year-end	56.34	566.05
Interest due thereon as at year-end	-	-
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-
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 Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

Note: The list of undertakings covered under MSMED was determined by the company on the basis of information available with the Company and has been relied upon by the auditors.

Note 36(b): Ageing of Trade Payables as at March 31, 2026

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	56.34	-	-	-	-	56.34
Others	1,503.00	1,769.80	272.04	457.12	93.33	4,095.29
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,559.34	1,769.80	272.04	457.12	93.33	4,151.63

Note 36(c): Ageing of Trade Payables as at March 31, 2025

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	566.05	-	-	-	-	566.05
Others	901.24	10,056.11	8.36	42.27	80.87	11,088.85
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,467.29	10,056.11	8.36	42.27	80.87	11,654.90

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Interest in other entities

The Company's subsidiaries as at March 31, 2026 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the company, and the proportion of ownership interests held equals the voting rights held by the company.

Name of the entity	Relationship	Principal activity	Ownership interest	
			As at March 31, 2026	As at March 31, 2025
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised Iron wire	80%	80%
PELNEXT Defence Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%	100%
Global Premier Limited	Joint venture	Manufacture of defence products	49%	-

Note 38: Related party Information

Relationship	Name of related party	
(a) Enterprises where control exists		
Wholly owned subsidiary company	PELNEXT Defence Systems Private Limited	
Subsidiary	Premier Wire Products Limited	
Joint venture	Global Premier Limited (wef March 07, 2025)	
(b) Key management personnel (KMP)		
	Dr. A.N.Gupta	Chairman
	Mr. T.V.Chowdary	Managing Director
	Mr. Y. Durga Prasad Rao	Whole time Director
	Dr. (Mrs.) Kailash Gupta	Non Executive Director
	Mrs. Shonika Prasad	Non-Executive Director
	Dr. V G Sekaran	Independent Director
	Dr. Narendra Kumar Nanda	Independent Director
	Ch. Seshagiri Rao	Independent Director
	Dr. (Mrs.) Kumuda Raghavan	Independent Director
	Gen P.R.Kumar	Independent Director
	Mr. Anil Kumar Mehta	Independent Director (till 12-08-2024)
	Mr. P.R.Tripathi	Independent Director (till 12-08-2024)
	Mr. K.Rama Rao	Independent Director (till 12-08-2024)
	Dr. A.Venkat Raman	Independent Director (till 12-08-2024)
(c) Relatives of key management personnel		
	Mrs.T.Malati	
	Mrs.T.Shruti	
(d) Concerns in which key management personnel have substantial interest (significant interest entities)		
	A.N.Gupta(HUF)	
	AKS Family Trust	

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(e) Transactions with related parties during the year

	For the year ended March 31, 2026	For the year ended March 31, 2025
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	445.29	341.33
Others		
Acceptance of unsecured loan		-
Repayment of unsecured loan	-	519.05
Interest paid	-	3.53
Dividend paid	95.49	95.58
Sitting fees	11.98	16.13
Professional Charges	-	-
Reimbursement of expenses	-	-
Capital advance given	-	-
Purchase of land	-	-
Relatives of Key Management Personnel		
Dividend paid	0.51	0.51
Professional Charges	-	-
Other expenses paid	-	-
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	16.42	16.42
Concerns in which the company has substantial interest (subsidiary company)		
Acceptance of unsecured loan	-	-
Repayment of unsecured loan		-
Purchase of Property, plant and equipment	-	-
Interest paid	26.48	27.92
Reimbursement of expenses	0.01	0.91
Rent paid	1.19	1.19
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Loan given		-
Loan given	2.00	-
Reimbursement of expenses	0.01	0.02
Interest income	0.31	0.29
Joint Venture		
Global Premier Limited	4.90	-

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(f) Balance outstanding at the year end are as follows

	As at March 31, 2026	As at March 31, 2025
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	65.07	39.74
Mr. T.V. Chowdary	71.40	46.70
Mr. Y. Durga Prasad Rao	36.56	22.70
Loan Payable Outstanding		
Dr. A.N.Gupta	-	-
Dr. Kailash Gupta	-	-
Concerns in which the company has substantial interest (subsidiary company)		
Loan Payable Outstanding		
Premier Wire Products Limited	423.39	399.56
Concerns in which the company has substantial interest (wholly owned subsidiary company)		
Loan Receivable Outstanding		
PELNEXT Defence Systems Private Limited	6.66	4.38

Information regarding significant transactions

(Generally in excess of 10% of the total transaction value of the same type)

Nature of transaction / related party	For the year ended March 31, 2026	For the year ended March 31, 2025
Acceptance of unsecured loans		
Premier Wire Products Limited	-	-
Interest paid		
Dr. A.N.Gupta	-	0.88
Dr. Kailash Gupta	-	2.65
Premier Wire Products Limited	26.48	27.92
Managerial remuneration paid*		
Dr. A.N.Gupta	87.60	62.12
Mr. T.V. Chowdary	240.89	189.31
Mr. Y. Durga Prasad Rao	116.80	89.90
Repayment of unsecured loans		
Dr. A.N.Gupta	-	400.27
Dr. Kailash Gupta	-	118.78
Sitting fees		
Dr. A.N.Gupta	1.73	2.58
Dr. Kailash Gupta	1.42	1.68
Mr. Anil Kumar Mehta	-	1.08
Mr. P.R. Tripathi	-	1.08

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Nature of transaction / related party	For the year ended March 31, 2026	For the year ended March 31, 2025
Mr. K. Rama Rao	-	1.07
Dr.A.Venkataraman	-	0.45
Mr.P.R.Kumar	1.82	2.17
Mrs. Shonika Prasad	1.12	1.12
Dr.Gnana Sekaran Venkata Swamy	1.20	1.20
Dr.Kumuda Raghavan	1.33	1.00
Dr.Narendra Kumar Nanda	1.53	1.20
Mr.Seshagiri Rao Cittavarjula	1.83	1.50
Loan given		
PEL NEXT Defence Systems Private Limited	2.00	-
Rent paid		
Premier Wire Products Limited	1.19	1.19
Interest income		
PEL NEXT Defence Systems Private Limited	0.31	0.29
Reimbursement of expenses		
Premier Wire Products Limited	0.01	0.91
PEL NEXT Defence Systems Private Limited	0.01	0.02
Dividend paid		
Dr. A.N.Gupta	65.50	65.50
Dr. Kailash Gupta	29.19	29.19
A.N Gupta (HUF)	16.42	16.42
Investments Made		
Global Premier Limited	4.90	-

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

- (i) Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.
- (ii) The loans accepted from key managerial personnel carries interest rate at 8.95% per annum.
- (iii) All outstanding balances are unsecured and repayable in cash.

Note 39: Donation to political parties

	For the year ended March 31, 2026	For the year ended March 31, 2025
Communist party of India	3.00	1.00
	3.00	1.00

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 40: Earnings per share (EPS)

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Basic & Diluted EPS (Rs.)		
Earnings per share attributable to the equity holders of the company	8.52	5.31
(b) Reconciliation of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Earnings attributable to the equity holders of the company used in calculating earnings per share	4,582.51	2,855.26
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (Refer Note Below)	5,37,61,195	5,37,61,195
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,37,61,195	5,37,61,195

Note: Previous year numbers are adjusted for shares splits during the current year (Refer note 14(v))

Note 41 : Assets pledged as security

The carrying amounts of Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2026	As at March 31, 2025
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	11,331.92	13,937.18
Non financial assets	13,796.40	17,985.10
Collateral security		
non-current assets		
Non financial assets	20,554.39	19,352.72
Towards current borrowings	45,682.71	51,275.00
Non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	20,554.39	19,352.72
Collateral security		
Current assets		
Financial assets	11,325.26	13,932.80
Non financial assets	13,796.40	17,985.10
Towards non-current borrowings	45,676.05	51,270.62

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 42: Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vi) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (vii) The Company has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.
- (viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

Note 43: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% Change in Ratio
a) Current ratio(in times)	Current Assets	Current Liabilities	1.60	1.26	27%
b) Debt-Equity ratio(in times)	Total debt	Shareholder's Equity	0.13	0.18	-30%
c) Debt service coverage ratio(in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principal payments	7.59	3.00	153%
d) Return on Equity ratio(in %)	Profit after tax	Average Shareholders fund's	17%	12%	5%
e) Inventory turnover ratio(in times)	Sale of Products	Average Inventory	2.72	3.22	-16%
f) Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	8.49	7.54	13%
g) Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	2.17	4.57	-53%
h) Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	4.00	6.32	-37%
i) Net profit ratio(in %)	Profit after tax	Revenue from operations	11.80%	6.84%	5%
j) Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	8.03%	14.66%	-7%

Reasons for Variance:

Debt-Equity Ratio: Change is on account of decrease in debt during the year.

Debt Service Coverage Ratio: Change on account of Increase in earnings available debt service during the year

Trade receivables turnover ratio: Change is on account of increase in Revenue during the year.

Trade Payables Turnover Ratio: Change is on account of Decrease in Raw Material purchases during the year.

Notes to Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 44 (i): No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 44 (ii): No funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 45: Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting :

	As at March 31, 2026	As at March 31, 2025
On Equity Shares of Rs.2/- each		
Proposed dividend*	268.81	268.81
Proposed dividend per equity share in Rupees	0.50	0.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

Note 46: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kiran Kumar Majeti

Partner
Membership number: 220354

Place: Secunderabad
Date: 29 May 2026

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Independent Auditor's Report

To The Members of PREMIER EXPLOSIVES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PREMIER EXPLOSIVES LIMITED** ("the Holding Company") and its subsidiaries and Joint venture, (Holding Company, its subsidiary and Joint venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2026, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2026, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of

the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 4(c) to the consolidated financial statements regarding the accident at the Parent Company's manufacturing facility during the year, resulting in damage to certain plant and machinery and buildings aggregating to net book value of ₹709.80 lakhs. Based on management's assessment, the Company has recognized an insurance claim receivable of ₹609.80 lakhs and charged the balance amount of ₹100 lakhs to the Statement of Profit and Loss. The said insurance claim, recognized as other financial asset during the first quarter of the financial year, remains pending for settlement with the insurer as at March 31, 2026.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key Audit Matter (Standalone)	Auditor's Response
1	Fair value assessment of trade receivables Trade receivables comprise a significant portion of the liquid assets of the Company. As indicated in Note 9 to the consolidated financial statements, 29.61% of the trade receivables of the parent company are past due more than 180 days. The most significant portion of the trade receivables over 180 days comprises of Public Sector companies and Government organisations which are within their historic payment patterns.	Principal audit procedures performed: We have Performed Audit confirmation procedures and due to non-response of the same, we performed alternative procedures as below to assess the validity outstanding receivables. - We verified payments received subsequent to year-end against the outstanding amounts as on March 31, 2026. - Verified client source documentation to provide evidence for the existence assertion of the receivables. - Performed Analytical procedures for revenue recognised to find out unusual patterns in sales to identify potentially impaired balances. - Enquiries with respective Marketing managers and with those charged with governance about long outstanding customer balances.

S. No	Key Audit Matter (Standalone)	Auditor's Response
	Company applies the simplified approach and recognises Expected credit loss (ECL) for trade receivable balances (refer standalone Note No 32(A)). Trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics, by grouping days past due of customers. Accordingly, the estimation of the Expected Credit Losses allowances on trade receivables outstanding as at year end is a significant judgement area, hence considered as a key audit matter. (Standalone Trade receivables outstanding as at March 31, 2026 – Rs.5,344.57 lakhs – which is 45.07% of total financial assets)	The assessment of the appropriateness of the ECL allowance for trade receivables comprised of audit procedures including: 1. We assessed management's ECL impairment model consistent with the requirements of IND AS 109; 2. We tested the mathematical accuracy of Management's ECL impairment model; 3. We agreed the data utilised in Management's ECL impairment model at March 31, 2026 to receivables aging report, calculations and other audited information; 4. We challenged assumptions and judgements made by Management through discussion, comparison to data and our knowledge of the operations as gained through our audit in determining future expected loss rates.
2	Revenue Recognition The Company (standalone) derives a significant portion of its revenue from the sale of explosives, detonators, defence products and related services under customer-specific contracts. Revenue recognised under such contracts is subject to various forms of variable consideration and contractual adjustments, including powder factor deductions, performance-based adjustments, liquidated damages, rebates, pricing revisions, quality-related claims and other contractual deductions, the final determination of which may occur subsequent to the reporting date. In accordance with Ind AS 115 – Revenue from Contracts with Customers, management is required to estimate the transaction price, including variable consideration, based on contractual terms, technical assessments, historical settlement experience and other relevant information, while ensuring that only amounts not expected to reverse are recognised as revenue. Given the diversity of customer contracts, the significant judgement involved in estimating contractual deductions and variable consideration, and the potential impact on the amount and timing of revenue recognised, this matter was considered to be a Key Audit Matter at standalone financials.	Principal audit procedures performed: • Evaluated the design, implementation and operating effectiveness of key internal controls relating to contract review, revenue recognition and estimation of contractual deductions and variable consideration. • Assessed the Company's accounting policy for revenue recognition for compliance with the requirements of Ind AS 115. • Examined, on a sample basis, underlying customer contracts, purchase orders and amendments to understand the contractual terms governing pricing, delivery obligations, acceptance conditions and variable consideration. • Evaluated management's methodology for estimating powder factor deductions, liquidated damages, rebates, performance-linked adjustments and other contractual deductions recognised against revenue. • Tested the mathematical accuracy of management's computations and verified the underlying operational and financial data used in the estimation process. • Compared historical estimates with actual settlements and customer adjustments in subsequent periods to assess the reliability of management's estimation process. • Assessed whether management had appropriately constrained variable consideration in accordance with Ind AS 115 and whether the related disclosures in the standalone financial statements adequately described the significant judgements and estimation uncertainties involved.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report including annexures to directors' report corporate governance and Management discussion and analysis (MD & A), but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. These reports containing other information is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available, compare with the financial statements of the subsidiaries and Joint Venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our

knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and Joint Venture is traced from their financial statements audited by the other auditors.

