

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

135-F, Kennedy Nagar,  
Salem - 636005.

CIN No.: U52190TZ2011PTC017109

## NOTICE

Notice is hereby given that the **Twenty Third Annual General Meeting** of the Company will be held at a shorter notice on Saturday, the 30th day of September, 2023 at 03.00 P.M. at the Registered Office of the Company at Door No. 135-F, Kennedy Nagar, Salem - 5 to transact the following business.

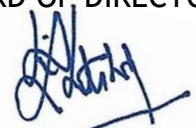
### ORDINARY BUSINESS:

01. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2023 together with the Statement of Profit and Loss, Cash flow statement and notes to accounts for the year ended on that date and the reports of the Directors and Auditors thereon.
02. To appoint Directors in the place of Sri. J.SENTHILNATHAN and Sri.J.SIVANANDHAM who are retiring at the ensuing Annual General Meeting and they being eligible, offer themselves for reappointment.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: SALEM  
DATE: 29/09/2023

  
(R.VIJAYAKANNAN)  
Managing Director  
(DIN: 01876560)

  
(R.VETRIVEL)  
Director  
(DIN: 01876584)

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The instrument of the proxy should be deposited at the Registered Office of the Company not later than 48 hours before commencement of the meeting.
2. Consent of the members is requested for the AGM to be held at shorter notice. Approval of 95% shareholders is required. Format of consent letter is attached for the shareholders to send their approval to the Company on or before 30.09.2023.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## DIRECTORS REPORT

To

The Shareholders

Your Directors have pleasure in presenting the **23<sup>RD</sup> ANNUAL REPORT** along with the Audited Balance Sheet of your Company for the year ended 31st March 2023.

## OPERATIONAL REVIEW

During the year turnover and other income has been increased to Rs 229.30 Crores as against Rs.144.90 Crores made in last year. During the year turnover in explosive division increased about 79.25 % and there was marginal increase in hotel and college division. During the year the Company's cash profit has been increased to Rs.11.83 Crores as against Rs.8.77 Crores earned in last year. During the current year the company has taken necessary steps to increase the turnover and profitability by installation of machineries in explosive division.

The financial highlights are depicted below:

|                                             | <i>(Rupees in Lakhs)</i> |                |
|---------------------------------------------|--------------------------|----------------|
| <b>FINANCIAL HIGHLIGHTS</b>                 | <b>2022-23</b>           | <b>2021-22</b> |
| Income from Operations                      | <b>22731.81</b>          | 14176.16       |
| Other Income                                | <b>198.42</b>            | 313.86         |
| Total Revenue                               | <b>22930.23</b>          | 14490.02       |
| Less: Operating and Administrative Expenses | <b>21240.84</b>          | 13312.00       |
| Profit before Interest & Depreciation       | <b>1689.40</b>           | 1178.02        |
| Less: Financial Charges                     | <b>506.34</b>            | 300.94         |
| Profit before Depreciation                  | <b>1183.06</b>           | 877.08         |
| Less: Depreciation                          | <b>475.62</b>            | 370.47         |
| Profit before tax and exceptional items     | <b>707.44</b>            | 506.61         |
| Less: Exceptional items                     | <b>0</b>                 | 0              |
| Profit before Tax                           | <b>707.44</b>            | 506.61         |
| Less: Provision for tax and Deferred tax    | <b>326.14</b>            | 180.53         |
| Profit after tax                            | <b>381.30</b>            | 326.08         |

## FINANCE:

During the year in May, 2022 the company has been sanctioned loan of Rs.54.90 Crores consist of Cash Credit Limit of Rs.15 Crores, Letter of Credit Limit of Rs.2 Crores, PSR Limit of Rs.3 Crores, Working Capital Term Loan of Rs.14.70 with WCDL Sub limit of Rs.10 Crores, Corporate Card Limit of Rs.0.2 Crores, Foreign Bill Discount Limit of Rs.20 Crores and Pre Shipment Credit Limit of Rs.20 Crores by M/s. HDFC Bank Limited, 115, R.K. Salai, Chennai -4. During the year the Company has availed the same and closed the existing Cash Credit and term loans availed from Kotak Mahindra Bank Ltd in June 2022. Also, during the year, the Company has availed loan of Rs.12.65 Crores from Aditya Birla Finance Limited for working capital purpose. The Company has made prompt repayment of installments together with interest to HDFC Bank Ltd and other financial institution.

# **VETRIVEL EXPLOSIVES PRIVATE LIMITED**

## **TRANSFER TO RESERVES:**

The Company has not transferred any amount to reserves during the year under review.

## **DIVIDEND:**

In order to preserve the profits for working capital, the Board of Directors has decided not to declare any dividend.

## **SHARE CAPITAL:**

The paid-up capital of the Company as on 31-03-2023 stood at Rs. 16,00,00,000/-. During the year under review, the Company has not made fresh issue of equity shares and has also not bought back any of its shares.

## **CHANGE IN THE NATURE OF THE BUSINESS:**

There is no change in the nature of business of the Company.

## **SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY:**

As on March 31, 2023, the Company does not have any Subsidiary, Joint Venture or Associate Company.

## **DEPOSITS:**

The Company has neither invited nor accepted any deposit from the public during the year under review. However the Company has accepted unsecured loans from Directors in accordance with the provision of Section 73 read with Companies (Accetance of Deposits) Rules,2014.

## **MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:**

There have been no material changes or commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review, there were no such significant and materials orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts), 2014 is given as Annexure -I to this report.

## EXTRACT OF THE ANNUAL RETURN:

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Act readwith Rule 12 of the Companies (Management and Administration) Rules, 2014, theAnnual Return (Form MGT-7) for the financial year ended March 31, 2023, isavailable on the Company's website and can be accessed at<https://www.veurveexplosives.com/investor-relations2.pdf>

## DIRECTORS & KEY MANAGEMENT PERSONNEL:

During the year Sri. P.PRAKASAM and Sri. R.VETRIVEL Directors of the company retired and re appointed at the 22nd Annual General Meeting.

Sri. J.SENTHILNATHAN and Sri. J.SIVANANDHAM, Directors of the company is retiring at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- (e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## AUDITORS:

M/s. ELANGO VAN & NATARAJAN (Firm Registration No. 000799S), Chartered Accountants, Salem -636016, were appointed as Statutory Auditors for a period of Four years from 2020-2021 to 2023-2024 in the 20th Annual General Meeting held on 31<sup>st</sup> December, 2020. Being the Third consecutive year, their remuneration is fixed at the ensuing AGM.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

## INDEPENDENT AUDITOR'S REPORT:

There are no disqualifications, reservations or adverse remarks in the Auditor's Report except the following:

### POINT NO. vii (a) OF ANNEXURE "B" TO AUDITOR'S REPORT - IRREGULARITY IN PAYMENT OF STATUTORY DUES

The Company is taking necessary steps to regularize the payments to be made on or before the stipulated dates under the respective Acts.

## COST AUDIT:

The Board of Directors had appointed Mr. R. GOPAL, a practicing Cost Accountant as the Cost Auditor of the Company for the financial year 2022-23 to conduct the audit of the cost records of the Company.

As per Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditor's) Rules, 2014, the Board recommends the appointment of Mr. R. GOPAL, Cost Accountant, as the Cost Auditor for the financial year 2023-24.

## DECLARATION BY INDEPENDENT DIRECTORS:

The Company, being a Private Limited Company, was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

# **VETRIVEL EXPLOSIVES PRIVATE LIMITED**

## **SECRETARIAL STANDARD OF ICSI:**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES:**

None of the employee has received remuneration exceeding the limit stated in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **NUMBER OF MEETINGS OF THE BOARD:**

During the year 2022-23, Ten (10) meetings of the Board of Directors were held.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has adequate Internal Control System that commensurate with the size, scale and complexity of its operations. During the year under review, no material or serious observation has been received from the Statutory Auditor of the Company on the inefficiency or inadequacy of such controls.