- When we read the Directors report including annexures to directors' report, corporate governance and Management discussion and analysis (MD & A), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding 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 the 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated

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

Other Matters

(a) We did not audit the financial statements of two subsidiaries (i.e, Premier wire Products Limited and PELNEXT Defence Systems Private Limited) included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 706.81 Lakhs as at March 31, 2026, total income of Rs. 27.73 Lakhs total net profit after tax and total comprehensive income of Rs. 0.25 lakhs and net cash outflows amounting to Rs. 20.55 lakhs and share of Loss of Joint venture (i.e, Global Premier Limited) of Rs.2.22 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and Joint venture is based solely on the reports of the other auditors.

(b) Material uncertainty on going concern of wholly owned subsidiary - PELNEXT Defence Systems Private Limited

Subsidiary has incurred a loss before tax of Rs.0.80 lakhs during the year ended 31st March 2026 and the company has negative other equity of Rs. 7.63 lakhs as at 31st March, 2026. Further, owing to the negative other equity as at 31st March, 2026 the Company's net worth is eroded completely and the current liabilities exceed its current assets by Rs. 6.63 lakhs as at 31st March, 2026. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries and Joint venture referred to in the Other Matters section above we report, to the extent applicable that is

- 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 of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and Joint venture, none of the directors of the Group companies, is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the A ct.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding company and one of the subsidiary companies. Our report expresses qualified opinion on the adequacy and operating effectiveness of the parent Company's internal financial controls with reference to standalone financial statements for the reasons stated therein.

With respect to one subsidiary company and joint venture, exemption available for reporting under section 143(3) (i) of the Act, in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, (Refer Note no 32 to the consolidated financial statements).
 - ii) The Group was not required to recognise the provision as at March 31, 2026, under the applicable law or Indian accounting standards, as it does not have any material foreseeable losses on long – term contracts. The Group doesn't have derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and Joint venture.
 - iv)(a) The respective Managements of the Company, its subsidiaries and Joint venture which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries or Joint venture to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and Joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company, its subsidiaries and Joint venture, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries and Joint venture respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and Joint venture from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and Joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries and Joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) As stated in Note no 44 to the Consolidated financial statements
- a) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
 - b) The Group has not issued any interim dividend during the year.
 - c) The Board of Directors of the holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi) Based on our examination, which included test checks, the holding Company ,its subsidiaries and Joint venture has used accounting software for maintaining its books of account for the financial year ended March 31, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
2. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and the auditors of subsidiaries and Joint venture included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kiran Kumar Majeti

Partner

Membership No: 220354

UDIN: 26220354NDKPKK6960

Place: Hyderabad
Date: May 29, 2026

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our consolidation audit report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated Ind AS of the Company as at and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of **PREMIER EXPLOSIVES LIMITED** (hereinafter referred to as the “Holding Company” and its subsidiary company which are companies incorporated in India, as of that date.

Management’s and Board of Directors’ Responsibilities for Internal Financial Controls

The respective Company’s management and Board of Directors of the Holding company and its subsidiary company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on “the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal

financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated 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 with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Basis for Qualified opinion

With respect to the Holding Company, according to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company’s internal financial controls with reference to consolidated financial statements as at March 31, 2026:

We observed that, consequent to the significant increase in the scale and complexity of the Company's operations in recent years, the internal financial control framework was not strengthened commensurate with such growth.

- Specifically, the Company is yet to establish adequately designed and operating procurement controls appropriate to its current scale of operations. As per the existing delegation of authority framework, Significant procurement decisions and approvals were concentrated with a single authorised individual, resulting in inadequate segregation of duties and increasing the risk of errors, or management override of controls.

In our opinion, the aforesaid deficiency constitutes a material weakness in the Company's internal financial controls over financial reporting because there is a reasonable possibility that a material misstatement of the Company's financial statements could occur and may not be prevented, or detected and corrected, on a timely basis.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements may not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company have, in all material respects, maintained adequate internal financial controls with reference to consolidated financial statements as at March 31, 2026, based on "the criteria for internal financial control with reference to consolidated financial statements established by the respective companies 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", and except for the possible effects of the material weaknesses described in Basis for Qualified paragraph above on the achievement of the objectives of the control criteria, the Holding Company's and its subsidiary company's internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated Ind AS financial statements of the Company for the year ended March 31, 2026, and these material weaknesses do not affect our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company is based solely on the corresponding reports of the auditor of such company.

Our opinion is not modified in respect of the above matters.

For MAJETI & CO

Chartered Accountants
Firm's Registration No: 0159755

Kiran Kumar Majeti

Partner
Membership No:220354
UDIN: 26220354NDKPKK6960

Place: Hyderabad
Date: May 29, 2026

Consolidated Balance Sheet

as at March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3(a)	18,093.92	19,246.75
(b) Capital work-in-progress	3(a)	2,639.23	284.73
(c) Right-of-use assets	3(b)	85.66	86.60
(d) Investment property	4(a)	8.02	8.02
(e) Investment Accounted for using the Equity Method	4(b)	3.69	-
(f) Intangible assets	5	545.14	615.02
(g) Income tax asset (net)	6	-	1.14
(h) Other non-current assets	7(i)	1,107.06	645.24
Total Non-current assets		22,482.72	20,887.50
II Current assets			
(a) Inventories	8	10,301.26	15,349.46
(b) Financial assets			
(i) Trade receivables	9	5,344.57	3,807.81
(ii) Cash and cash equivalents	10	5,083.71	9,315.19
(iii) Bank balances other than (ii) above	11	923.48	815.75
(iv) Other financial assets	4(c)	683.59	-
(c) Other current assets	7(ii)	3,495.83	2,655.62
Total Current assets		25,832.44	31,943.83
TOTAL ASSETS		48,315.16	52,831.33
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	12	1,075.22	1,075.22
(b) Other equity		27,832.04	23,505.15
Equity attributable to equity share holders of parent		28,907.26	24,580.37
Non controlling interest		135.52	135.31
Total Equity		29,042.78	24,715.68
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(i)	1,316.00	750.00
(ii) Other financial liabilities	14(i)	7.65	7.65
(b) Provisions	15(i)	1,009.03	1,060.55
(c) Deferred tax liabilities (net)	16	1,266.00	1,378.84
Total Non-current liabilities		3,598.68	3,197.04
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(ii)	1,917.32	3,314.91
(ii) Trade payables:			
- dues to micro and small enterprises (Refer note: 34(a))		56.34	566.05
- dues to others		4,095.29	11,091.95
(iii) Other financial liabilities	14(ii)	2,370.97	2,150.30
(b) Other current liabilities	17	6,699.52	7,313.40
(c) Provisions	15(ii)	282.19	179.14
(d) Current tax liabilities (net)	18	252.07	302.86
Total current liabilities		15,673.70	24,918.61
Total liabilities		19,272.38	28,115.65
TOTAL EQUITY AND LIABILITIES		48,315.16	52,831.33

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kiran Kumar Majeti

Partner

Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

For and on behalf of the Board

B.M. Vijay Kumar

Chief Financial Officer

Dr. A.N.Gupta

Chairman

DIN: 00053985

K. Jhansi Laxmi

Company Secretary

T.V. Chowdary

Managing Director

DIN: 00054220

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I Revenue from operations	19	38,834.14	41,745.23
II Other income	20	4,214.24	211.32
III Total income (I+II)		43,048.38	41,956.55
IV Expenses			
Cost of materials consumed	21	19,086.69	26,820.08
Purchases of stock in trade		241.52	160.95
Changes in inventories of finished goods, work-in-progress and scrap	22	3,058.28	(3,092.33)
Employee benefit expenses	23	6,890.82	6,192.83
Finance costs	24	338.47	1,081.63
Depreciation and amortization expense	25	1,168.55	1,147.42
Research and development expenses	26	49.71	43.86
Other expenses	27	5,643.97	5,822.25
Total expenses (IV)		36,478.01	38,176.69
V Profit before tax, Exceptional items and before share of (loss) of investments accounted through equity method (III-IV)		6,570.37	3,779.86
VI Exceptional items Ex-gratia (Refer note no 27 (d))		(520.00)	
VII Share of (loss) from joint venture accounted through equity method		(1.21)	-
VIII Profit before tax (V-VI-VII)		6,049.16	3,779.86
IX Tax expense			
Current tax	28	1,629.37	896.65
Adjustment of tax relating to earlier periods		(44.09)	6.23
Deferred tax	28	(117.67)	3.65
Total tax expense		1,467.61	906.53
X Profit for the year (VIII-IX)		4,581.55	2,873.33
XI Other comprehensive income			
(A) Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	23D	19.19	(53.09)
Income tax relating to above	28	(4.83)	15.46
Other comprehensive income after tax for the year (XI)		14.36	(37.63)
XII Total comprehensive income for the year (XI+X)		4,595.91	2,835.70
XIII Earnings/(Loss) attributable to :			
(a) Owners of Premier Explosives Limited		4,581.34	2,869.53
(b) Non-controlling interest		0.21	3.80
		4,581.55	2,873.33
(a) Owners of Premier Explosives Limited		14.36	(37.63)
(b) Non-controlling interest		-	-
		14.36	(37.63)
(a) Owners of Premier Explosives Limited		4,595.70	2,831.90
(b) Non-controlling interest		0.21	3.80
		4,595.91	2,835.70
Basic	39	8.52	5.34
Diluted	39	8.52	5.34

The accompanying notes are an integral part of the financial statements

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kiran Kumar Majeti

Partner

Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

Consolidated Statement of Changes in Equity

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

Issued, subscribed and paid up equity shares	Note No.	No of Shares	Amount
As at April 01, 2024		1,07,52,239	1,075.22
Change during the year		4,30,08,956	-
As at March 31, 2025		5,37,61,195	1,075.22
Change during the year (Refer Note 12(v))		-	-
As at March 31, 2026	12	5,37,61,195	1,075.22

B Other Equity

	Attributable to Equity holders of Parent					Total other equity	Non-controlling interest	Total
	Capital reserve	Securities premium	General reserve	Retained earnings	Other comprehensive income			
Balance as at April 1, 2024	21.34	7,724.08	1,701.20	11,948.93	(453.49)	20,942.06	131.51	21,073.57
(Loss) for the year	-	-	-	2,869.53	-	2,869.53	3.80	2,873.33
Remeasurement of defined benefit plans, net of income tax	-	-	-	-	(37.63)	(37.63)	-	(37.63)
Total comprehensive income for the year	-	-	-	2,869.53	(37.63)	2,831.90	3.80	2,835.70
Transactions with owners in their capacity as owners								
Dividend (including tax on dividend)	-	-	-	(268.81)	-	(268.81)	-	(268.81)
	-	-	-	2,600.72	(37.63)	2,563.09	3.80	2,566.89
Balance as at March 31, 2025	21.34	7,724.08	1,701.20	14,549.65	(491.12)	23,505.15	135.31	23,640.46
Balance as at April 1, 2025	21.34	7,724.08	1,701.20	14,549.65	(491.12)	23,505.15	135.31	23,640.46
Profit for the year	-	-	-	4,581.34	-	4,581.34	0.21	4,581.55
Remeasurement of defined benefit plans, net of income tax	-	-	-	-	14.36	14.36	-	14.36
Total comprehensive income for the year	-	-	-	4,581.34	14.36	4,595.70	0.21	4,595.91
Transactions with owners in their capacity as owners								
Dividend	-	-	-	(268.81)	-	(268.81)	-	(268.81)
Balance as at March 31, 2026	21.34	7,724.08	1,701.20	18,862.18	(476.76)	27,832.04	135.52	27,967.56

The accompanying notes are an integral part of the financial statements

Nature and purpose of reserves

(i) Capital reserve

Capital reserve represents share application money received from allottees and forfeiture due to non payment of remaining call money within due date as per terms of issue.

(ii) Securities premium reserve

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

(iii) General reserve

General reserve is used for strengthening the financial position and meeting future contingencies and losses.

(iv) Retained earnings

This reserve represents the cumulative profits of the group. It includes land revaluation amount of Rs. 5,746.53 lakhs on Ind AS transition date (i.e. April 01, 2016) which will not be available for declaration of dividend as per Companies (Declaration and payment of Dividend) Rules, 2014.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kiran Kumar Majeti

Partner
Membership number: 220354

Place: Secunderabad
Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman
DIN: 00053985

T.V. Chowdary

Managing Director
DIN: 00054220

Consolidated Statement of Cash Flows

for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A Cash flow from operating activities		
Profit before tax	6,049.16	3,779.86
Adjustments for:		
Depreciation and amortisation expense	1,168.55	1,147.42
Unrealised foreign exchange gain(net)	(21.51)	(157.44)
Provision for Expected credit loss	383.67	389.66
Excess liabilities written back	(32.71)	-
Bad debts written off	30.13	9.64
Provision for expected loss on long term contracts no longer required written back	(500.00)	-
Interest income	(221.26)	(137.86)
Loss on destruction of Property, Plant and Equipment	100.00	-
Book deficit on assets discarded	37.50	16.09
Finance costs	338.47	1,081.63
Credit balances written back	(0.84)	(0.20)
(Profit)/ Loss on sale of Property, Plant and Equipment	1.14	0.13
Operating cash flow before working capital changes	7,332.30	6,128.93
Adjustments for		
Trade receivables, financial assets and other assets	(3,406.68)	4,817.78
Inventories	5,048.20	(6,562.45)
Trade payables, other liabilities and provisions	(7,466.09)	8,567.32
Cash generated from operating activities	1,507.73	12,951.58
Income tax (paid)/ Refund	(1,634.93)	(1,103.78)
Net cash generated from operating activities(A)	(127.20)	11,847.80
B Cash flows from investing activities		
Payments for property, plant and equipment, intangible assets and capital work-in-progress	(2,783.15)	(1,341.79)
Investment in Joint Venture	(3.69)	-
Proceeds from disposal /sale of property, plant and equipment	10.50	0.44
Redemption in bank deposits (having original maturity of more than three months) (Net)	(125.09)	78.29
Interest received	236.02	145.63
Net cash inflow / (outflow) from investing activities (B)	(2,665.41)	(1,117.43)
C Cash flows from financing activities		
Proceeds/(repayment) of Long term borrowing (net)	875.97	(728.79)
Proceeds/(repayment) of short-term borrowings (net)	(1,707.56)	(1,351.72)
Interest paid	(338.47)	(1,085.59)
Dividend	(268.81)	(268.81)
Net cash inflow / (outflow) from financing activities (C)	(1,438.87)	(3,434.91)
D Net increase (decrease) in cash and cash equivalents(A+B+C)	(4,231.48)	7,295.46
Cash and cash equivalents at the beginning of the year	9,315.19	2,019.73
E Cash and cash equivalents at end of the year	5,083.71	9,315.19
F Reconciliation of cash and cash equivalents as per cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents (Refer note: 10)	5,083.71	9,315.19
Balance as per statement of cash flows	5,083.71	9,315.19

The accompanying notes are an integral part of the financial statements

- The Cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".
- Previous year figures have been regrouped /reclassified to conform to current year classification.
- Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Reconciliation of liabilities arising from financing activities pursuant to Paragraph 44A of Ind AS 7 - Refer note no 31 (c).

As per our report of even date

For MAJETI & CO.

Chartered Accountants

Firm's registration number: 0159755

Kiran Kumar Majeti

Partner

Membership number: 220354

Place: Secunderabad

Date: May 29, 2026

B.M. Vijay Kumar

Chief Financial Officer

K. Jhansi Laxmi

Company Secretary

For and on behalf of the Board

Dr. A.N.Gupta

Chairman

DIN: 00053985

T.V. Chowdary

Managing Director

DIN: 00054220

Notes to the financial statements for the year ended March 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

1. Background

- 1.1 Premier Explosives Limited (PEL), (the 'company') is a public limited company incorporated in the year 1980 under the provisions of erstwhile Companies Act, 1956 having its registered office at Secunderabad in the state of Telangana, India. The equity shares of the company are listed with two stock exchanges in India viz., BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.
- 1.2 The company is engaged in manufacture of high energy materials like bulk explosives, packaged explosives, detonators, detonating fuse, solid propellants, pyrogen igniters, pyro devices, etc., having applications in mining, infrastructure, defence, space, homeland security and such other areas. The company also operates and maintains solid propellant plants of defence and space establishments.
- 1.3 The consolidated financial statements are approved for issue by the Company's Board of Directors on May 29, 2026.

2. Material accounting policies

This note provides a list of the Material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared as a going concern on accrual basis of accounting. The group has adopted historical cost basis for assets and liabilities except for certain items which have been measured on a different basis and such basis is disclosed in the relevant accounting policy.

(iii) Current and non-current classification

An asset is classified as current, if

- (i) It is expected to be realized or sold or consumed in the group's normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) It is cash or a cash equivalent unless it is 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.

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

A liability is classified as current, if

- (i) It is expected to be settled in normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be settled within twelve months after the reporting period;
- (iv) It has 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.

All assets and liabilities have been classified as current or non-current as per group's operating cycle and other criteria set out in Schedule-III of the Companies Act, 2013. Based on the nature of business, the group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

2.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The Managing Director has been identified as being 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 group is engaged in the business of "High Energy Materials" and has only one reportable segment in accordance with Ind AS 108 "Operating Segment".

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent, its subsidiaries and Joint venture as at March 31, 2026.

Subsidiaries

Subsidiaries are the entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Joint venture

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

The financial statements of each of the subsidiaries and joint venture are used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., year ended on March 31, 2026.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.4 Foreign currencies Transactions and Translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency, using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in statement of profit and loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as Fair value through other comprehensive income (FVOCI) are recognised in other comprehensive income.

2.5 Critical estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are

- Estimation of current tax expense and payable
- Estimation of defined benefit obligation [refer note: 23(a) (ii)]
- Estimation of expected credit loss on financial assets [refer note: 30(A)]
- Estimation of useful life of fixed assets [refer note: 2.7]
- Estimation of useful life of intangible asset [refer note: 2.8]
- Estimation of Variable consideration [refer note :2.6]

Estimates and judgements are continually evaluated. They are based on historical experience and other Factors, including expectations of future events that may have the financial impact of the group and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition

Sale of Products - Recognition & Measurement

Revenue from the sale of products is recognised at the point in time when the products are delivered to the customer (as it considered as that customer has obtained the control / legal title has been transferred) as per the terms of the contract. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

The Group's customers pay for products received in accordance with payment terms that are customary in the industry and do not have significant financing components.

For revenues disaggregated by geography and timing of recognition [refer note 19]

In determining the transaction price for the sale of goods or rendering of services, the group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Variable consideration

- Liquidated damages and penalties are accounted as per the contract terms wherever there is a delay / default attributable to the group and when there is a reasonable certainty with which the same can be estimated.
- The group estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

Sale of Services- Recognition & Measurement

Revenue from operations and maintenance services are recognised on output basis measured by efforts expended, number of transactions processed, etc.

Some contracts include multiple deliverables, such as the sale of products required for maintenance services. It is therefore accounted for as a separate performance obligation. The revenue from sale of products is recognised at a point in time when the product is delivered, the legal title has been passed and the customer has accepted the product.

Dividend income

Dividend income on investments is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend. Dividend income is included in Other Income in the Statement of Profit and Loss.

Interest income

Interest income on all financial assets measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method, is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the expected credit loss).

2.7 Property, plant and equipment

Freehold land is carried at deemed cost. On transition to Ind AS, the group has elected the option of fair value as deemed cost of land as at April 01, 2016. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. On transition to Ind AS, the group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment. The cost comprises the purchase price and directly attributable costs

of bringing the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate in property, plant and equipment the cost of replacing part of such an item when the cost is incurred if the recognised criteria are met. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is recognised in profit and loss in the period the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation methods, estimated useful lives and residual value

Depreciation is computed on a straight line method to allocate their cost, net of their residual values, over their estimated useful lives in the manner prescribed in Schedule II of the Act.

The group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis. The residual values are not more than 5% of the original cost of the asset. Property, plant and equipment individually costing Rs. 5,000 or below are fully depreciated in the year of purchase. Depreciation on additions /deletions is calculated on a monthly pro-rata basis.

2.8 Intangible assets and amortisation

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

(i) Computer Software

Costs associated with maintaining software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available and;
- the expenditure attributable to the software during its development can be reliably measured.

(ii) Transfer of Technology

Separately acquired transfer of technology are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

(iii) Other Licence

Separately acquired licence are shown at historical cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

(iv) Amortization methods and periods

The group amortises intangible assets using the straight-line method over the following periods:

- Computer Software – 3 years based on their estimated useful lives.
- Transfer of Technology – is amortised over the license period.
- Other Licence – 5 years.

All intangible assets are tested for impairment. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

2.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognised at the amount of proceeds, net of direct costs of the capital issue.

2.10 Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized on

the balance sheet when the group becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification

The group classifies its financial assets in the following measurement categories

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement - Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments

At amortised cost

Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

At fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely taken through OCI, except for the recognition of impairment gains or losses, interest

income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using effective interest rate method. Foreign exchange gains/ (losses) and impairment expenses are presented as separate line item in statement of profit and loss.

At fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

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 group's cash management.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(ii) Financial liabilities

Classification, initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and

other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has unconditional right to defer settlement of the liability for at least 12 months after reporting period.

Buyers Credit

The Company enters into arrangements whereby financial institutions make direct payments to suppliers for raw materials. The financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for raw materials with a maturity of up to twelve months.

Packing credit

The company enters into arrangements whereby financial institutions will provide working capital based on the export order.

Derecognition of financial instruments

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset the difference between the carrying amount and the consideration received is recognised in the statement of profit and loss.

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. On de-recognition of a financial liability the difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a

legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

2.11 Impairment of assets

Financial assets

The group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. In accordance with Ind AS 109, the group uses 'Expected Credit Loss' (ECL) model for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL). The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Expected credit losses are measured through a loss allowance at an amount equal to

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the group uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Non-financial assets

Property, plant & equipment and intangible assets

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

2.12 Borrowing costs

General and specific borrowing costs that are directly

attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

2.13 Inventories

- (i) Raw materials and stores and spares are valued at lower of cost, calculated on First-in-First-Out ("FIFO") basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished products in which these will be incorporated are expected to be sold at or above cost.
- (ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity.
- (iii) Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in-first-out basis.
- (iv) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- (v) Scrap is valued at net realisable value. Obsolete, defective and unserviceable inventories are duly provided for.

2.14 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially

enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred Tax Assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the Balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized

2.15 Leases

As a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the

underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Short-term leases and leases of low-value assets

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

As a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

2.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as other finance expense.

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 group or a present obligation that is not recognised because it is not probable that an

outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.17 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The group operates the following post-employment schemes

- (a) Defined benefit plans such as gratuity and;
- (b) Defined contribution plans such as provident fund.
- (c) State plans.
- (d) Voluntary retirement scheme

(a) Defined benefit plans - Gratuity obligations

The liability or assets recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligations at the

end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(b) Defined contribution plans

The group pays provident fund contributions to publicly administered funds as per applicable regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(c) State plans

Employer's contribution to Employees' State Insurance is charged to statement of profit and loss.

(d) Voluntary retirement scheme

Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

2.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. Dividend

is recognised as a liability in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

2.20 Research and development expenditure

Revenue expenditure pertaining to research is charged to the statement of profit and loss. Product development costs are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

2.21 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

2.22 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment property and is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

2.23 Government grants

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Export entitlements from government authorities are recognised in the statement of profit and loss as a reduction from "Cost of materials consumed" when the right to receive credit as per the terms of the scheme is established in respect of the exports made by the group, and where there is no significant uncertainty regarding the ultimate realisation of the entitlement.

2.23 Rounding of amounts:

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.24 Recent accounting pronouncements

(i) New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated May 7, 2025 and August 13, 2025 notified the Companies

(Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

As a result of the adoption of the amendments to Ind AS 1, the Company changed its accounting policy for the classification of borrowings:

"Borrowings are classified as current liabilities unless, at the end of the reporting period, the Company has a right to defer settlement of the liability for at least 12 months after the reporting period. Covenants that the Company is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Company is required to comply with after the reporting period do not affect the classification."

This new policy did not result in a change in the classification of the Company's borrowings. The Company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

(b) Supplier Finance Arrangements - Amendments to Ind AS 7 and Ind AS 107

As a result of the adoption of the amendments to Ind AS 7 and Ind AS 107, the Company provided new disclosures for liabilities under supplier finance arrangements in note 13(e).

(c) International Tax Reform - Pillar Two Model Rules - Amendments to Ind AS 12

The Company is not within the scope of the OECD Pillar Two Model Rules, as Pillar Two legislation has not yet been enacted in any of the jurisdictions in which the Company operates.

(d) Lack of Exchangeability - Amendments to Ind AS 21

The amended Ind AS 21 have added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(ii) New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind

AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The Company does not expect this amendment to have an impact on its operations or financial statements.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3 (a) : Property, plant and equipment

Particulars	Freehold Land	Freehold Building	Plant and Machinery	Plant and Machinery	Research and development equipment	Furniture, fittings and equipment	Vehicles	Data processing Equipment	Total	Capital work-in-progress
Year ended March 31, 2025										
Gross carrying amount										
Opening Gross carrying amount	7,104.98	7,447.70	10,394.19	337.34	265.41	237.78	123.73	25,911.13	309.37	
Additions	94.41	302.03	567.48	-	17.36	8.98	6.16	996.42	559.66	
Assets classified as held for sale										
Disposals	(31.69)					(0.44)		(52.77)	(584.30)	
Closing gross carrying amount	7,199.39	7,718.04	10,961.67	337.34	282.33	226.12	129.89	26,854.78	284.73	
Accumulated depreciation										
Opening accumulated depreciation	-	1,834.62	4,159.80	208.06	197.64	158.14	95.99	6,654.25	-	
Depreciation charge during the year	-	291.07	629.95	23.19	15.68	17.93	12.06	989.88	-	
Disposals	-	(16.10)	-	-	(0.39)	(19.61)	-	(36.10)	-	
Closing accumulated depreciation	-	2,109.59	4,789.75	231.25	212.93	156.46	108.05	7,608.03	-	
Net carrying amount as at March 31, 2025	7,199.39	5,608.45	6,171.92	106.09	69.40	69.66	21.84	19,246.75	284.73	
Year ended March 31, 2026										
Gross carrying amount										
Opening Gross carrying amount	7,199.39	7,718.04	10,961.67	337.34	282.33	226.12	129.89	26,854.78	284.73	
Additions		316.13	276.02	-	27.64	22.23	11.50	653.52	2,486.93	
Disposals/discarded (Refer Note No 4 below)		(278.19)	(1,011.26)	(24.35)	(45.29)	(8.03)	(24.02)	(1,391.14)	(132.43)	
Closing gross carrying amount	7,199.39	7,755.98	10,226.43	312.99	264.68	240.32	117.37	26,117.16	2,639.23	
Accumulated depreciation										
Opening accumulated depreciation	-	2,109.59	4,789.75	231.25	212.93	156.46	108.05	7,608.03	-	
Depreciation charge during the year	-	277.83	658.47	20.39	16.79	15.11	12.30	1,000.89	-	
Disposals/discarded		(52.46)	(436.22)	(23.11)	(42.91)	(8.03)	(22.95)	(585.68)	-	
Closing accumulated depreciation	-	2,334.96	5,012.00	228.53	186.81	163.54	97.40	8,023.24	-	
Net carrying amount as at March 31, 2026	7,199.39	5,421.02	5,214.43	84.46	77.87	76.78	19.97	18,093.92	2,639.23	

Notes to Property, plant and equipment

- Refer note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment
- Refer note 40 for information on property, plant and equipment provided as security by the parent company
- The Group has not revalued its property plant and equipment during the year
- The Disposal includes loss of assets (plant and machinery and buildings) due to accident Refer note no (4(c)).