## **CORPORATE SOCIAL RESPONSIBILITY:**

The details about the policy developed and implemented by the company on Corporate Social Responsibility initiatives taken during the year as per Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to the Report as Annexure -II. For companies covered under Sec 135(9) and not having CSR Committee these functions shall be carried out by the Board of Directors.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178;**

The Company, being a Private Limited Company, was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

# **VETRIVEL EXPLOSIVES PRIVATE LIMITED**

## **NUMBER OF COMPLAINTS RELATING TO SEXUAL HARASSMENT IN THE LAST FINANCIAL YEAR AND PENDING, AS ON THE END OF THE FINANCIAL YEAR:**

No cases of sexual harassment were reported in the last financial year. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

## **SHARES:**

The Company has not issued any Sweat Equity Shares during the year under review. No Bonus Shares were issued during the year under review.

The Company has not provided any Stock Option Scheme to the employees.

The Company has not bought back any of its securities during the year under review.

## **PROCEEDINGS UNDER INSOLVENCY AND BANKRUPTCY CODE 2016:**

During the year under review, there was no application made and proceeding initiated /pending under the Insolvency and Bankruptcy Code, 2016, by any Financial and/or Operational Creditors against your Company.

## **THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE AT THE TIME OF TAKING A LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the year under review, the Company has not made any one-time settlement with its Bankers from which it has accepted any term loan.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## STATEMENT OF RISK MANAGEMENT:

The Board identifies and reviews the various elements of risk which the Company has to face and laid out the procedures and measures for mitigating those risks. The elements of risk threatening the Company's existence are minimal. The Company does not face any risks other than those that are prevalent in the industry. The Company has taken all possible steps to overcome such risks.

## ACKNOWLEDGEMENT:

*Your directors wish to thank M/s. HDFC Bank Ltd, Chennai for the sanction of financial assistance. Your directors also wish to express their appreciation of the continued cooperation of the customers and suppliers. The Directors also wish to thank the employee at all levels for their contribution, support and continued co-operation throughout the year.*

FOR AND ON BEHALF OF THE BOARD



(R.VIJAYAKANNAN)  
Managing Director  
(DIN: 01876560)



(R.VETRIVEL)  
Director  
(DIN: 01876584)

PLACE: SALEM  
DATE: 29/09/2023

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## ANNEXURE - I

### INFORMATION UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE DIRECTORS

#### (A) CONSERVATION OF ENERGY:

- (i) the steps taken or impact on conservation of energy : **NIL**
- (ii) the steps taken by the company for utilizing alternate sources of energy : **NIL**
- (iii) the capital investment on energy conservation equipment : **NIL**

However, the Company has always been conscious of the need of conservation of energy. Efforts for conservation of energy in all areas are made on a continuous basis.

#### (B) TECHNOLOGY ABSORPTION:

- (i) the efforts made towards technology absorption : **NIL**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution : **NIL**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : **NIL**
- (iv) the expenditure incurred on Research and Development : **NIL**

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is engaged in the business of manufacture of explosives, running a hotel and Catering Management College.

(Rs. in Lakhs)

| Particulars                                              | 2022-2023 | 2021-2022 |
|----------------------------------------------------------|-----------|-----------|
| Total Foreign Exchange Received (F.O.B. Value of Export) | 1242.44   | 590.18    |
| Total Foreign Exchange used:                             |           |           |
| i) Raw Materials                                         | 4257.58   | 484.66    |
| ii) Capital Goods & Spares                               | 197.47    | Nil       |
| iii) Foreign Travels                                     | Nil       | Nil       |
| iv) Software Purchase                                    | Nil       | Nil       |
| v) Others                                                | Nil       | Nil       |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## ANNEXURE - II

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED 31st MARCH 2023

01. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Policy encompasses the Company's philosophy for fulfilling its giving back to undertaking society as a corporation citizen and lays down the guidelines and mechanism for under taking socially useful programs for welfare, Free education, Drainage etc and sustainable development of the county at large by 1. Providing sanitation facilities and improve the existing sanitation system in and around T.Murungapatty Village, Thuraiyur Taluk, Trichy District, Tamilnadu, 2. Contribution to any sports events, 3. Contribution to Prime Minister's National Relief Fund, 4. Any other activities contained in Schedule VII of Companies Act, 2013, as amended from time to time and 4. The surplus arising out of CSR projects or programs shall not form part of business of the Company.

During the year the company has spent Rs.10,29,450 towards education, sanitation facility in T.Murungapatty village and there are some unspent amount which will be utilized in the next Financial Year.

02. The Composition of CSR Committee:

Section 135 sub section (9) of the Companies Act, 2013 says Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

03. Average net profit of the Company for the last three financial years:

Rs.514.73 Lakhs (Average Profit for financial years 2019-20, 2020-21 and 2021-22)

04. Prescribed CSR Expenditure - Rs. 10,29,450/- (2% of the above)

05. Details of CSR spent during the financial year

- a) Total amount to be spent : Rs.10.30 Lakhs
- b) Amount spent : Rs.10.30 Lakhs
- c) Manner in which the amount was spent during the financial year is details below:

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

|      |                                                                                                             |              |
|------|-------------------------------------------------------------------------------------------------------------|--------------|
| i)   | Contribution to 44 <sup>th</sup> Chennai Chess Olympiad                                                     | Rs.6,00,000  |
| ii)  | Expenses incurred towards purchase of Computer, Furniture, books etc for T.Murungapatty Village Govt School | Rs.3,16,050  |
| iii) | Education fees paid to Sathiya, Durga, Murali                                                               | Rs. 50,000   |
| iv)  | Bharathiyar Gurukulam Trust                                                                                 | Rs. 5,000    |
| v)   | Amt paid to Panchayat Union for Drainage work                                                               | Rs. 61,700   |
|      | TOTAL                                                                                                       | Rs.10,32,750 |

The Committee hereby confirms that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: SALEM  
DATE: 29/09/2023

  
(R.VIJAYAKANNAN)  
Managing Director  
(DIN: 01876560)

  
(R.VETRIVEL)  
Director  
(DIN: 01876584)

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## INDEPENDENT AUDITOR'S REPORT

To

The Members of M/s. VETRIVEL EXPLOSIVES PRIVATE LIMITED.

### Report on the Audit of the Standalone Financial Statements

#### OPINION

We have audited the accompanying Standalone financial statements of M/s. VETRIVEL EXPLOSIVES PRIVATE LIMITED (*"the Company"*) which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, (changes in equity) and its cash flows for the year ended on that date.

#### BASIS FOR OPINION

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

#### RESPONSIBILITY OF MANAGEMENT FOR THE STANDALONE FINANCIAL STATEMENTS:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act read with Rule (7) of the Companies (Accounts) Rules, 2014.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **AUDITORS RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENTS:**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **OTHER MATTER:**

We do not require disclosing any other information in other matter, since the company does not have any branches.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS:**

As required by the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## **As required by Section 143 (3) of the Act we report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023 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 and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.
  - i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer point No.27- 2.12 to the notes on Accounts.
  - ii) The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses.
  - iii) The Company has not paid any dividend so far and hence the delay in transfer of amounts required to be transferred to the Investor education and Protection Fund does not apply to the Company.
- h) 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 ELANGO VAN & NATARAJAN  
Chartered Accountants  
(Firm R. No. 000799S)



(S. ELANGO VAN)  
Partner  
(M. No.24654)

PLACE: SALEM  
DATED: 29/09/2023

UDIN: 23024654BGWXA5731

# **VETRIVEL EXPLOSIVES PRIVATE LIMITED**

## **ANNEXURE - “A”**

### **TO THE INDEPENDENT AUDITORS’ REPORT - 31st MARCH 2023**

(Referred to in our report of even date)

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

We have audited the internal financial controls over financial reporting of **VETRIVEL EXPLOSIVES PRIVATE LIMITED** as of 31st March 2023, in conjunction with our audit of the standalone financial Statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls:**

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

#### **Auditors’ Responsibility:**

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

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting:**

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

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## Opinion:

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial controls over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ELANGO VAN & NATARAJAN  
Chartered Accountants  
(Firm R. No. 000799S)

PLACE: SALEM  
DATED: 29/09/2023



(S. ELANGO VAN)

Partner  
(M. No.24654)

UDIN: 23024654BGWXA5731

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT (Referred to in our report on even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plants and Equipment and capital work-in-progress.  
  