4) Aging of capital work-in-progress as at March 31, 2026

	Amount in capital work-in-progress for			
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years
(a) Projects in Progress	2,557.87	80.77	-	0.59
(b) Projects temporarily Suspended	-	-	-	-
	2,557.87	80.77	-	0.59

4) Aging of capital work-in-progress as at March 31, 2025

	Amount in capital work-in-progress for			
	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years
(a) Projects in Progress	276.96	7.77	-	-
(b) Projects temporarily Suspended	-	-	-	-
	276.96	7.77	-	-

For Capital-work-in-progress, there is no projects whose completion overdue during the year 2025-26 and 2024-25 and also cost not exceeded as compared to its original plan

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 3(b): Right -of -use asset

	As at March 31, 2026	As at March 31, 2025
Land (Gross Carrying value)	93.16	85.16
Additions	-	8.00
Opening accumulated depreciation	(6.56)	(5.69)
Depreciations	(0.94)	(0.87)
Closing carrying value	85.66	86.60

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The Group has not revalued its Right -of -use assets during the year

Note 4 (a) : Investment property

	As at March 31, 2026	As at March 31, 2025
Land	8.02	8.02
Net carrying amount	8.02	8.02

Fair value of the investment property determined by a recognised independent valuer Mr. K. Anjaneyulu, based on valuation as at April 1, 2016 is Rs. 250.24 lakhs. During the year management determines there is no significant change in fair value of property valuations.(Pricing model approach Level 3)

Note 4 (b): Investment Accounted for using the Equity Method

	As at March 31, 2026	As at March 31, 2025
Investment in Joint Venture (Accounted for using Equity Method)		
Global Premier Limited	4.90	-
48,980 (March 31, 2025: Nil) equity shares of Rs.10/- each, fully paid		
Add: Share of post acquisition loss	(1.21)	-
Total	3.69	-
Aggregate amount of unquoted investments	3.69	
Aggregate amount of impairment in the value of investments	-	

Note 4(c): Other financial assets

	As at March 31, 2026	As at March 31, 2025
Insurance receivable (Refer Note Below)	683.59	-
Total Other financial assets	683.59	-

During the year, an accident occurred at the parent's Company's manufacturing facility resulting in damage to certain plant and machinery and buildings aggregating to ₹709.80 lakhs. The Assets were adequately insured covering the risk and claim has been lodged. Based on management's assessment of the recoverable insurance claim, the Parent Company has recognized ₹609.80 lakhs as insurance claim receivable and charged the balance amount of ₹100 lakhs to the Statement of Profit and Loss (refer note no 27) . The insurance claim was recognized during the first quarter of the financial year and remains pending settlement with the insurer as at March 31, 2026.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 5: Intangible assets

	Computer software	Technology transfer rights	Other Licences	Total
Year ended March 31, 2025				
Gross carrying amount				
Opening gross carrying amount	55.58	891.18	288.78	1,235.54
Additions	0.56	80.72	-	81.28
Closing gross carrying amount	56.14	971.90	288.78	1,316.82
Accumulated amortisation				
Opening accumulated amortisation	49.47	415.09	80.57	545.13
Amortisation charge during the year	0.22	98.70	57.75	156.67
Closing accumulated amortisation	49.69	513.79	138.32	701.80
Net carrying amount as at March 31, 2025	6.45	458.11	150.46	615.02
Year ended March 31, 2026				
Gross carrying amount				
Opening gross carrying amount	56.14	971.90	288.78	1,316.82
Additions	6.20	90.64	-	96.84
Closing gross carrying amount	62.34	1,062.54	288.78	1,413.66
Accumulated amortisation				
Opening accumulated amortization	49.69	513.79	138.32	701.80
Amortisation charge during the year	0.72	108.25	57.75	166.72
Closing accumulated amortisation	50.41	622.04	196.07	868.52
Net carrying amount as at March 31, 2026	11.93	440.50	92.71	545.14

Technology transfer rights (Transfer of Technology) provided by Defence Research and Development Organisation (DRDO), High Energy Materials Research Laboratory (HEMRL), Balkan Novotek DOO, Adron R&D Company Limited and Indian Space Research Organisation (ISRO) to the group for manufacturing of products for Indian Armed Forces which is amortised over the license period.

The group has not revalued its Intangible assets during the year

Note 6 : Income tax assets (net)

(i) Non current

	As at March 31, 2026	As at March 31, 2025
Prepaid income tax (Net of provision for income tax Previous year: 1.65 Lakhs)	-	1.14
Total Income tax assets (net)	-	1.14

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 7 : Other assets

(i) Non-current

	As at March 31, 2026	As at March 31, 2025
Capital advances	890.20	403.61
Advances other than capital advances:		
Security deposits	206.68	220.63
Pre-paid expenses	10.18	16.10
Share Application Money	-	4.90
Total other non-current assets	1,107.06	645.24

(ii) Current

	As at March 31, 2026	As at March 31, 2025
Balances with government authorities	956.80	1,207.52
Prepaid expenses	128.89	157.15
Advances to suppliers	2,115.95	1,065.61
Other receivables	294.19	225.34
Total other current assets	3,495.83	2,655.62

Note 8: Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2026	As at March 31, 2025
Raw materials	6,067.25	8,026.15
Work-in-progress	2,388.07	6,024.82
Finished goods	1,229.36	650.58
Stores and spares	616.07	647.09
Scrap (at net realisable value)	0.51	0.82
Total inventories	10,301.26	15,349.46
Raw materials includes stock in transit of	-	-

Note 8 (a): Refer note 40 for information on inventories provided as security by the parent company.

Note 8 (b): Quarterly returns or statements of current assets filed by the parent company with banks or financial institutions are in agreement with the books of accounts.

Note 8 (c): During the year 2025-26, the holding company has recognised an amount of ₹ 13.72 Lakh towards provision for obsolete stock (Previous year ₹ 15.23 Lakh).

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 9: Trade receivables

(i) Current

	As at March 31, 2026	As at March 31, 2025
Trade receivables from contract with customers - Billed	6,108.44	4,191.11
Trade receivables from contract with customers - Unbilled	141.60	138.50
Less: Provision for expected credit loss (Refer note:30(A))	905.47	521.80
Total trade receivables	5,344.57	3,807.81

Note 9(a): Refer note 40 for information on trade receivables provided as security by the parent company.

Note 9 (b): Breakup of security details:

	As at March 31, 2026	As at March 31, 2025
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	6,250.04	4,329.61
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	6,250.04	4,329.61
Less: Provision for expected credit loss (Refer note:30(A))	905.47	521.80
Balance at the end of the year	5,344.57	3,807.81

Note 9(c): Trade Receivables ageing as at March 31, 2026

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	3,724.82	942.85	395.64	298.38	556.28	332.07	6,250.04
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good							-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							905.47
Total trade receivables							5,344.57

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 9(d): Trade Receivables ageing as at March 31, 2025

Particulars	Not Due and Unbilled	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 year	2-3 Years	More than 3 year	
Undisputed							
- Considered good	2,701.88	740.37	-	575.62	123.87	187.87	4,329.61
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Disputed							
- Considered good	-	-	-	-	-	-	-
- Considered doubtful	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Less: Provision for expected credit loss							521.80
Total trade receivables							3807.81

Note 10: Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks *		
in Current accounts	455.29	2,377.07
Deposits with banks with original maturity is less than three months	4,610.86	6,935.99
Cash on hand	17.56	2.13
Total cash and cash equivalents	5,083.71	9,315.19

*There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

Note 11: Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks	9.48	10.74
Deposits with original maturity over 3 months but less than 12 months	-	9.11
Margin money deposits with banks	914.00	795.90
Total bank balances other than cash and cash equivalents	923.48	815.75

* Earmarked balances represent unpaid dividend.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 12: Equity share capital

Movement of equity share capital during the year

(i) Authorised :

(Face value) #	Number of shares	Amount
As at April 01, 2024	1,50,00,000	1,500.00
Change during the year	6,00,00,000	-
As at March 31, 2025	7,50,00,000	1,500.00
Change during the year (Refer Note12(v))	-	-
As at March 31, 2026	7,50,00,000	1,500.00

(ii) Issued, Subscribed and paid up :

(Face value) #	Number of shares	Amount
As at April 01, 2024	1,07,52,239	1,075.22
Change during the year	4,30,08,956	-
As at March 31, 2025	5,37,61,195	1,075.22
Change during the year	-	-
As at March 31, 2026	5,37,61,195	1,075.22

#(face value of each Rs 2/- w.e.f from 21st june,2024), Face value of Rs.10 each upto 21st June 2024.

(iii) Details of shareholders holding more than 5% of issued share capital

	As at March 31, 2026		As at March 31, 2025	
	Number of shares (Face Value ₹ 2)	% holding	Number of shares (Face Value ₹ 2)	% holding
Dr. A.N.Gupta	-	-	1,31,00,915	24.37%
Dr. (Mrs.) Kailash Gupta	-	-	58,37,335	10.86%
A. N. Gupta (HUF)	-	-	32,83,485	6.11%
HDFC Trustee Company Limited-HDFC Infrastructure	48,88,455	9.09%	43,13,389	8.02%
AKS Family trust	2,22,21,735	41.33%	-	-

(iv) Disclosure of Shareholding of Promoters

Promoter name	As at March 31, 2026		% Change during the year	As at March 31, 2025		% Change during the year
	Number of shares (Face Value ₹ 2)	% of total shares		Number of shares (Face Value ₹ 2)	% of total shares	
1) Dr. A.N.Gupta	-	-	-	1,31,00,915	24.37%	0.00%
2) Dr. (Mrs.) Kailash Gupta	-	-	-	58,37,335	10.86%	0.00%
3) A. N. Gupta (HUF)	-	-	-	32,83,485	6.11%	0.00%
4) AKS Family trust	22221735	41.33%	-	-	0%	-

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(v) Sub-division/Split of Equity share:-

Pursuant to the approval of the shareholders of the holding company through postal ballot, one equity share of Rs. 10 /- each fully paid up was subdivided/split into five equity share of Rs. 2/- each with effect from June 21, 2024.

Terms and rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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 of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note 13: Borrowings

(i) Non-current

	As at March 31, 2026	As at March 31, 2025
Term Loans:		
Secured -At Amortised Cost		
From Banks	2,125.97	1,250.00
Less: Current maturities of long-term debt	(809.97)	(500.00)
Total non-current borrowings	1,316.00	750.00

Note 13 (a): Above secured term loans are secured by first charge on the Non current assets of the holding company and second charge on current assets of the parent company and personal guarantee by Managing Director of the parent company.

Note 13 (b): Repayment terms: Secured term loan comprise of 6 quarterly instalment of Rs. 125.00 Lakhs carries interest rate of 10.60% as on the reporting date. 2 Term loan from hdfc bank comprise of 12 quarterly instalment of Rs.103.32 lakhs carries interest rate of 8.75% and Loan from sbi comprise of 16 quarterly instalments of Rs.8.51 lakhs carries interest rate of 8.60 % as on reporting date.

(ii) Current

	Rate of Interest (%)	As at March 31, 2026	As at March 31, 2025
Payable on demand			
Secured -At Amortised Cost			
Working capital loans from banks	8.50 to 10.45	359.79	1,986.56
Buyers credit from bank	7.56 to 8.33	-	-
Packing Credit	4.5 to 7.00	-	-
Current maturities of long-term borrowings	8.60 to 10.60%	809.97	500.00
Interest accrued but not due		-	-
Unsecured -At Amortised Cost			
Loans from related parties (Refer note :39)	7 to 8.95	-	-
Loan from Banks (Refer note: 13 (e))	8.95 to 9.95	747.56	828.35
Total current borrowings		1,917.32	3,314.91

Note 13(c): Working capital loans, packing credit and buyers credit from bank are secured by hypothecation of parent's stocks, receivables, other current assets, and fixed assets of the parent company and personal guarantee of managing director of the company.

Note 13 (d): The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 40.

Note 13 (e): The parent Company has entered into supplier finance arrangements with certain financial institutions whereby the financial institutions settle amounts due to suppliers before their contractual due dates. Upon settlement of the supplier invoices by the banks, the parent Company's obligation is transferred to the respective Bank and is presented within borrowings. As at 31 March 2026.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 14 Other financial liabilities

i) non-current

	As at March 31, 2026	As at March 31, 2025
Dealership deposits	1.20	1.20
Earnest money deposit	6.45	6.45
	7.65	7.65

(ii) Current

	As at March 31, 2026	As at March 31, 2025
Unclaimed dividend (Refer note : 14.1)	9.48	10.74
Capital creditors	205.42	53.44
Employee benefits payable	1,248.26	680.06
Creditors for expenses (Refer note : 14.2)	907.81	1,406.06
Total other financial liabilities	2,370.97	2,150.30

Note 14.1 : Unclaimed dividend account represents dividend amount unclaimed and no amount is due for deposit in Investor Education and Protection Fund.

Note 14.2 : Creditors for expenses Consists no dues in respect of micro and small enterprises. (refer Note no 34).

Note 15: Provisions

	As at March 31, 2026	As at March 31, 2025
Employee benefit obligations		
(i) non-current		
Gratuity (Refer note: 23(a))	789.83	836.25
Leave encashment	219.20	224.30
Total non-current provisions	1,009.03	1,060.55
(ii) Current		
Gratuity (Refer note: 23(a))	150.26	100.38
Leave encashment	131.93	78.76
Total current provisions	282.19	179.14

Note16: Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	As at March 31, 2026	As at March 31, 2025
Deferred tax (assets) / liabilities		
On property, plant and equipment and intangible assets	1,818.11	2,044.66
MAT credit entitlement	2.58	(3.00)
Expenses allowable on the basis of payment	(326.80)	(510.87)
Provision for expected credit losses	(227.89)	(151.95)
Deferred tax (assets) / liabilities (net)	1,266.00	1,378.84

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Movement in deferred tax liabilities/(assets)

	Property, plant and equipment	Provision for expected credit losses	MAT credit entitlement	Expenses allowable on the basis of payment	Total
As at April 01, 2024	2,297.85	(38.48)	(481.80)	(386.92)	1,390.65
Charged/(credited)					
- to profit or loss	(253.19)	(113.47)	478.80	(108.49)	3.65
- to other comprehensive income	-	-	-	(15.46)	(15.46)
As at March 31, 2025	2,044.66	(151.95)	(3.00)	(510.87)	1,378.84
Charged / (credited)					
- to profit or loss	(226.55)	(75.94)	5.58	179.24	(117.67)
- to other comprehensive income	-	-	-	4.83	4.83
As at March 31, 2026	1,818.11	(227.89)	2.58	(326.80)	1,266.00

Note 17: Other Current Liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory taxes payable	77.26	70.71
Advance from customers	6,622.26	7,242.69
Total other current liabilities	6,699.52	7,313.40

Note 18: Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Provision for taxation(Net of Prepaid taxes Rs. 1386.15 Lakhs ; Previous Year Rs. 566.95 Lakhs)	243.22	294.01
Provision for interest on income tax	8.85	8.85
Total current tax liabilities (net)	252.07	302.86

Note 19: Revenue from operations

	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
- Sale of products	34,874.95	38,844.07
- Sale of traded goods	238.41	160.75
- Sale of services	3,593.78	2,622.00
	38,707.14	41,626.82
Other operating revenue	127.00	118.41
Total revenue from operations	38,834.14	41,745.23

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Disaggregation of revenue from contracts with customers

The group derives revenue from transfer of goods and services from the following geographical locations.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Geographical location		
- India	33,665.36	33,897.22
- Other countries	5,168.78	7,848.01
Total	38,834.14	41,745.23

Information about major customers:

One customers represents 10% or more of the Group's total revenue during the year ended March 31, 2026 and One customer represents 10% or more of the Group's total revenue during the year ended March 31, 2025.

Contract Price Reconciliation

	For the year ended March 31, 2026	For the year ended March 31, 2025
Contract Price	41,310.61	46,061.49
Less: Variable consideration	2,476.47	4,316.26
	38,834.14	41,745.23

Note 20: Other income

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income from financial assets at amortised cost	221.26	137.86
Excess liabilities written back	32.71	-
Credit balances written back	0.84	0.20
Provision Reversal on Expected Loss On Long Term Contract (Ref note 27(c))	500.00	-
Other non-operating income *	3,459.43	73.26
Total other income	4,214.24	211.32

*Other non-operating income for the year ended March 31, 2026, includes purchase discounts of ₹3,417.80 lakhs arising from a commercial settlement with a supplier relating to materials procured and consumed in the previous financial year

Note 21: Cost of raw materials consumed

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials at the beginning of the year	8,026.15	4,648.55
Add: Purchases	17,127.79	30,197.68
Less: Insurance claims received	-	-
Less: Raw materials at the end of the year	6,067.25	8,026.15
Total cost of raw materials consumed	19,086.69	26,820.08

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 22: Changes in inventories of finished goods, work-in-progress and scrap

	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening Balance:		
Finished goods	650.58	239.93
Work-in-progress	6,024.82	3,342.94
Scrap	0.82	1.02
	6,676.22	3,583.89
Closing Balance:		
Finished goods	1,229.36	650.58
Work-in-progress	2,388.07	6,024.82
Scrap	0.51	0.82
	3,617.94	6,676.22
Total changes in inventories of finished goods, work-in-progress and scrap	3,058.28	(3,092.33)

Note 23: Employee benefits expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus and other allowances	6,113.51	5,550.26
Contribution to provident fund and other funds	339.10	337.40
Contribution to ESI	12.14	10.92
Staff welfare expenses	426.07	294.25
Total employee benefits expense	6,890.82	6,192.83

23(a):

(i) Defined contribution plans

Employer's contribution to Provident Fund: Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

Employer's contribution to State Insurance Scheme: Contributions are made to State Insurance Scheme for employees at the specified rate on gross salary as per regulations. The contributions are made to Employee State Insurance Corporation (ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual or any constructive obligation.

	For the year ended March 31, 2026	For the year ended March 31, 2025
Employer's contribution to Provident Fund	197.09	196.59
Employer's contribution to ESI	12.14	10.92

(ii) Defined benefits plans

Post-employment obligations - Gratuity

The Holding company provides for gratuity for employees in India as per the payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employee's last drawn basic salary per month computed proportionately for 15 days' salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognized funds in India. The Holding company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Gratuity

A) Reconciliation of opening and closing balances of defined benefit obligation

	Gratuity (funded)	
	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation at beginning of the year	1,514.86	1,392.95
Current service cost	82.46	82.54
Interest cost	98.08	97.03
Actuarial (gain) / loss	(15.75)	55.38
Benefits paid	(140.77)	(113.04)
Defined benefit obligation at year end	1,538.88	1,514.86

B) Reconciliation of opening and closing balances of fair value of plan assets

	Gratuity (funded)	
	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets at beginning of year	578.23	530.45
Expected return on plan assets	38.54	38.76
Actuarial (gain) / loss	3.43	2.29
Employer's contribution	119.36	119.77
Benefits paid	(140.77)	(113.04)
Fair value of plan assets at year end	598.79	578.23

C) Reconciliation of fair value of assets and obligations

	As at March 31, 2026	As at March 31, 2025
Fair value of plan assets	598.79	578.23
Present value of obligation	1,538.88	1,514.86
Amount recognised in balance sheet, surplus/(deficit)	(940.09)	(936.63)

D) Expenses recognised during the year

	Gratuity (funded)	
	For the year ended March 31, 2026	For the year ended March 31, 2025
In income statement		
Current service cost	82.46	82.54
Interest cost	98.08	97.03
Return on plan assets	(38.54)	(38.76)
Net cost	142.01	140.81
In other comprehensive income		
Actuarial (gain) / loss	19.19	(53.09)
Net (income) / expense for the year recognised in OCI	122.82	193.90

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.49%	6.79%
Salary growth rate	4%	4%
Withdrawal rate	2%	2%
Retirement age	58- Years	58- Years
Average balance future services	15.01	14.90
Mortality table(Life Insurance Corporation)	2012-14	2012-14

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation	1,538.88	1,514.86
Discount rate:(% change compared to base due to sensitivity)		
Increase : +1%	1,458.78	1,427.68
Decrease: -1%	1,628.02	1,612.15
Salary growth rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,639.35	1,622.76
Decrease: -1%	1,447.14	1,416.74
Withdrawal rate: (% change compared to base due to sensitivity)		
Increase: +1%	1,555.75	1,529.23
Decrease: -1%	1,520.30	1,499.00

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Defined benefit liability and employer contributions

The company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the company. Any deficit in the assets arising as a result of such valuation is funded by the company. The company considers that the contribution rate set at the last valuation date is sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

The weighted average duration of the defined benefit obligation is 6.00 years (March 31, 2025:7.00 years). The expected cash flows over the years is as follows:

	As at March 31, 2026	As at March 31, 2025
Defined benefit obligation - gratuity		
Less than a year	154.14	102.27
Between 2-5 years	931.09	840.52
Over 6 years	1,488.33	1,549.92

Risk management

Defined benefit plans are prone to a number of risks, the most significant of which are detailed below:

Interest rate risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements

Salary cost inflation risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

Note 24: Finance costs

	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest and finance charges on financial liabilities carried at amortised cost	125.87	661.09
Other borrowing costs	212.60	420.54
Total Finance costs	338.47	1,081.63

Note 25: Depreciation and amortisation expense

	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation of property, plant and equipment	1,000.89	989.88
Depreciation of right-of-use assets	0.94	0.87
Amortisation of intangible assets	166.72	156.67
Total depreciation and amortisation expense	1,168.55	1,147.42

Note 26: Research and development expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw materials consumed	3.48	3.99
Salaries, wages, bonus and other allowances	45.58	39.01
Contribution to provident and other funds	0.65	0.86
Total Research and development expenses	49.71	43.86

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Other expenses

	For the year ended March 31, 2026	For the year ended March 31, 2025
Consumption of stores and spare parts	239.11	243.47
Consumption of packing materials	484.55	731.49
Power and fuel	375.65	380.51
Repairs and maintenance		
- Plant and machinery	430.40	509.85
- Buildings	202.58	60.08
- Others	189.69	165.45
Insurance	124.59	122.14
Rent	1.98	30.95
Rates and taxes, excluding taxes on income	77.05	65.98
Legal and professional charges	226.76	175.57
Directors sitting fees	11.98	16.13
Travelling and conveyance	407.37	365.86
Sales commission	348.04	526.68
Carriage outward	405.32	305.01
Other selling expenses	327.76	611.11
Payments to auditors (refer note 27 (a))	27.97	27.05
Book deficit on assets discarded	37.50	16.09
Loss on destruction of Property, Plant and Equipment (Refer note no 4(c))	100.00	-
Net bad Debts Written off	30.13	9.64
Provision for Expected credit loss	383.67	389.66
Provision for doubtful advances	-	82.00
Provision for expected loss on long term contracts (Refer Note no 27(c))	-	500.00
Donations	15.40	4.90
Corporate social responsibility expenditure (refer note 27 (b))	59.38	29.74
Security charges	173.91	168.33
Testing fees	57.26	68.73
Incentives receivable written off	6.29	-
Loss on disposal of Property, Plant & Equipment	1.14	0.13
Net loss on foreign currency transactions and translations	591.64	2.53
General expenses	306.85	213.17
Total other expenses	5643.97	5822.25

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 27 (a): Details of payments to auditors

	For the year ended March 31, 2026	For the year ended March 31, 2025
Payment to auditors		
As auditors		
As statutory auditor	9.35	9.35
For quarterly reviews	8.25	8.25
In other capacities		
For GST Matters	3.00	3.00
For Certifications	3.00	2.95
Re-imbursement of expenses	2.45	1.57
Subsidiary Auditors		
As statutory auditor	1.92	1.93
Total payments to auditors	27.97	27.05

Note 27 (b): Corporate social responsibility expenditure

	For the year ended March 31, 2026	For the year ended March 31, 2025
Note 27 (b): Corporate social responsibility expenditure	58.32	38.06
Amount of expenditure incurred during the year on		
(i) Promoting education	2.38	15.34
(ii) Promoting healthcare	12.00	11.40
(iii) Armed forces veterans	-	0.50
(iv) Environmental sustainability	45.00	2.50
Total Amount spent during the year	59.38	29.74
(Shortfall)/Excess at the end of previous year	1.19	9.51
Total of Previous years (short fall)/Excess	2.25	1.19
Reason for shortfall	NA	NA
Related party transactions	NA	NA
Provision for liability - contractual obligation	NA	NA
Nature of CSR activities	Promoting education, healthcare, destitute care and rehabilitation, COVID-19 relief and rural development projects	

Note 27 (c): Reversal of provision for Expected loss on long term contracts

The parent company made a provision of Rs.500 lakhs in F.Y. 2024-25 towards expected loss on long term contracts which has been reversed in the first quarter of F.Y. 2025-26 pursuant to reassessment of the expected contract income

Note 27 (d): Exceptional Item – Ex-gratia Compensation

The Parent Company incurred ex-gratia compensation of ₹520.00 lakhs towards financial assistance provided to employees affected by the accident at its manufacturing facility. Owing to its exceptional nature and materiality, the expenditure has been presented as an Exceptional Item in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 28: Income tax expense

This note provides an analysis of the group's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the group's tax positions.

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Income tax expense		
Current tax		
Current tax on profits for the year	1,629.37	896.65
Adjustments for current tax of prior periods	(44.09)	6.23
Total current tax expense	1,585.28	902.88
Deferred tax		
Decrease/ (increase) in deferred tax assets	103.30	(221.96)
(Decrease)/ increase in deferred tax liabilities	(220.97)	225.61
Total deferred tax expense/(benefit)	(117.67)	3.65
Income tax expense	1,467.61	906.53
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit from operations before income tax expenses	6,049.16	3,779.86
Income tax expense		
Tax at the rate of 25.168% (2024-25 : 29.12%)	1,522.45	1,100.70
Tax effect on account of change in tax rate of Long term Capital Gain	-	(281.26)
Tax effect of expenses not allowed for tax purpose	18.82	38.76
Tax effect of expenses relating to voluntary retirement scheme	-	(45.71)
Tax effect of items in other comprehensive income considered for income tax	(4.83)	15.46
Effect of Interest on Income tax	38.05	32.38
Adjustments for current tax of prior periods	(44.09)	6.23
Impact on remeasurement of deferred tax balances due to the revised applicable tax rate for parent	(69.29)	-
Tax effect on others	6.50	39.97
Income tax expense	1,467.61	906.53

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Financial Instruments and Risk Management

Note 29: Financial instruments and risk management - Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The following table represents the fair value hierarchy of assets and liabilities

	Fair value hierarchy	Notes	As at March 31, 2026		As at March 31, 2025	
			Carrying Value	*Fair Value	Carrying Value	*Fair Value
A. Financial assets						
a) Measured at amortised cost						
Cash and cash equivalents	Level -1	10	5,083.71	5,083.71	9,315.19	9,315.19
Other bank balances	Level -2	11	923.48	923.48	815.75	815.75
Trade receivables	Level -3	9	5,344.57	5,344.57	3,807.81	3,807.81
Total financial assets			11,351.76	11,351.76	13,938.75	13,938.75
B. Financial liabilities						
a) Measured at amortised cost						
Trade payables	Level -3		4,151.63	4,151.63	11,658.00	11,658.00
Borrowings	Level -2	13	3,233.32	3,233.32	4,064.91	4,064.91
Other financial liabilities	Level -3	14	2,378.62	2,378.62	2,157.95	2,157.95
Total financial liabilities			9,763.57	9,763.57	17,880.86	17,880.86

Note:

*The carrying amounts of trade payables, other financial liabilities, borrowings, cash and cash equivalents, other bank balances and trade receivables are considered to be the same as their fair values due to their short term nature and recoverability from the parties.

Note 30: Financial instruments and risk management - Financial risk management

The Group's activities expose it to Credit risk, Market risk and Liquidity risk. The Group emphasis on risk management and has an enterprise wide approach to risk management. The Group's risk management and control procedures involve prioritization and continuing assessment of these risks and device appropriate controls, evaluating and reviewing the control mechanism.

(A) Credit risk:

Credit risk is the risk of financial loss to the group if a customer to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Credit risk of the Group is managed at the Company level.