(B) The Company does not have Intangible Assets and hence maintenance of proper records showing full particulars of Intangible Assets does not arise.
- b) The Company has a regular programme of physically verifying all the Property, Plant and Equipments at its plants/office to cover all the items in a phased manner over a period of 3 Years, which in our opinion is reasonable having regard to the size of the Company and nature of its Assets. No material discrepancies were noticed on such verification as compared to book records.
- c) Based on our examination of the property tax receipts and lease agreement for land and building, registered sale deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties disclosed in the standalone financial statements included under property. Plant and equipment are held in the name of the Company as at the balance sheet date.
- d) During the year the Company has not revalued its Property, Plants and Equipments.
- e) The Company does not hold any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder and hence the disclosure of the details in its financial statements does not arise.
- (ii) a) The Company has conducted physical verification of Inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification of inventories when compared with books of account.
- b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 Crores, in aggregate from Banks or Financial Institutions on the basis of security of Current Assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the company to the bank are in agreement with the unaudited books of account of the Company.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- (iii) The Company has not granted any loans secured or unsecured to Companies, LLP, Firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 (The Act). The Company did not give guarantee for the loans taken by any other person. Hence the provision of clauses 3(iii)(a) A & B and 3(iii)(b) to 3(a)(iii)(f) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantee and security provided.
- (v) The Company has not accepted any deposit from the public and therefore the provisions of Section 73 to 76 of the Companies Act, 2013 and rules thereon are not applicable to the Company. However the Company has taken unsecured loans / deposits from share holders, directors and their relatives.
- (vi) We have reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, 2013. In our opinion the company has maintained the accounts and records specified. However a detailed examination of the same has not been conducted by us.
- (vii) a) According to the information and explanation given to us and as per the records of the company examined by us, the Company is regular in depositing (except delayed in payment of TDS) with appropriate authorities undisputed statutory dues including PF, ESI, Income tax, GST, Customs duty, Cess and other statutory dues to the extent applicable to it and there are no undisputed statutory dues outstanding as at 31.03.2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of PF,ESI, Income tax, GST, Customs Duty, and Cess, which have not been deposited on account of any dispute.
- c) The Following are the dues that have not been deposited but disputed

| Name of Statute | Nature of Demand | Amount Rs. In Lakhs | Period  | Forum where dispute is pending |
|-----------------|------------------|---------------------|---------|--------------------------------|
| Income tax      | Assessed Demand  | 516.64              | 2016-17 | CIT Appeal, Salem -636007.     |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- (viii) As per information and explanation given to us, there were no transactions previously not recorded in the books of account that have been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961.
- (ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - c) As per the information and explanation given to us, the new loan raised during the year by way of Term loans have been applied for the purpose for which the loans were obtained.
  - d) On an overall examination of the financial statements of the company, funds raised during the year on short term basis have, prima facie, not been used for long term purposes by the Company.
  - e) We report that the Company has not taken any loans from any entity or person on account of or to meet the obligations of its associates and hence, reporting under clause 3 (ix)(e) of the Order is not applicable
  - f) The Company has not raised any loans during the year on the pledge of securities and hence reporting under clause 3 (ix)(f) of the Order is not applicable.
- (x) During the year the Company has not raised any money by way of share application money and not made any preferential allotment or private placement of shares or Debentures and hence reporting clause 3x (a) and 3x (b) of the Order are not applicable to the Company.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or no material fraud on the company by its officers or employees has been noticed or reported during the year. Hence reporting to clause 3 xi(b) and 3 xi(c) of the Order are not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us all the transactions with related parties are in compliance with the provisions of Section 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- (xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence reporting under clause 3 xvi (a), (b) and (c) of the Order is not applicable.
- (xvii) The Company has not incurred Cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors of the Company during the Year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) There are no unspent amounts towards Corporate Social Responsibility ("CSR") in compliance the provision of section 135 of the said Act and further report
  - a) i) That Average net profit of the Company for the past three financial years is Rs.514.73 Lakhs (Average Profit for financial years 2019-20, 2020-21 and 2021-22)

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

ii) That the company has spent Rs.10.30 Lakhs towards Prescribed CSR Expenditure @ 2% of the above.

(xxi) The Company does not have any Subsidiaries or Associates.

For ELANGO VAN & NATARAJAN  
Chartered Accountants  
(Firm R. No. 000799S)



(S. ELANGO VAN)

Partner

(M. No.24654)

UDIN: 23024654BGWXA5731

PLACE: SALEM

DATED: 29/09/2023

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

STANDALONE BALANCE SHEET AS AT 31ST MARCH 2023

| Particulars                     |                                                                                            | Note No. | 31.03.2023<br>(Rs. In Lacs)    | 31.03.2022<br>(Rs.in Lacs) |
|---------------------------------|--------------------------------------------------------------------------------------------|----------|--------------------------------|----------------------------|
| I.                              | <b><u>EQUITY AND LIABILITIES:</u></b>                                                      |          |                                |                            |
| 1                               | <b>Shareholders' funds</b>                                                                 |          |                                |                            |
|                                 | (a) Share capital                                                                          | 01       | 1600.00                        | 1600.00                    |
|                                 | (b) Reserves and surplus                                                                   | 02       | 2559.52                        | 2178.23                    |
|                                 | (c) Money received against share warrants                                                  |          | 0.00                           | 0.00                       |
| 2                               | <b>Share application money pending allotment</b>                                           |          | 0.00                           | 0.00                       |
| 3                               | <b>Non-current liabilities</b>                                                             |          |                                |                            |
|                                 | (a) Long-term borrowings                                                                   | 03       | 2642.59                        | 1815.43                    |
|                                 | (b) Deferred tax liabilities (Net)                                                         | 04       | 172.45                         | 182.06                     |
|                                 | (c) Other long-term liabilities                                                            |          | 0.00                           | 0.00                       |
|                                 | (d) Long-term provisions                                                                   | 05       | 9.00                           | 20.89                      |
| 4                               | <b>Current liabilities</b>                                                                 |          |                                |                            |
|                                 | (a) Short-term borrowings                                                                  | 06       | 2943.89                        | 683.73                     |
|                                 | (b) Trade payables:-                                                                       |          |                                |                            |
|                                 | (A) total outstanding dues of micro enterprises and small enterprises; and                 |          | 0.00                           | 0.00                       |
|                                 | (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 07       | 2039.31                        | 841.48                     |
|                                 | (c) Other current liabilities                                                              | 08       | 286.78                         | 143.02                     |
|                                 | (d) Short-term provisions                                                                  | 09       | 215.75                         | 198.09                     |
|                                 | <b>TOTAL</b>                                                                               |          | <b>12469.29</b>                | <b>7662.93</b>             |
| II.                             | <b><u>ASSETS:</u></b>                                                                      |          |                                |                            |
| 1                               | <b>Non-current assets</b>                                                                  |          |                                |                            |
|                                 | (a) Property, Plant and Equipment and Intangible Assets                                    |          |                                |                            |
|                                 | (i) Property, Plant and Equipment                                                          | 10       | 4566.41                        | 4496.44                    |
|                                 | (ii) Intangible assets                                                                     |          | 0.00                           | 0.00                       |
|                                 | (iii) Capital work-in-progress                                                             |          | 0.00                           | 0.00                       |
|                                 | (iv) Intangible assets under development                                                   |          | 0.00                           | 0.00                       |
|                                 | (b) Non-current investments                                                                |          | 0.00                           | 0.00                       |
|                                 | (c) Deferred tax assets (net)                                                              |          | 0.00                           | 0.00                       |
|                                 | (d) Long-term loans and advances                                                           | 11       | 772.47                         | 0.00                       |
|                                 | (e) Other non-current assets                                                               | 12       | 44.09                          | 35.34                      |
| 2                               | <b>Current assets</b>                                                                      |          |                                |                            |
|                                 | (a) Current investments                                                                    |          | 0.00                           | 0.00                       |
|                                 | (b) Inventories                                                                            | 13       | 3938.09                        | 1812.90                    |
|                                 | (c) Trade receivables                                                                      | 14       | 1278.09                        | 537.08                     |
|                                 | (d) Cash and cash equivalents                                                              | 15       | 151.54                         | 190.70                     |
|                                 | (e) Short-term loans and advances                                                          | 16       | 1125.14                        | 513.35                     |
|                                 | (f) Other current assets                                                                   | 17       | 593.47                         | 77.12                      |
|                                 | <b>TOTAL</b>                                                                               |          | <b>12469.30</b>                | <b>7662.93</b>             |
| In terms of our report attached |                                                                                            |          | For and on behalf of the Board |                            |
| For ELANGO VAN & NATARAJAN      |                                                                                            |          |                                |                            |
| Chartered Accountants           |                                                                                            |          | R.VIJAYAKANNAN                 |                            |
| Firm Regn.No.000799S            |                                                                                            |          | Managing Director              |                            |
|                                 |                                                                                            |          | (DIN:01876560)                 |                            |
| CA.S.Elango Var                 |                                                                                            |          | R.VETRIVEL                     |                            |
| Partner ( M.No. 024654)         |                                                                                            |          | Director                       |                            |
| PLACE: SALEM                    |                                                                                            |          | (DIN:01876584)                 |                            |
| DATED: 29.09.2023               |                                                                                            |          |                                |                            |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