The credit risk related to trade receivables is influenced mainly by the individual characteristics of each customer. The group follows a 'simplified approach' (i.e. based on Life time expected credit losses based on provision matrix) for recognition of impairment loss allowance on Trade receivables. For the purpose of measuring lifetime ECL allowance for trade receivables, the group estimates irrecoverable amounts based on the ageing of the receivable balances and historical experience. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively and for major receivable assessed for impairment individually. Individual trade receivables are written off when management deems them not to be collectible.

Expected credit loss for trade receivables under simplified approach

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Expected credit losses (ECL)		
Opening balance	521.80	132.14
Less: No longer required written back	-	
Add: ECL Movement during the year	383.67	389.66
Closing balance	905.47	521.80

(B) Market risk:

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks are interest rate risk and foreign currency risk.

• Interest rate risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The interest rate risk is towards short term borrowings and term deposits with banks. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

• Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group is not significantly exposed to this risk because of natural hedging in the form of imports and exports being at similar levels.

Foreign currency risk - sensitivity

The analysis is based on the assumption that the foreign currency increases / (decreases) by 2.5% with all other variables held constant. The group manages its market interest rates by fixed rate interest, rate that is linked to marginal cost of lending rate, etc. Hence, the group is not significantly exposed to interest rate risks.

Unhedged foreign currency exposure as at the reporting date:

	As at March 31, 2026			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	11,63,707		1,101.50
Balance with banks	-	-		-
Deposits recoverable	-			
Total	-	11,63,707	-	1,101.50
Foreign currency liabilities				
Payables for supplies and services		29,63,126	-	2,804.73
Current borrowings		-	-	-
Capital creditors	-	-	92,400	95.40
Outstanding Liabilities		-	-	-
Total	-	29,63,126	92,400	2,900.13
Net foreign currency assets / (liabilities)	-	(17,99,419)	(92,400)	(1,798.63)
Non-monetary items (having no exposure to future foreign currency movement):				
Advance to suppliers		10,86,322	21,300	921.69
Advance from customers		29,05,584	-	2,546.28

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2025			
	GBP (in number)	USD (in number)	EURO (in number)	Equivalent amount in INR lakhs
Foreign currency assets				
Trade receivable (for supplies and services)	-	9,26,872	-	793.23
Balance with banks	-	-	-	-
Deposits Recoverable	-	-	-	-
Total	-	9,26,872	-	793.23
Foreign currency liabilities				
Payables for supplies and services	-	1,14,41,660	-	9,791.93
Outstanding Liabilities		4,58,540	1,71,597	550.85
Capital Creditors	2,032	-	-	2.25
Total	2,032	1,19,00,200	1,71,597.00	10,345.03
Net foreign currency assets / (liabilities)	(2,032)	(1,09,73,328)	(1,71,597)	(9,551.80)
Non-monetary items				
(having no exposure to future foreign currency movement):				
Advance for supplies	-	8,57,374	92,500	819.15
Advance for capital items		-		-
Advance from customers	-	11,30,378	-	967.39

2.5% increase or decrease in foreign exchange rates will have the following impact on profit/(loss) before tax

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
GBP	-	0.06
USD	(42.65)	(234.83)
EURO	(2.38)	(3.96)

(C) Liquidity risk:

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group's objective is to maintain a balance between continuity of funds through the use of bank overdrafts, loan from directors and other means of borrowings. The Group invests its surplus funds in deposits with maturity of 3 months, which carry no/low mark to market risk.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

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

	< 1 Year	1-3 Years	> 3 Years	Total
As at March 31, 2026				
non-current borrowings		1,316.00	-	1,316.00
Current borrowings	1,917.32	-	-	1,917.32
Trade and other payable	4,151.63	-	-	4,151.63
Other financial liabilities	2,370.97	7.65	-	2,378.62
Total financial liabilities	8,439.92	1,323.65	-	9,763.57
As at March 31, 2025				
non-current borrowings	-	750.00	-	750.00
Current borrowings	3,314.91	-	-	3,314.91
Trade and other payable	11,658.00	-	-	11,658.00
Other financial liabilities	2,150.30	7.65	-	2,157.95
Total financial liabilities	17,123.21	757.65	-	17,880.86

Note 31: Capital management

(a) The Group's financial strategy aims to provide adequate capital for its growth plans for sustained stakeholder value. The Group's objective is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. And depending on the financial market scenario, nature of the funding requirements and cost of such funding, the Group decides the optimum capital structure. The Group aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth plans as a going concern.

The Group's strategy is to maintain a gearing ratio within 30%. The gearing ratio were as follows:

	As at March 31, 2026	As at March 31, 2025
Net debt	-	-
Equity	29,042.78	24,715.68
Total capital (net debt + equity)	29,042.78	24,715.68
Gearing ratio (Net debt / Total capital)	0.00%	0.00%

*Net debt is as follows

	As at March 31, 2026	As at March 31, 2025
A) Borrowings		
Non-current borrowings	1,316.00	750.00
Current borrowings	1,917.32	3,314.91
Total (A)	3,233.32	4,064.91
B) Cash and cash equivalents	5,083.71	9,315.19
Bank balances other than cash and cash equivalents	914.00	805.01
Total (B)	5,997.71	10,120.20
C) Net debt (A-B)	(2,764.39)	(6,055.29)

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(b) Loan covenants

Under the terms of major borrowing facilities, the Parent company is required to comply with the following financial covenants:

- * Total net worth should be greater than Rs. 220 crores including deferred tax liabilities.
- * Total outside liabilities should be less than 1.00 times of the total net worth of the Parent company
- * Total debt should be less than 2.00 times of the Earnings before interest, depreciation, taxes and amortisation of the parent company
- * Debt service coverage ratio should be greater than 1.25 throughout the tenor of the loan

The parent company has complied with these covenants throughout the reporting period.

(c) * Reconciliation of liabilities arising from financing activities pursuant to Paragraph 44A of Ind AS 7

Particulars - Borrowings	As at March 31, 2026	As at March 31, 2025
Opening balance	4,064.91	6,145.42
Proceeds from borrowings	875.97	(728.79)
Repayment of borrowings	(1,707.56)	(1,351.72)
Foreign exchange fluctuation	-	-
Interest accrued but unpaid	-	-
Closing balance	3,233.32	4,064.91

Note 32: Contingent Liabilities

	As at March 31, 2026	As at March 31, 2025
On account of Letters of credit and Guarantees issued by the bankers.	7,607.05	5,945.21
Claims against the group not acknowledged as debts in respect of		
- Sales tax	575.83	575.83
- Goods and Service tax	98.88	-
-Income tax	61.84	61.84
-Others	10.00	10.00
It is not practicable for the group to estimate the timings of cash flows, if any, in respect of the above pending resolution of the respective proceedings.		

Note 33: Commitments

	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,708.70	1,441.54

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from November 21, 2025. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The impact of these changes, assessed by the Company, on the basis of the information available, consistent with the guidance provided by the Institute of Chartered Accountants of India, is not likely to be material. Once Central/ State Rules are notified by the Government on all aspects of the Codes, the Company will evaluate impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 34(a): Payables to Micro, Small & Medium Enterprises

Information pertaining to Micro and Small Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) as given below has been determined to the extent such parties have been identified on the basis of information available with the group:

	As at March 31, 2026	As at March 31, 2025
Principal amount remaining unpaid as at year-end	56.34	566.05
Interest due thereon as at year-end	-	-
Interest paid by the group in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
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 Act	-	-
Interest accrued and remaining unpaid as at year-end	-	-
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Act	-	-

Note: The list of undertakings covered under MSMED was determined by the group on the basis of information available with the group and has been relied upon by the auditors.

Note 34(b): Ageing of Trade Payables as at March 31, 2026

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	56.34	-	-	-	-	56.34
Others	1,503.00	1,769.80	272.04	457.12	93.33	4,095.29
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,559.34	1,769.80	272.04	457.12	93.33	4,151.63

Note 34(c): Ageing of Trade Payables as at March 31, 2025

Particulars	Not Due	Less than 1 Year	1- 2 Years	2-3 years	More than 3 Years	Total
(i) Undisputed Dues						
MSME	566.05	-	-	-	-	566.05
Others	901.24	10,059.21	8.36	42.27	80.87	11,091.95
(ii) Disputed Dues						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,467.29	10,059.21	8.36	42.27	80.87	11,658.00

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 35 : Segment information

(a) Description of segments and principal activities

The Managing Director has been identified as the Chief Operating Decision Maker (CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in the business of "High Energy Materials" and operates in a single operating segment.

One customer represents 10% or more of the Company's total revenue during the year ended March 31, 2026 and one customer represents 10% or more of the Company's total revenue during the year ended March 31, 2025.

Geographical Information

The Group mainly domiciled its activities 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	As at March 31, 2026	As at March 31, 2025
India	33,665.36	33,897.22
Rest of the world	5,168.78	7,848.01
Non-current assets		
India	22,482.72	20,887.50
Rest of the world	-	-

Note 36: The subsidiaries (which along with PEL, the parent, constitute the Group) considered in preparation of these Consolidated Financial Statements are

	Relationship	Principal activity	Ownership
Indian entities			
March 31, 2026			
Premier Wire Products Limited	Subsidiary	Manufacture of galvanised iron wire	80%
PELNEXT Defense Systems Private Limited	Wholly owned subsidiary	Manufacture of defence products	100%
Global Premier Limited	Joint venture	Manufacture of defence products	49%

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Related Party Transactions

(a) Enterprises where control exists		
Wholly owned Subsidiary Company	PELNEXT Defence Systems Private Limited	
Subsidiary	Premier Wire Products Limited	
Joint venture	Global Premier Limited (wef March 07, 2025)	
(b) Key Management Personnel (KMP)	Dr. A.N.Gupta	Chairman
	Mr. T.V.Chowdary	Managing Director
	Mr. Y. Durga Prasad Rao	Whole time Director
	Dr. (Mrs.) Kailash Gupta	Non Executive Director
	Mrs. Shonika Prasad	Non-Executive Director
	Dr. V G Sekaran	Independent Director
	Dr. Narendra Kumar Nanda	Independent Director
	Ch. Seshagiri Rao	Independent Director
	Dr. (Mrs.) Kumuda Raghavan	Independent Director
	Gen P.R.Kumar	Independent Director
	Mr. Anil Kumar Mehta	Independent Director(till 12-08-2024)
	Mr. P.R.Tripathi	Independent Director(till 12-08-2024)
	Mr. K.Rama Rao	Independent Director(till 12-08-2024)
	Dr. A.Venkat Raman	Independent Director(till 12-08-2024)
(c) Relatives of key management personnel	Mrs.T.Malati	
	Mrs.T.Shruti	
(d) Concerns in which key management personnel have substantial interest (significant interest entities):	A.N.Gupta(HUF)	
	AKS Family trust	

(e) Transactions with related parties

	For the year ended March 31, 2026	For the year ended March 31, 2025
Key Management Personnel		
Short term employee benefits		
Managerial remuneration	445.29	341.33
Others		
Acceptance of unsecured loan		-
Repayment of unsecured loan	-	519.05
Interest paid	-	3.53
Dividend paid	95.58	95.58
Sitting fees	11.98	16.13
Relatives of Key Management Personnel		
Dividend paid	0.51	0.51
Concerns in which key management personnel have substantial interest (significant interest entities)		
Dividend paid	16.42	16.42

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

(f) Balance outstanding at the year end are as follows

	As at March 31, 2026	As at March 31, 2025
Key Management Personnel		
Employee Benefits Payables		
Dr. A.N.Gupta	65.07	39.74
Mr. T.V. Chowdary	71.40	46.70
Mr. Y. Durga Prasad Rao	36.56	22.70
Loan Payable Outstanding		
Dr. A.N.Gupta	-	-
Dr. Kailash Gupta	-	-

Information regarding significant transactions (Generally in excess of 10% of the total transaction value of the same type)

Nature of transaction / related party	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest paid		
Dr. A.N.Gupta	-	0.88
Dr. Kailash Gupta	-	2.65
Managerial remuneration paid*		
Dr. A.N.Gupta	87.60	62.12
Mr. T.V. Chowdary	240.89	189.31
Mr. Y. Durga Prasad Rao	116.80	89.90
Repayment of unsecured loans		
Dr. A.N.Gupta	-	400.27
Dr. Kailash Gupta	-	118.78
Sitting fees		
Dr. A.N.Gupta	1.73	2.58
Dr. Kailash Gupta	1.42	1.68
Mr. Anil Kumar Mehta	-	1.08
Mr. P.R. Tripathi	-	1.08
Mr. K. Rama Rao	-	1.07
Dr.A.Venkataraman	-	0.45
Mr.P.R.Kumar	1.82	2.17
Mrs. Shonika Prasad	1.12	1.12
Dr.Gnana Sekaran Venkata Swamy	1.20	1.20
Dr.Kumuda Raghavan	1.33	1.00
Dr.Narendra Kumar Nanda	1.53	1.20
Mr.Seshagiri Rao Cittavarjula	1.83	1.50
Purchase of land		
Dr. A.N.Gupta	-	-
Dividend paid		
Dr. A.N.Gupta	65.50	65.50
Dr. Kailash Gupta	29.19	29.19
A.N Gupta (HUF)	16.42	16.42
Investments Made		
Global Premier Limited	4.90	-

*As gratuity and leave encashment are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

(g) Terms and conditions

- Transactions relating to dividends were on the same terms and conditions that applied to other stake holders.
- The loans accepted from key managerial personnel carries interest rate at 10% per annum.
- All outstanding balances are unsecured and repayable in cash.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note No 38: Donation to political parties

	For the year ended March 31, 2026	For the year ended March 31, 2025
Communist party of India	3.00	1.00
	3.00	1.00

Note 39: Earnings /(Loss) per share (EPS)

	For the year ended March 31, 2026	For the year ended March 31, 2025
(a) Basic and Diluted EPS		
Earnings per share attributable to the equity holders of the group	8.52	5.34
(b) Reconciliation of earnings used in calculating earnings per share		
Basic and Diluted earnings per share		
Profit attributable to the equity holders of the group used in calculating earnings per share	4,581.34	2,869.53
(c) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	5,37,61,195	5,37,61,195
Adjustments for calculation of diluted earnings per share	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	5,37,61,195	5,37,61,195

Note: Previous year numbers are adjusted for shares splits during the current year (Refer note 12(v))

Note 40 : Assets pledged as security

The carrying amounts of the parent Company's assets pledged as security for current and non-current borrowings are:

	As at March 31, 2026	As at March 31, 2025
Working capital loans from banks (secured)		
Primary security		
Current assets		
Financial assets	11,351.76	13,937.18
Non financial assets	13,797.09	17,985.10
Collateral security		
non-current assets		
Non financial assets	20,741.17	19,352.72
Towards current borrowings	45,890.02	51,275.00
non-current borrowings from banks (secured)		
Primary security		
Non-current assets		
Non financial assets	20,741.17	19,352.72
Collateral security		
Current assets		
Financial assets	11,351.76	13,932.80
Non financial assets	13,797.09	17,985.10
Towards non-current borrowings	45,890.02	51,270.62

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 41: Additional information required by Schedule III

	Premier Explosive limited	Premier Wire Products Private Limited	PELNEXT Defense Systems Private Limited	Global premier limited	Non controlling interest	Inter-company transactions/balances
Net assets (total assets minus total liabilities)						
Amount	28,903.17	532.94	(6.63)	3.69	135.52	(521.00)
As % of consolidated net assets	100%	2%	0%	0%	0%	-2%
Share in profit or (loss)						
Amount	4,582.51	0.84	(0.80)	(1.21)	0.21	-
As % of consolidated Profit	100%	0%	0%	0%	0%	0%
Share in other comprehensive income						
Amount	14.36	-	-	-	-	-
As % of consolidated OCI	100%	0%	0%	0%	0%	0%
Share in total comprehensive income						
Amount	4,596.87	0.84	(0.80)	(1.21)	0.21	-
As % of consolidated total Comprehensive income	101%	0%	0%	0%	0%	0%

Note 42: Ratios to be disclosed

Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	% Change in Ratio
a) Current ratio(in times)	Current Assets	Current Liabilities	1.65	1.28	29%
b) Debt-Equity ratio(in times)	Total debt	Shareholder's Equity	0.11	0.16	-30%
c) Debt service coverage ratio(in times)	Earnings available debt Service = Profit after tax+Non cash expenses + Interest + Others non cash adjustments	Debt Service = Interest payments + Principal payments	7.76	3.04	155%
d) Return on Equity ratio(in %)	Profit after tax	Average Shareholders fund's	17.00%	12.00%	5.00%
e) Inventory turnover ratio(in times)	Sale of Products	Average Inventory	2.72	3.22	-16%
f) Trade receivables turnover ratio(in times)	Revenue from operations	Average trade receivable	8.49	7.54	13%
g) Trade payables turnover ratio(in times)	Net Credit Purchases	Average Trade Payables	2.17	4.57	-53%
h) Net capital turnover ratio(in times)	Revenue from Operations	Working Capital	3.82	5.94	-36%
i) Net profit ratio(in %)	Profit after tax	Revenue from operations	11.80%	6.88%	4.92%
j) Return on capital employed(in %)	Earning before interest and taxes	Capital employed = Net worth + Total debt+ Deferred tax liability	8.35%	16.16%	-7.81%

Reasons for Variance:

Debt-Equity Ratio: Change is on account of decrease in debt during the year.

Debt Service Coverage Ratio: Change on account of increase in earnings available debt service during the year

Trade receivables turnover ratio: Change is on account of increase in Revenue during the year.

Trade Payables Turnover Ratio: Change is on account of Decrease in Raw Material purchases during the year.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 43 :Material Uncertainty related to Going Concern (Pelnext Defence Systems Private Limited)

During the year the company incurred loss before tax of Rs.0.80 lakhs and the company had negative other equity of Rs.7.63 lakhs as at 31st March, 2026. Further, owing to negative other equity as at 31st March, 2026 the Company's networth is eroded completely and the current liabilities exceeded its current assets by Rs.6.63 lakhs as at 31st March, 2026. However, the accounts of the company for the year ended 31st March, 2026 have been prepared on the Going Concern basis.

Note 44 : Events occurring after the reporting period

(i) Proposed dividend

The dividend proposed and recommended by the Board of Directors for the approval of members at the ensuing annual general meeting :

	As at March 31, 2026	As at March 31, 2025
On Equity Shares of Rs. 2/- each		
Proposed dividend*	268.81	268.81
Proposed dividend per equity share in Rupees	0.50	0.50

* TDS will be deducted at the time of payment of dividend as per the applicable provisions of the Income Tax Act, 1961.

Note 45 :Other Statutory Information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies struck off
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (vi) The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.
- (vii) The Group has not entered into any scheme of arrangements which has an accounting impact on current and previous financial year.
- (viii) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) No funds have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Consolidated Financial Statements

(All amounts in INR lakhs, unless otherwise stated)

Note 46: Previous year figures have been regrouped /reclassified to conform to current year classification.

As per our report of even date

For MAJETI & CO.

Chartered Accountants
Firm's registration number: 0159755

Kiran Kumar Majeti

Partner
Membership number: 220354

Place: Secunderabad
Date: May 29, 2026

For and on behalf of the Board

B.M. Vijay Kumar
Chief Financial Officer

K. Jhansi Laxmi
Company Secretary

Dr. A.N.Gupta
Chairman
DIN: 00053985

T.V. Chowdary
Managing Director
DIN: 00054220

Notice of 46th Annual General Meeting

Notice is hereby given that the 46th Annual General Meeting of the Members of Premier Explosives Limited (the Company) will be held on Wednesday, the 30th day of September, 2026 at 11:30 a.m. IST, through Video Conferencing facility (VC) / other Audio Visual Means (OAVM), to transact the following business:

The proceedings of the Annual General Meeting (AGM) shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

Ordinary Business:

1. To receive, consider and adopt:
 - a. The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026 together with the Reports of the Board of Directors and Auditors thereon.
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 together with the Reports of Auditors thereon.
2. To declare a final dividend for the financial year 2025-26.
3. To appoint a director in place of Dr.(Mrs.) Kailash Gupta (DIN:00054045), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business

4. To increase in the borrowing limits of the Company in terms of provisions of Section 180(1)(c) of the Companies Act, 2013:

To consider, and, if thought fit, to pass the following resolution, as a Special Resolution

"RESOLVED THAT pursuant to Section 180 (1) (c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under and in modification of all earlier Resolutions passed in this regard, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing Rupee Loans, Working Capital Facility and such other Financial Assistance from time to time, which together with the monies already borrowed by the Company (apart from temporary Loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board of Directors shall not at any time exceed the limit of Rs.1,000 Crores (Rupees One Thousand Crores Only) over and above the paid up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the

Company and generally to do all such acts, deeds, matters and things as may be necessary for giving effect to this resolution."

5. Creation of security(ies) in terms of provisions of Section 180(1)(a) of the Companies Act, 2013:

To consider, and, if thought fit, to pass the following resolutions as a Special Resolution

"RESOLVED THAT pursuant to Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in modification of all earlier Resolutions passed in this regard, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create such charges, mortgages, pledge, hypothecations and lien in addition to the existing charges, mortgages, pledge, hypothecations and lien created by the Company, on such movable and immovable properties, both present and future and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of the Banks, Financial Institutions and other Parties to secure Rupee Loans and Working Capital Facilities availed and also proposed to be availed and also to secure other Obligations of the Company, provided that the total amount of loans and other obligations of the Company together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said loans and other obligations, shall not, at any time exceed the limit of Rs.1,000 Crores (Rupees One Thousand Crores Only) over and above the paid up capital of the Company and its free reserves.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to finalise the terms and conditions for creating the aforesaid Mortgage, Charge, Pledge, Hypothecation and Lien and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary for giving effect to the above resolution."

6. Ratification of remuneration payable to the Cost Auditors

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to M/s. S.S. Zanwar & Associates, Cost Accountants (Firm Registration No. 100283), who have been appointed by the Board of Directors of the Company as the Cost Auditors of the company, to conduct the audit of the cost records for the financial year 2026-27,

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amounting to Rs. 1,60,000/- per annum (Rupees one lakh sixty thousand only) excluding applicable taxes and out-of-pocket expenses, if any, incurred in connection with the cost audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By order of the Board
For Premier Explosives Limited**

Sd/-

K. Jhansi Laxmi
Company Secretary
M.No. A16577

Place: Secunderabad
Date: 13th August, 2026

CIN: L24110TG1980PLC002633

Registered Office:

'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana- 500015.

Ph: +91 40 66146801 to 6803, Fax: +91 40 661406839

Email: investors@pelgel.com Website: www.pelgel.com

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 ('the Act') and the rules made thereunder setting out the material facts relating to the proposed resolutions is annexed to the Notice of the 46th Annual General Meeting (AGM). Further, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details with respect to 'Director seeking appointment/re-appointment and fixation of remuneration at this AGM' forms part of this Notice.
2. Pursuant to the various circulars including the General Circular Nos. 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020; 20/2020 dated May 05, 2020, as extended from time to time and last extended vide General Circular No. 03/2025 dated September 22, 2025, issued by the MCA and circular issued by SEBI vide circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 (SEBI Circular) and other applicable circulars and notifications issued (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force and as amended from time to time), (hereinafter referred to as "Circulars") companies are allowed to hold Annual General Meeting (AGM) through VC or OAVM, without the physical presence of members at a common venue. In compliance with the said Circulars, 46th AGM shall be conducted through VC /OAVM.
3. The Registered Office of the Company situated at 'Premier House', # 11, Ishaq Colony, Near AOC Centre, Secunderabad-500015, Telangana, India shall be deemed to be venue for the AGM for the purpose of recording the minutes of the proceedings of the AGM.
4. The Company has enabled the Members to participate at the 46th AGM of the Company through VC/OAVM facility provided by KFin Technologies Limited ('KFintech'), who will be providing the facility for voting through remote e-voting, for participation in the 46th AGM through the VC/OAVM and e-voting during the AGM ("Insta Poll"). The participation at the AGM through VC/OAVM shall be allowed on a first-come-first-served basis.
5. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the MCA, the facility to appoint proxy(ies) to attend and cast vote for the members is not available and hence the proxy form, attendance slip and route map for AGM are not annexed to this AGM Notice. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
6. In compliance with the Circulars, the Notice of the 46th AGM along with the Annual Report for the financial year 2025-26 (Annual Report) is being sent only through electronic mode to the Members whose email addresses are registered with the Company/KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company (RTA)/Depository Participants unless a member has requested a physical copy of the same.. In accordance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter providing the web-link for accessing the Annual Report, including the exact path, will be sent to those Members who have not registered their email address with the Company/RTA/Depository Participant(s).
7. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice of 46th AGM and Annual Report 2025-26 has been uploaded on the Company's website at www.pelgel.com. The Notice can also be accessed on the websites of the Stock Exchanges i.e., BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Company's RTA, KFin Technologies Limited at <https://evoting.kfintech.com>. The company will not be dispatching physical copies of the Annual Report 2025-26 and the notice of the 46th AGM to any member.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ('Act') read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standards on General Meetings 'SS-2' issued by the Institute of Company Secretaries of India and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') (as amended), and the Circulars issued by the MCA from time to time, the Company is providing the facility of remote e-voting to its Members to cast their votes electronically, through e-voting services provided by KFin Technologies Limited, on all resolutions set forth in this Notice. Members attending the AGM through VC/OAVM, who have not

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cast their votes by remote e-voting shall be able to exercise their vote through e-voting during the AGM. Members, who have cast their vote by remote e-voting prior to the AGM, may attend the AGM through VC/OAVM but shall not be entitled to cast their vote again. **The Procedure / instructions for e-voting and joining the 46th AGM are provided in this Notice.**

9. The remote e-voting period commences on Saturday, September 26, 2026 (9:00 A.M. IST) and ends on Tuesday, September 29, 2026 (5.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, September 23, 2026, may cast their votes electronically. The remote e-voting module shall be disabled by KFin Technologies Limited for voting upon expiry of the aforesaid period. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.
10. The attendance of the Members joining the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company or in the Register of beneficial owner maintained by the depositories as on the cut-off date will be entitled to vote at the AGM.
12. The Board of Directors of the Company at their meeting held on May 29, 2026 has recommended a final dividend of Rs. 0.50/- per equity share of Rs. 2/- each for the financial year 2025-26, subject to approval of shareholders at its 46th AGM.
13. The Company has fixed Wednesday, September 23, 2026 as the "Record Date" for determining entitlement of members to final dividend for the financial year ended March 31, 2026, if approved at the AGM.
14. Dividend
 - i. The dividend of Rs. 0.50/- per equity share of Rs. 2/- each (25%), as recommended by the Board of Directors, if declared at the AGM, will be paid subject to deduction of tax at source (TDS), as applicable, within 30 days from the date of declaration as under:
 - (a) To all the Beneficial Owners as at the end of the day on Wednesday, September 23, 2026 (record date), as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) To all Members in respect of shares held in physical form after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Wednesday, September 23, 2026 (record date).
 - iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update/register their PAN with the Depositories (if shares are held in demat mode) and the Company / RTA (if shares held in physical form).
- iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://ris.kfintech.com/form15/>. Shareholders are requested to note that in case their PAN is not updated/registered, the tax will be deducted at a higher rate of 20%.
- v. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by uploading the documents on the link <https://ris.kfintech.com/form15/>. No communication would be accepted from Members after September 23, 2026 regarding the tax withholding matters.
- vi. TDS will be deducted at prescribed higher rates for specified persons, as per the provisions of Section 206AB of the Income Tax Act, 1961.
15. Members are requested to address all correspondence including dividend related matters to the Registrar & Share Transfer Agent (RTA) of the Company i.e. KFin Technologies Limited, Selenium Building, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500 032, Telangana, Toll free Number 1800 309 4001 e-mail Id: einward.ris@kfintech.com.
16. Dividend in case of Non-KYC Compliant Folios:
Shareholders are requested to note that pursuant to the SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN, Choice of Nomination, Contact Details, Mobile Number, Bank Account details and signature, if any) shall be eligible for payment of dividend in respect of such folios, only through electronic mode with effect from April 01, 2024.
Shareholders are required to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the Registrars and Transfer Agents i.e., <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