| Particulars |                                                                       | Note No. | 31.03.2023<br>(Rs. In Lacs) | 31.03.2022<br>(Rs.in Lacs) |
|-------------|-----------------------------------------------------------------------|----------|-----------------------------|----------------------------|
| I           | Revenue from operations                                               | 18       | 22731.81                    | 14176.16                   |
| II          | Other Income                                                          | 19       | 198.42                      | 313.86                     |
| III         | <b>Total Revenue (I+II)</b>                                           |          | <b>22930.23</b>             | <b>14490.02</b>            |
| IV          | <b>Expenses</b>                                                       |          |                             |                            |
|             | Cost of materials consumed                                            | 20       | 16166.83                    | 9968.17                    |
|             | Cost of Trading materials                                             | 21       | 791.93                      | 371.36                     |
|             | Changes in inventories of finished goods                              | 22       | -371.04                     | -2.16                      |
|             | Employee benefits expense                                             | 23       | 1404.21                     | 1078.81                    |
|             | Finance costs                                                         | 24       | 506.34                      | 300.94                     |
|             | Depreciation and amortisation expense                                 | 25       | 475.62                      | 370.46                     |
|             | Other expenses                                                        | 26       | 3248.92                     | 1895.83                    |
|             | <b>Total Expenses</b>                                                 |          | <b>22222.81</b>             | <b>13983.41</b>            |
| V           | Profit before exceptional and extraordinary items and                 |          | 707.43                      | 506.61                     |
| VI          | Exceptional items                                                     |          | 0.00                        | 0.00                       |
| VII         | Profit before extraordinary items and tax (V-VI)                      |          | 707.43                      | 506.61                     |
| VIII        | Extraordinary items                                                   |          | 0.00                        | 0.00                       |
| IX          | <b>Profit before tax (VII-VIII)</b>                                   |          | <b>707.43</b>               | <b>506.61</b>              |
| X           | <b>Tax expense:</b>                                                   |          |                             |                            |
|             | (1) Current tax                                                       |          | 209.78                      | 94.31                      |
|             | (2) Current tax expense relating to prior years                       |          | 125.97                      | 65.79                      |
|             | (3) Net current tax expense                                           |          | 335.75                      | 160.10                     |
|             | (4) Deferred tax                                                      |          | -9.61                       | 20.43                      |
|             | <b>Total Tax Expenses</b>                                             |          | <b>326.14</b>               | <b>180.53</b>              |
| XI          | Profit (Loss) for the period from continuing operations               |          | 381.29                      | 326.08                     |
| XII         | Profit/(loss) from discontinuing operations                           |          | 0                           | 0.00                       |
| XIII        | Tax expense of discontinuing operations                               |          | 0                           | 0.00                       |
| XIV         | Profit /(loss) from discontinuing operations<br>(after tax)(XII-XIII) |          | 0                           | 0.00                       |
| XV          | <b>Profit (Loss) for the period (XI+XIV)</b>                          |          | <b>381.29</b>               | <b>326.08</b>              |
| XVI         | <b>Earnings per equity share (EPS) :</b>                              |          |                             |                            |
|             | (1) Basic                                                             |          | 2.38                        | 2.04                       |
|             | (2) Diluted                                                           |          | 2.38                        | 2.04                       |

In terms of our report attached.

For ELANGO VAN & NATARAJAN

Chartered Accountants

Firm Regn.No.0007995

CA.S.Elangovan

Partner ( M.No. 024654)

PLACE: SALEM

DATED: 29.09.2023

For and on behalf of the Board

R.VIJAYAKANNAN

Managing Director

(DIN:01876560)

R.VETRIVEL

Director

(DIN:01876584)

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## Notes to the Financial Statements:

### 01. SHARE CAPITAL:

Class of Shares : Equity

a) Authorised, issued, subscribed and fully paid up:

| Particulars                                | As on 31.03.2023 |             | As on 31.03.2022 |             |
|--------------------------------------------|------------------|-------------|------------------|-------------|
|                                            | Number           | Rs. In Lacs | Number           | Rs. In Lacs |
| <b>Authorised</b>                          |                  |             |                  |             |
| Equity Shares of Rs. 10 /- each            | 25500000         | 2550.00     | 25500000         | 2550.00     |
| <b>Issued, Subscribed and Fully paidup</b> |                  |             |                  |             |
| Equity Shares of Rs. 10 /- each            | 16000000         | 1600.00     | 16000000         | 1600.00     |
|                                            | 16000000         | 1600.00     | 16000000         | 1600.00     |

b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

| Particulars                                     | As on 31.03.2023 |         | As on 31.03.2022 |         |
|-------------------------------------------------|------------------|---------|------------------|---------|
|                                                 | Number           | Rs.     | Number           | Rs.     |
| Shares outstanding at the beginning of the year | 16000000         | 1600.00 | 16000000         | 1600.00 |
| Shares issued during the year                   | -                | -       | -                | -       |
| Shares outstanding at the end of the year       | 16000000         | 1600.00 | 16000000         | 1600.00 |

(c) Rights, Preferences and Restrictions:

(i) The Company has only one class of Equity shares having a par value of Rs.10/ per share. Each shareholder is eligible for one vote per share

(ii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company

d) Shareholders holding more than five percent at the end of the year

| Name of the Share holder | Class of Share | As at 31.03.2023      |              | As at 31.03.2022      |              |
|--------------------------|----------------|-----------------------|--------------|-----------------------|--------------|
|                          |                | Number of shares held | % of holding | Number of shares held | % of holding |
| R.Vijayakannan           | Equity         | 4850000               | 30.31        | 4850000               | 30.31        |
| R.Vetrivel               | Equity         | 4850000               | 30.31        | 4850000               | 30.31        |
| P.Premalatha             | Equity         | 6300000               | 39.38        | 6300000               | 39.38        |
| Total                    |                | 16000000              |              | 16000000              |              |

e) Aggregate number of equity shares bought back

Nil

f) Shareholding of the Promoters

| Shares held by Promoters at the End of the year |                |               |                   | % of Change during the Year |
|-------------------------------------------------|----------------|---------------|-------------------|-----------------------------|
| S.No.                                           | Promoter name  | No. of Shares | % of total Shares |                             |
| 01.                                             | R.Vijayakannan | 4850000       | 30.31             | 0.00                        |
| 02.                                             | R.Vetrivel     | 4850000       | 30.31             | 0.00                        |
| 03.                                             | P.Premalatha   | 6300000       | 39.38             | 0.00                        |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 02. RESERVES AND SURPLUS:

### Capital Reserve

Opening Balance

Less: Transfer to Profit

Closing Balance (A)

### Surplus in Statement of Profit and Loss

Opening Balance

Add: Profit for the year

Balance as at the end of the year (B)

Total (A+B)

### Nature and purpose of Reserves

1. Capital Reserve was created during the financial year

| 31.03.2023   | 31.03.2022   |
|--------------|--------------|
| (Rs.in Lacs) | (Rs.in Lacs) |
| 309.00       | 309.00       |
| 0.00         | 0.00         |
| 309.00       | 309.00       |
| 1869.23      | 1543.15      |
| 381.29       | 326.08       |
| 2250.52      | 1869.23      |
| 2559.52      | 2178.23      |

## 03. LONG TERM BORROWINGS:

### Secured

Term Loan from Bank\*

Term Loan from Financial Institutions\*

Vehicle Loan from Bank

### Unsecured

From Others

Interest Accrued thereon

Total Long Term Borrowings

Less: Current maturities of long term borrowings

|         |         |
|---------|---------|
| 1011.89 | 1437.50 |
| 1284.90 | 116.89  |
| 32.10   | 0.00    |
| 690.00  | 713.36  |
| 0.00    | 0.00    |
| 3018.89 | 2267.75 |
| 376.30  | 452.32  |
| 2642.59 | 1815.43 |

\*Details of securities created -Refer note 30 (i) to (iii) to the financial statements.

## 04. DEFERRED TAX LIABILITIES (NET):

As Per Last Balance Sheet

Less/Add: Transfer from Statement of Profit and Loss

|        |        |
|--------|--------|
| 182.06 | 161.63 |
| 9.61   | 20.43  |
| 172.45 | 182.06 |

## 05. LONG TERM PROVISIONS:

(a) Provision for Employees Benefits

Gratuity

(b) Others

|      |       |
|------|-------|
| 0.00 | 0.00  |
| 9.00 | 20.89 |
| 9.00 | 20.89 |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 06. SHORT TERM BORROWINGS:

Borrowings repayable on demand from banks\*\*

Secured

Unsecured

Current maturities of long term borrowings:

Secured

Unsecured

| 31.03.2023     | 31.03.2022    |
|----------------|---------------|
| (Rs.in Lacs)   | (Rs.in Lacs)  |
| 2567.59        | 231.41        |
| 0.00           | 0.00          |
| 376.30         | 452.32        |
| 0.00           | 0.00          |
| <b>2943.89</b> | <b>683.73</b> |

\*\*Details of securities created -Refer note 30 (i) to (iii) to the financial statements.

## 07. TRADE PAYBLES:

Dues to Micro and Small Enterprises\*

Dues to enterprises other than MICRO and Smalla Enterprises

|                |               |
|----------------|---------------|
| 0.00           | 0.00          |
| 2039.31        | 841.48        |
| <b>2039.31</b> | <b>841.48</b> |

Amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises

|     | Particulars                                                                                                                                                                                                                                                                        |   |   |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| (a) | i) Principal amount remaining unpaid to any supplier at the end of each accounting year                                                                                                                                                                                            | 0 | 0 |
|     | ii) Interest due thereon remaining unpaid to any supplier at the end of each accounting year                                                                                                                                                                                       | 0 | 0 |
| (b) | The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year                                                                             | 0 | 0 |
| (c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006                                                           | 0 | 0 |
| (d) | The amount of interest accrued and remaining unpaid at the end of each accounting year                                                                                                                                                                                             | 0 | 0 |
| (e) | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 | 0 | 0 |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 07. TRADE PAYBLES: contd...

Ageing for trade payable as on 31.03.2023

| Particulars                            | Not due | < 1 year | 1-2 years | 2-3 years | Morth than<br>3 years | Total   |
|----------------------------------------|---------|----------|-----------|-----------|-----------------------|---------|
| i) Mirco and Small Enterprisess (MSME) |         |          |           |           |                       | 0       |
| ii) Others                             |         | 1995.56  | 4.61      | 39.14     |                       | 2039.31 |
| iii) Disputed dues - MSME              |         |          |           |           |                       |         |
| iv) Disputed dues - Others             |         |          |           |           |                       |         |
| Total (1) to (iv)                      |         | 1995.56  | 4.61      | 39.14     |                       | 2039.31 |

Ageing for trade payable as on 31.03.2022

| Particulars                            | Not due | < 1 year | 1-2 years | 2-3 years | Morth than<br>3 years | Total  |
|----------------------------------------|---------|----------|-----------|-----------|-----------------------|--------|
| i) Mirco and Small Enterprisess (MSME) |         |          |           |           |                       |        |
| ii) Others                             |         | 780.98   | 51.40     | 9.10      | 0.00                  | 841.48 |
| iii) Disputed dues - MSME              |         |          |           |           |                       |        |
| iv) Disputed dues - Others             |         |          |           |           |                       |        |
| Total (1) to (iv)                      |         | 780.98   | 51.40     | 9.10      | 0.00                  | 841.48 |

## 08. OTHER CURRENT LIABILITIES:

|                                  | 31.03.2023<br>(Rs.in Lacs) | 31.03.2022<br>(Rs.in Lacs) |
|----------------------------------|----------------------------|----------------------------|
| Statutory dues                   | 74.26                      | 59.76                      |
| Income Received in Advance       | 191.13                     | 68.25                      |
| Creditors for Expenses           | 21.39                      | 15.01                      |
| Payable against Capital Expenses | 0                          | 0                          |
|                                  | <b>286.78</b>              | <b>143.02</b>              |

## 09. SHORT TERM PROVISIONS:

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Provision for Employee benefits | 101.75        | 127.26        |
| Provision for Tax               | 114.00        | 70.83         |
|                                 | <b>215.75</b> | <b>198.09</b> |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 11. LONG TERM LOANS AND ADVANCES:

(Unsecured, Considered good)

Capital advances  
Loans and Advances to related parties  
Other Advances Recoverable in cash or in Kind or for value to be received

| 31.03.2023    | 31.03.2022   |
|---------------|--------------|
| (Rs.in Lacs)  | (Rs.in Lacs) |
| 772.47        | 0            |
| 0.00          | 0            |
| 0.00          | 0            |
| <b>772.47</b> | <b>0</b>     |

## 12. OTHER NON - CURRENT ASSETS

Security Deposit  
Tamilnadu Electricity Baord  
Telephone Department  
Other Security Deposits

|              |              |
|--------------|--------------|
| 39.26        | 32.11        |
| 0.80         | 1.05         |
| 4.03         | 2.18         |
| <b>44.09</b> | <b>35.34</b> |