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17. The Board of Directors have appointed Mr. K.V. Chalama Reddy (Membership No.: F9268), M/s. K V C Reddy & Associates, Company Secretaries, as the 'Scrutinizer' to scrutinize the remote e-voting process and voting during the AGM, in a fair and transparent manner.
18. The Scrutinizer shall submit his report within the prescribed timelines, to the Chairman of the Company or any person authorized in that respect, after completion of scrutiny of the e-voting (votes cast through remote e-voting and votes cast during the AGM). The results of voting shall be declared within two working days from the conclusion of the AGM of the company and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.
19. The results of the voting declared along with the Scrutinizer's report shall be communicated to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed, RTA, and will also be displayed on the Company's website at www.pelgel.com
20. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at Investors@pelgel.com or to KFinTech at einward.ris@kfintech.com
 - b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.
21. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements in which the Directors are interested maintained under the Act and all the documents referred to in this Notice will be made available for inspection by the Members during the 46th AGM. Members desiring inspection of statutory registers and other relevant documents are requested to write to the Company at investors@pelgel.com.
22. SEBI vide its notification dated January 24, 2022 and Circular dated January 25, 2022, has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialize their shares held by them in physical form. It may be noted that any service request of the Members holding shares in physical form shall only be processed after the folio is KYC Compliant as per SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POC/I/4298/2026 dated February 06, 2026. The ISIN in respect of the equity shares is INE863B01029.
23. The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the company/registrars and transfer agents to record additional details of Members, including their PAN details, e-mail address etc. A "form" for compiling additional details is available on the Kfintech's Website at the web-link: https://ris.kfintech.com/email_registration/. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants only and not to the Company or RTA.
- Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email IDs, telephone/mobile numbers, Permanent Account Number (PAN), nominations, power of attorney, bank mandate details (name of the Bank and branch details, account number, 9 digit MICR and 11 digit IFSC) etc to their respective Depository Participants (DPs) in case the shares are held by them in electronic form and to Company's Registrar and transfer Agents, KFinTech, in case the shares are held by them in physical form, in prescribed Form No. ISR-1, by quoting their folio numbers and attaching a scanned copy of the cancelled cheque leaf of their bank account and a self-attested scanned copy of the PAN Card. Further, Members may note that SEBI has mandated the submission of PAN by every participant in the securities market.
24. Members can avail of the facility of nomination in respect of shares held by them, pursuant to the provisions of Section 72 of the Companies Act, 2013. Members in physical form, desiring to avail this facility may send their nomination in the prescribed form duly filled-in to KFinTech. Members holding shares in electronic mode may contact their respective Depository Participant for availing this facility.
25. SEBI vide its Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 has mandated registration of PAN and Bank Account details for all security holders. Members are requested to submit the aforesaid information to their respective Depository Participant(s).
26. Investor Grievance Redressal: The Company has designated an e-mail ID i.e. investors@pelgel.com to enable the investors to register their complaints/send correspondence, if any.
27. Investor Grievance Portal maintained by Registrar and Transfer Agent (RTA))

Members are hereby notified that our RTA, KFin Technologies Limited, based on the SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/CIR/2023/72 DATED June 08, 2023, have created an online application which can be accessed at <https://ris.kfintech.com/default.aspx?Investor Services>> Investor Support. Members are required to register / sign up, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, query, complaints, check for status, KYC details, dividend, interest, redemptions, eMeetings and e-voting details. Quick link to access the sign up page: <https://kprism.kfintech.com/signup>.
28. Unclaimed Dividend: Members who wish to claim the unclaimed dividends of the past years, are requested to correspond with Kfin Technologies Limited, RTA, for encashing the unclaimed dividends standing to the credit of their account. Pursuant to

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the provisions of Sections 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, all unclaimed / unpaid dividends for a period of seven consecutive years from the date they become due for payment are required to be transferred to the Investor Education and Protection Fund ('IEPF'). The Shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, shareholders are requested to claim the unclaimed dividends within the stipulated timeline.

29. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned DPs and holding should be verified from time to time.
30. To support the 'Green Initiative', members who have not yet registered their e-mail address are requested to register the same with the Depository Participants in case the shares are held in dematerialized form and with Company/ KFinTech, in case the shares are held in physical form for receiving all communications including Annual Report and other Notices from the Company electronically.

31. PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

PROCEDURE FOR REMOTE E-VOTING

- i. In compliance with the provisions of Section 108 and 109 of the Act, read with Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, in relation to the E-voting facility provided by the listed entities, the members are provided with the facility to cast their votes electronically, through the e-Voting services provided by M/s. KFin Technologies Limited (KFinTech), on all the resolutions set forth in the Notice, to those members holding shares as on September 23, 2026 (end of the day) being the Cut-off date fixed for determining voting rights of members, entitled to participate in the e-voting process and poll.
- ii. In terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", E-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

- iv. The remote e-Voting period commences on Saturday, September 26, 2026 (9.00 A.M. IST) and ends on Tuesday, September 29, 2026 (5.00 P.M. IST).
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Wednesday, September 23, 2026, may cast their vote electronically. The remote e-voting module shall be disabled/ blocked by KFinTech for voting thereafter and the same will be enabled during the AGM for the Members who have not cast their vote through remote e-voting. Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again at the AGM.
- vii. Any person holding shares in physical form and non- individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at einward.ris@kfintech.com or evoting@Kfintech.com. However, if he/she is already registered with KFinTech for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.
- viii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."
- ix. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non- individual shareholders in demat mode.

Step 3 : Access to join virtual meetings (AGM) of the Company on KFinTech system to participate in AGM and vote at the AGM

DETAILS ON STEP 1 ARE MENTIONED BELOW:

- I) **Login method for remote e-Voting for Individual shareholders holding securities in dematerialized form.**

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	User already registered for IDeAS facility: - Visit URL: https://eservices.nsdl.com - Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. - On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” - Click on company name or e-Voting service provider and you will be re- directed to e-Voting service provider website for casting the vote during the remote e-Voting period. User not registered for IDeAS e-Services - To register click on link : https:// eservices.nsdl.com - Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp - Proceed with completing the required fields. - Follow steps given in points 1. Alternatively by directly accessing the e-Voting website of NSDL - Open URL : https:// www.evoting.nsdl.com/ - Click on the icon “Login” which is available under ‘Shareholder/Member’ section. - A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. - Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. - On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote eVoting period.
Individual Shareholders holding securities in demat mode with CDSL	Existing user who have opted for Easi/Easiest - Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com - Click on New System Myeasi - Login with your registered user id and password. - The user will see the e-Voting menu. The Menu will have links of ESP i.e. KFintech e-eVoting portal. - Click on e-Voting service provider name to cast your vote. User not registered for Easi/Easiest - Option to register is available at https:// web.cdslindia.com/myeasi/Registration/ EasiRegistration - Proceed with completing the required fields. - Follow the steps given in point 1 Alternatively, by directly accessing the e-Voting website of CDSL - Visit URL: www.cdslindia.com - Provide your demat Account Number and PAN - System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. - After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e-Voting is in progress.

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Type of shareholders	Login Method
Individual Shareholder login through their demat accounts/ Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL/ CDSL for e-Voting facility. II. Once logged-in, you will be able to see e- Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e- Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

DETAILS ON STEP 2 ARE MENTIONED BELOW:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL : <https://evotingkfintech.com/login.aspx>
- ii. Enter the login credentials (i.e. User ID and password. In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,).

The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Premier Explosives Limited- AGM" and click on "Submit".
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

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- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s)
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Companies Act, 2013, as the case may be, are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to cast its vote through remote e-voting/e-voting at the AGM, together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id kvcr133@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Event No."
- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/client services/mobile reg/mobileemailreg.aspx>
Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - ii. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.
 - iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

DETAILS ON STEP 3 ARE MENTIONED BELOW:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting:

- i. Members will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM on the platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from KFintech. After logging in, click on Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM through VC/OAVM shall open atleast 15 minutes before the commencement of AGM and shall be closed after the expiry of 15 minutes after such schedule time. The detailed instructions for participation by Members at the 46th AGM through VC/OAVM forms part of the Notes to this Notice.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC/OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC/OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email Id, mobile number at investors@pelgel.com. Questions / queries received by the Company till September 26, 2026 (5.00 P.M.) shall only be considered and responded during the AGM.
- vi. Members/shareholders, attending the e-AGM through Video Conference, who have not cast their vote on resolutions through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC/OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Members may note that the facility of joining/participation at the AGM through VC/OAVM shall be available for atleast 2000 Members on a first-come-first-served basis.

Notice of 46th Annual General Meeting

- ix. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM'.

OTHER INSTRUCTIONS

- I. **Speaker Registration :** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will be opened from 9.00 A.M.(IST) on September 26, 2026 to 5.00 P.M. (IST) on September 28 2026. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Queries :** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. by login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Queries' option which will be opened from September 26, 2026 (9.00 A.M.) to September 28, 2026 (5.00 P.M.)
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of [https:// evoting.kfintech.com](https://evoting.kfintech.com) (KFintech Website) or write at evoting@kfintech.com or einward.ris@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members/ list of Beneficial Owners as on the close of Wednesday, September 23, 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:
MYEPWD <SPACE> 1402345612345678
3. Example for Physical:
MYEPWD <SPACE> XXXX1234567890

If e-mail address or mobile number of the member is registered against Folio No./DP ID Client ID, then on the home page of [https:// evoting.kfintech.com/](https://evoting.kfintech.com/), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com for all e-voting related matters.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 READ WITH THE RULES MADE THEREUNDER:

Item No. 4 & 5:

Increase in borrowing powers of the Company in terms of provisions of Section 180(1)(c) of the Companies Act, 2013 and Creation of security(ies) in terms of provisions of Section 180(1) (a) of the Companies Act, 2013:

Pursuant to the provisions of Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, prior consent of the shareholders by special resolution is required to enable the Board of Directors, which, in aggregate, may exceed the paid up share capital and free reserves of the Company and to create a charge on movable/immovable properties of the company in favour of lenders.

The Board of Directors of the Company were authorized by the Members of the Company under Section 180(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting held on June 09, 2017 to borrow funds upto Rs. 200 crores (Rupees Two Hundred Crores only) in excess of the aggregate of the paid up capital and free reserves (other than temporary loans obtained from the Company's bankers in the ordinary course of business) and under Section 180(1) (a) of the Companies Act, 2013 at the Extraordinary General Meeting held on June 09, 2017 for creation of charge on assets of the company upto an amount not exceeding Rs. 400 crores (Rupees Four Hundred Crores only).

In order to meet the increased long term fund requirements and for financing the present and future projects of the Company, and also in view of the increasing requirement of working capital borrowing, bank guarantees and letter of credit etc., the Board of Directors request the members to accord their consent to borrow funds upto Rs. 1,000 crores (Rupees One Thousand Crores only) in excess of the aggregate of the Company's paid up capital and free reserves in terms of Section 180(1)(c) of the Companies act, 2013 and for mortgaging/ creating charge on overall movable/immovable properties in favour of the lenders for an amount not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores only) in terms of Section 180(1)(a) of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No.4 & 5 of the Notice.

The Board recommends the resolutions set out at Item No.4 & 5 of the Notice for approval by the Members by way of Special Resolutions.

Notice of 46th Annual General Meeting

Item No. 6: Ratification of remuneration payable to the Cost Auditors

The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved, the appointment of M/s. S.S. Zanwar & Associates (Registration No. 100283), Cost Accountants, as the Cost Auditors of the Company to conduct audit of the cost records of the Company for the financial year ending 31st March, 2027, at a remuneration of Rs. 1,60,000/- per annum (Rupees one lakh sixty thousand only) excluding applicable taxes and out of pocket expenses, if any.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No.6 of the Notice for ratification of the remuneration paid/payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

None of the, Directors or Key Managerial Personnel of the Company, or their relatives, are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No.6 of this Notice for the approval of Members.

Notice of 46th Annual General Meeting

Annexure – A

Item Nos. 3 of the AGM Notice

Details of Directors seeking appointment/re-appointment & fixation of Remuneration at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India]

Name	Dr. (Mrs.) Kailash Gupta
DIN	00054045
Date of birth	30/01/1946
Age	80 years
Date of first Appointment on the Board	27/05/1999
Qualifications	MBBS, A Doctor by profession
Experience & Expertise in specific functional area	A Doctor by profession, and has rich experience in the industry. As a member of the Corporate Social Responsibility Committee, she is actively involved in promoting community healthcare and philanthropic activities.
Terms and Conditions of appointment / reappointment	Appointment as Director liable to retire by rotation, as specified in item no. 3 of the Notice
No of shares held in the Company	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Spouse of Dr. Amarnath Gupta, Non-Executive Chairman and mother of Mrs. Shonika Prasad, Non-Executive Director
No of Meetings of the Board attended during the year	5/5
Listed entities in which the person holds the directorship and the membership of committees of Board along with listed entities from which the person has resigned in the past three years.	NIL
Directorships held in other companies	Premier Wire Products Limited
Memberships / Chairmanships of Committees of other companies (include only Audit Committee / Investor Grievances Committee)	Premier Explosives Limited - Stake holders Relationship Committee (Member)
Remuneration last drawn by such person, if applicable and remuneration sought to be paid	No remuneration is paid except the sitting fee for attending the Board and Committee Meetings of the Company

By order of the Board
For **Premier Explosives Limited**

Place: Secunderabad
Date: 13th August, 2026

Sd/-
K. Jhansi Laxmi
Company Secretary
M.No. A16577

CIN:L24110TG1980PLC002633

Registered Office:

'PREMIER HOUSE', # 11, Ishaq Colony,
Near AOC Centre, Secunderabad,
Telangana- 500015.
Ph: +91 40 66146801 to 6803, Fax:+91 40 661406839
Email: investors@pelgel.com
Website: www.pelgel.com



Premier Explosives Limited

CIN: L24110TG1980PLC002633

Premier House, 11 Ishaq Colony, Near AOC Centre,
Secunderabad – 500015, Telangana, India

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