## 13. INVENTORIES:

Raw materials \*  
Work-in-progress  
Finished goods  
Traded Goods  
Stores and Spares  
Fuel

|                |                |
|----------------|----------------|
| 3013.25        | 1543.77        |
| 39.45          | 18.66          |
| 449.53         | 99.28          |
| 246.23         | 48.67          |
| 189.08         | 101.87         |
| 0.55           | 0.65           |
| <b>3938.09</b> | <b>1812.90</b> |

\*(Includes Rs.35115392 of Raw Materials Damaged during Explosions)

## 14. TRADE RECEIVABLES:

Secured - considered goods  
Unsecured, considered goods  
  
Less: Loss allowance

|                |               |
|----------------|---------------|
| 0              | 0             |
| <b>1278.09</b> | <b>537.08</b> |
| <b>1278.09</b> | <b>537.08</b> |
| 0.00           | 0.00          |
| <b>1278.09</b> | <b>537.08</b> |

### Ageing for Trade receivable as on 31.03.2023

| Particulars                                                                     | No Dues | Outstanding for following periods from due date of payment |                   |              |             |                   | Total          |
|---------------------------------------------------------------------------------|---------|------------------------------------------------------------|-------------------|--------------|-------------|-------------------|----------------|
|                                                                                 |         | Less than 6 Months                                         | 6 months - 1 year | 1-2 years    | 2-3 years   | More than 3 years |                |
| i) Undisputed trade receivable considered good                                  |         | 825.83                                                     | 296.14            | 42.79        | 0.00        | 113.33            | 1278.09        |
| ii) Undisputed trade receivable -which have significate increase in credit risk |         |                                                            |                   |              |             |                   |                |
| iii) Undisputed trade receivable -                                              |         |                                                            |                   |              |             |                   |                |
| iv) Disputed trade receivables -                                                |         |                                                            |                   |              |             |                   |                |
| v) Undisputed trade receivable -which have significate increase in credit risk  |         |                                                            |                   |              |             |                   |                |
| vi) Disputed Trade receivables -                                                |         |                                                            |                   |              |             |                   |                |
| <b>Total</b>                                                                    |         | <b>825.83</b>                                              | <b>296.14</b>     | <b>42.79</b> | <b>0.00</b> | <b>113.33</b>     | <b>1278.09</b> |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 14. TRADE RECEIVABLES: (contd...)

Ageing for trade receivable as on 31.03.2022

| Particulars                                        |  | Outstanding for following periods from due date of payment |                   |           |           |                   | Total  |
|----------------------------------------------------|--|------------------------------------------------------------|-------------------|-----------|-----------|-------------------|--------|
|                                                    |  | Less than 6 Months                                         | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |        |
| i) Undisputed trade receivable considered good     |  | 331.97                                                     | 30.50             | 9.75      | 11.15     | 153.71            | 537.08 |
| ii) Undisputed trade receivable -                  |  |                                                            |                   |           |           |                   |        |
| iii) Undisputed trade receivable - Credit impaired |  |                                                            |                   |           |           |                   |        |
| iv) Disputed trade receivables - considered good   |  |                                                            |                   |           |           |                   |        |
| v) Undisputed trade receivable -                   |  |                                                            |                   |           |           |                   |        |
| vi) Disputed Trade receivables - credit impaired   |  |                                                            |                   |           |           |                   |        |
| Total                                              |  | 331.97                                                     | 30.50             | 9.75      | 11.15     | 153.71            | 537.08 |

## 15. CASH AND CASH EQUIVALENTS:

Balances with Banks

in Current Account

in Deposit Account

Cheques / Drafts on hand

Cash on hand

| 31.03.2023    | 31.03.2022    |
|---------------|---------------|
| (Rs.in Lacs)  | (Rs.in Lacs)  |
| 67.93         | 94.57         |
| 70.26         | 92.41         |
| 0.00          | 0.00          |
| 13.35         | 3.72          |
| <b>151.54</b> | <b>190.70</b> |

## 16. SHORT TERM LOANS AND ADVANCES:

Unsecured, Cosidered good

Loans and Advances to related parties

Other Advances Recoverable in cash or in Kind or for value to be received

Prepaid Expenses

Advance Tax & TDS

|                |               |
|----------------|---------------|
| 115.76         | 107.96        |
| 905.70         | 302.52        |
| 78.59          | 39.55         |
| 25.09          | 63.32         |
| <b>1125.14</b> | <b>513.35</b> |

## 17. OTHER CURRENT ASSETS

Balance with Govt Authorites

|               |              |
|---------------|--------------|
| 593.47        | 77.12        |
| <b>593.47</b> | <b>77.12</b> |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 18. REVENUE FROM OPERATIONS:

Sale of Explosives  
Traded Goods  
Sale of services  
Other Operating Revenue

Less: GST & VAT

| 31.03.2023   | 31.03.2022   |
|--------------|--------------|
| (Rs.in Lacs) | (Rs.in Lacs) |
| 20915.03     | 12884.05     |
| 1334.12      | 787.91       |
| 3902.37      | 2723.08      |
| 118.48       | 0            |
| 26270.00     | 16395.04     |
| 3538.19      | 2218.88      |
| 22731.81     | 14176.16     |

## 19. OTHER INCOME:

Interest income  
Other Non -Operating Income  
Duty Draw Back  
Agriculture Income  
Defence Service -Govt India  
Commission  
Profit on sale of Assets  
Miscellaneous Income  
Discount Received

|        |        |
|--------|--------|
| 7.95   | 29.69  |
| 0.00   | 0.00   |
| 7.58   | 4.90   |
| 0.00   | 9.35   |
| 137.94 | 0.00   |
| 25.28  | 0.00   |
| 0.07   | 0.00   |
| 19.61  | 40.44  |
| 0.00   | 229.48 |
| 198.42 | 313.86 |

## 20. COST OF MATERIALS CONSUMED:

Opening Stock  
Raw Materials  
Packing Materials  
  
Add: Purchase of Raw materials  
Purchase of Packing Materials  
  
Less: Closing Stock  
Raw Materials  
Packing Materials

|          |          |
|----------|----------|
| 1543.77  | 598.18   |
| 101.87   | 87.38    |
| 1645.64  | 685.56   |
| 16599.45 | 9606.25  |
| 1124.08  | 1322.00  |
| 19369.17 | 11613.81 |
| 3013.25  | 1543.77  |
| 189.08   | 101.87   |
| 16166.83 | 9968.17  |

## 21. COST OF TRADING MATERIALS :

Opening Stock  
Add: Purchase  
  
Less: Closing Stock

|         |        |
|---------|--------|
| 48.67   | 93.57  |
| 989.49  | 326.46 |
| 1038.16 | 420.03 |
| 246.23  | 48.67  |
| 791.93  | 371.36 |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 22. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

|                         | 31.03.2023<br>(Rs.in Lacs) | 31.03.2022<br>(Rs.in Lacs) |
|-------------------------|----------------------------|----------------------------|
| Opening Stock           |                            |                            |
| Work in progress        | 18.66                      | 12.94                      |
| Finished Goods          | 99.28                      | 102.84                     |
|                         |                            |                            |
| (A)                     | 117.94                     | 115.78                     |
| Closing Stock           |                            |                            |
| Work in progress        | 39.45                      | 18.66                      |
| Finished Goods          | 449.53                     | 99.28                      |
|                         |                            |                            |
| (B)                     | 488.98                     | 117.94                     |
|                         |                            |                            |
| Net Increase / Decrease | (A - B)                    | -371.04      -2.16         |

## 23. EMPLOYEE BENEFIT EXPENSES:

|                                           |         |         |
|-------------------------------------------|---------|---------|
| Salaries, Wages and Bonus                 | 1114.05 | 915.49  |
| Contribution to Provident and Other funds | 39.74   | 26.33   |
| Staff Welfare Expenses                    | 97.13   | 67.92   |
| Directors Remuneration                    | 153.29  | 69.07   |
|                                           |         |         |
|                                           | 1404.21 | 1078.81 |

## 24. FINANCE COSTS:

|                           |        |        |
|---------------------------|--------|--------|
| Interest on borrowings    |        |        |
| On Fixed Loan             | 358.88 | 239.22 |
| On Other Loan             | 1.59   | 1.20   |
| Bank Charges              | 155.93 | 48.08  |
| Exchange Rate Fluctuation | -10.06 | 12.44  |
|                           | 506.34 | 300.94 |

## 25. DEPRECIATION AND AMORTISATION EXPENSES:

|                      |        |        |
|----------------------|--------|--------|
| Buildings            | 142.77 | 157.52 |
| Plant and Equipments | 214.98 | 142.50 |
| Furniture & Fixtures | 41.55  | 31.63  |
| Office Equipments    | 8.70   | 9.01   |
| Vehicles             | 67.62  | 29.80  |
|                      |        |        |
|                      | 475.62 | 370.46 |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 26. OTHER EXPENSES:

|                                                 | 31.03.2023     | 31.03.2022     |
|-------------------------------------------------|----------------|----------------|
|                                                 | (Rs.in Lacs)   | (Rs.in Lacs)   |
| a) Power and Fuel                               | 574.45         | 397.32         |
| b) Repairs & Maintenance - Buildings            | 186.61         | 106.94         |
| c) Repairs & Maintenance - Plant and Equipments | 289.43         | 275.46         |
| d) Repairs & Maintenance -Vehicles              | 712.61         | 477.88         |
| e) Repairs & Maintenance -Others                | 31.42          | 13.74          |
| f) Cleaning & Washing                           | 51.52          | 0.00           |
| g) Insurance                                    | 22.03          | 11.65          |
| h) Rent                                         | 36.80          | 35.69          |
| i) Rates and Taxes                              | 137.76         | 161.36         |
| j) Commission and brokerage                     | 206.83         | 57.94          |
| k) Freight Outwards                             | 164.62         | 68.93          |
| l) Communication                                | 16.30          | 14.43          |
| m) Printing & Stationery                        | 57.60          | 49.14          |
| n) Advertisement                                | 21.81          | 13.49          |
| o) Sales Promotion                              | 31.88          | 15.82          |
| p) Payments to Auditors for                     |                |                |
| Statutory Audit                                 | 2.00           | 2.19           |
| Taxtion                                         | 1.00           | 1.00           |
| q) Professional fees paid                       | 36.38          | 50.57          |
| r) CSR Expenditure                              | 10.33          | 0.00           |
| s) Royalty                                      | 45.30          | 55.46          |
| t) Travelling and Conveyance                    | 28.25          | 17.03          |
| u) Subscription                                 | 8.94           | 5.46           |
| v) Miscellaneous Expenses                       | 132.81         | 61.59          |
| w) Export Expenses                              | 442.24         | 2.74           |
|                                                 | <b>3248.92</b> | <b>1895.83</b> |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 10. PROPERTY, PLANT AND EQUIPMENTS:

(Rs. In Lacs)

| Description of Assets  | GROSS BLOCK              |                             |                          | DEPRECIATION        |                 |                     | NET BLOCK           |                     |
|------------------------|--------------------------|-----------------------------|--------------------------|---------------------|-----------------|---------------------|---------------------|---------------------|
|                        | Cost as at<br>01.04.2022 | Additions /<br>(Deductions) | Cost as at<br>31.03.2023 | As At<br>01.04.2022 | For the<br>Year | As At<br>31.03.2023 | As At<br>31.03.2023 | As At<br>31.03.2022 |
|                        | Rs.                      | Rs.                         | Rs.                      | Rs.                 | Rs.             | Rs.                 | Rs.                 | Rs.                 |
| Land - Development     | 55.38                    | 36.96                       | 92.34                    | 0.00                | 0.00            | 0.00                | 92.34               | 55.38               |
| Land                   | 560.22                   | 0.00                        | 560.22                   | 0.00                | 0.00            | 0.00                | 560.22              | 560.22              |
| Buildings              | 4633.83                  | 82.06                       | 4715.89                  | 1859.93             | 142.77          | 2002.70             | 2713.19             | 2773.90             |
| Plant and equipment    | 3537.81                  | 247.11                      | 3772.98                  | 2763.56             | 214.98          | 2968.15             | 804.83              | 774.26              |
| Furniture and Fixtures | 1241.19                  | -11.94                      | 1284.58                  | 1106.05             | -10.39          | 1147.60             | 136.98              | 135.14              |
| Office Equipments      | 226.73                   | 43.39                       | 1284.58                  | 1106.05             | 41.55           | 1147.60             | 136.98              | 135.14              |
| Vehicles               | 226.73                   | 7.14                        | 233.87                   | 204.27              | 8.70            | 212.97              | 20.90               | 22.46               |
|                        | 1069.71                  | 130.48                      | 1200.19                  | 894.62              | 67.62           | 962.24              | 237.95              | 175.08              |
|                        |                          | 0                           |                          |                     |                 |                     |                     |                     |
|                        | 11324.87                 | 547.14                      | 11859.07                 | 6828.43             | 475.62          | 7293.66             | 4566.41             | 4496.44             |
|                        |                          | (11.94)                     |                          |                     | (10.39)         |                     |                     |                     |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## CAPITAL WORK IN PROGRESS

| Description              | 01.4.2022 | Additions | Capitalisation | 31.03.2023 |
|--------------------------|-----------|-----------|----------------|------------|
| Capital work in progress |           |           |                |            |

| Description              | 31.03.2023       |           |           |                   |       |
|--------------------------|------------------|-----------|-----------|-------------------|-------|
|                          | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 years | Total |
| Capital work in progress |                  |           |           |                   |       |

| Description              | 01.4.2021 | Additions | Capitalisation | 31.03.2022 |
|--------------------------|-----------|-----------|----------------|------------|
| Capital work in progress |           |           |                |            |

| Description              | 31.03.2022 |           |           |             |       |
|--------------------------|------------|-----------|-----------|-------------|-------|
|                          | Year       | 1-2 Years | 2-3 Years | More than 3 | Total |
| Capital work in progress |            |           |           |             |       |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 27. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 1. Corporate Information

M/s. VETRIVEL EXPLOSIVES PRIVATE LIMITED is a private limited company domiciled in India and incorporated on 24.11.1999. M/s. SIVASAKTHI HOTELS (P) LTD was merged with M/s. VETRIVEL EXPLOSIVES PRIVATE LIMITED ON 01.04.2013. The Company has an explosives manufacturing unit in Trichy District, Tamil Nadu, a hotel and a hotel management institution in Salem, Tamil Nadu.

### 2. Significant Accounting Policies

#### 2.1 Accounting Convention

The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and these estimates are recognized in the periods in which the results are known/ materialize.

#### 2.3 Recognition of Income and Expenditure

- a. The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.
- b. Sales and services are accounted on accrual basis when the sales of goods or services are completed.
- c. Sales and services are excluded GST, Value Added Tax and Excise Duty.

#### 2.4 Fixed Assets

Fixed Assets are stated at historical cost of acquisition net of Goods and Service Tax Credits, including installation, direct attributable costs less accumulated depreciation.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 2.5 Depreciation

- a. Depreciation is provided on Written Down Value Method on a pro-rata basis using the estimated life as prescribed under Schedule II of the Companies Act, 2013.

## 2.6 Investments

- a. Long Term Investments are stated at cost.
- b. Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.
- c. Current Investments are stated at lower of cost or fair value.

## 2.7 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effect of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts.

## 2.8 Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources embodying economic benefits. Contingent Liabilities and Assets are neither recognized nor disclosed in the Financial Statements but Contingent Liabilities are disclosed by way of Notes forming part of financial accounts.

## 2.9 Foreign Currency Transactions

- a. Transactions are recorded at the exchange rates prevailing on the date of the transaction.
- b. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the relevant rates of exchange prevailing at the year end.
- c. All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account.

## 2.10 Employee Benefits and Retirement Benefits of Employees

- a. Short term employee benefits are recognized as an expense in the Profit and Loss Account of the year in which the related service is rendered.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

- b. The Company's contribution to Provident Fund is charged as expense as and when incurred.
- c. Encashment of earned leave is at the discretion of the management and is charged to revenue in the year of payment.
- d. No provision for gratuity is made in books of account.

## 2.11 Valuation of Inventories

- a. Raw Materials, Packing Materials and Consumables are valued at cost.
- b. Finished Goods are valued at lower of cost or net realizable value.
- c. Work-in-Progress is valued at estimated cost of conversion and other cost incurred in bringing the inventories to the present location and condition.
- d. The value of stock of finished goods does not include the excise duty payable on clearance of such goods from the factory. However, the non-accounting of the same will have no impact on Profit and Loss Account.

## 2.12 Taxes on Income

- a. Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income-tax Act, 1961.
- b. The Company has accounted for deferred tax and liabilities as per the Accounting Standard 22 "Accounting for taxes on income" issued by the Institute of Chartered Accountants of India.
- c. The company has received assessment order for the asst year 2017-18 and as per order the company is liable to pay Rs.541.73 Lakhs by way of tax and interest. The company has filed an appeal with the Commissioner of Income Tax(Appeals),Salem -636007 against this order. The company stayed the demand of Rs.516.64 Lakhs after payment of 5% of the tax liability.

## 2.13 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## 2.14 Earnings per Share

Basic Earnings per share is calculated by dividing the Net Profit attributable to the equity shareholders by the number of equity shares outstanding at the end of the year.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 2.15 Impairment of Assets

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognized as an impairment loss. The impairment loss, if any, is recognized in prior accounting period is reversed, if there is a change in estimate of recoverable amount.

## 2.16 Segment Reporting

The accounting policies used in the preparation of the financial statements of the group are also applied for Segment Reporting. Revenue and expenses have been identified to the segments on the basis of their relationship to the operating activities of the segment.

## 2.17 Accounting for Amalgamations

The company has followed the guidelines of the Accounting Standard 14“Accounting for Amalgamations “issued by the Institute of Chartered Accountants of India.

## 28. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

(Rupees in Lakhs)

|    |                                                                | 31/03/2023 |  | 31/03/2022 |
|----|----------------------------------------------------------------|------------|--|------------|
| 01 | Earnings in Foreign Currency                                   | 1242.44    |  | 590.18     |
| 02 | Contingent Liabilities                                         | --         |  | --         |
| a) | Bank Guarantee                                                 | --         |  | --         |
| b) | Letter of Credit                                               | --         |  | --         |
| c) | Claims against the Company not acknowledged as debts-sales tax | --         |  | --         |
| d) | Customs Duty                                                   | --         |  | --         |
|    |                                                                | 1242.44    |  | 590.18     |
| 03 | CIF Value of Imports                                           |            |  |            |
| a) | Raw material                                                   | 4257.58    |  | 484.66     |
| b) | Capitals goods                                                 | 197.47     |  | --         |
| c) | Spares                                                         | --         |  | --         |
|    |                                                                | 4455.05    |  | 484.66     |
| 04 | Expenditure in Foreign Currency                                |            |  |            |
| a) | Sales Commission                                               | --         |  | --         |
| b) | Repacking of Damaged Cartons                                   | --         |  | --         |
| c) | Sea Freight                                                    | --         |  | --         |
| d) | Reservation Club Carlson                                       | --         |  | --         |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

29. Under the Micro, Small and Medium Enterprise Development Act, 2006 and vide a notification "Specified Companies (Furnishing of Information about payment to micro and small enterprise suppliers) Order, 2019" dated 22nd January 2019, Ministry of Company Affairs mandates that, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. Since the relevant information is not readily available, no disclosure has been made in accounts.

## 30. LOAN FROM HDFC BANK LTD

### i) TERM LOANS:

The Term loans of Rs.1470 Lakhs are secured by Hypothecation of Equitable Mortgage of entire factory Land & Buildings at Murungapatti, Hotel Property(building) at Jagir Ammapalayam of extent of 3.044 Acres with built up area and Land owned by Mr. R.VIJAY KANNAN, Mrs. R. PREMALATHA, Mr. K. RAMALINGAM and Mr. R.VETRIVEL given lease to the company.

The facility has been guaranteed by Mr. R.VIJAYAKANNAN, Mr. R.VETRIVEL Mrs.R.PREMALATHA AND Mr.K. RAMALINGAM

### ii) CASH CREDIT:

Cash Credit Limit of Rs.1500 Lakhs, LC limit of Rs.200 Lakhs, PSR limit of Rs.300 Lakhs, Corporate card limit of Rs.20 Lakhs and Pre Shipment credit limit of Rs.2000 Lakhs availed from M/s. HDFC Bank Ltd are secured by Hypothecation of Current Assets ie, Raw materials, Work -in - process, Finished Goods, Book Debts, goods covered by the Letter of Credit and other current assets. Further these limits are secured by way of collateral security of the Company's immovable assets situated at Murungapatti, Trichy Dt & Jagirampalayam, Salem

The facility has been guaranteed by Mr. R.VIJAYAKANNAN, Mr. R.VETRIVEL, Mrs.R.PREMALATHA AND Mr.K. RAMALINGAM.

### iii) HP LOAN:

HP and Mortgage loans availed from financial institution are secured by Hypothecation of Vehicles owned by the company.

The facility has been guaranteed by the Directors of the Company.

31. In the opinion of the Board, the Current Assets, Loans & Advances and other Receivable have at least the value as stated in the Balance Sheet, if realized in the ordinary course of business.

32. The debit and credit balances of parties are subject to their confirmation.

33. Stores, Spares & Consumables included in Repairs & Maintenance are charged to the Profit and Loss Account.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

34. In the opinion of the management, there is no impaired asset requiring provision as per Accounting Standard -28 (AS -28) issued by the Institute of Chartered Accountants of India.
35. During the year the company has not appointed CompanySecretary.We are looking out a suitable person to appoint a Secretary.
36. Related Party Disclosures as per Accounting Standard “AS 18”.

(i) List of Related Parties:

|      |                                                      |                                                                                                                                                       |
|------|------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)   | Parties where control exists                         | R. VIJAYAKANNAN<br>Managing Director                                                                                                                  |
| b)   | Other parties with whom the Company has transactions |                                                                                                                                                       |
| i)   | Associates                                           | Sivasakthi Hospitality Private Limited<br>Trident Explosives Private Limited                                                                          |
| ii)  | Key Management personnel (KMP)                       | R.VIJAYAKANNAN - Managing Director<br>P. PRAKASAM - Director<br>R. VETRIVEL-Director<br>J. SENTHILNATHAN - Director<br>JAYAPAL SIVANANDHAM - Director |
| iii) | Relatives of Key Management Personnel                | K. RAMALINGAM<br>C. CHAMUNDESWARI<br>R. PREMALATHA<br>V. PREETHI                                                                                      |

ii) Related Party transactions:

| Nature of Transactions       | KMP               | Relative of KMP   | Associates |
|------------------------------|-------------------|-------------------|------------|
| Remuneration paid            | 153.29<br>(69.07) | 168.00<br>(72.00) | --         |
| Rent paid                    | 0.20<br>(0.20)    | 0.20<br>(0.20)    | --         |
| Dr. Balance as on 31.03.2023 | --                | --                | --         |
| Cr. Balance as on 31.03.2023 | --                | --                | --         |

(Figures in Italics within brackets are of previous year)

Related party relationships have been identified by the management and relied upon by the Auditor.

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 37. Particulars of Loans, Guaranties or Investments in accordance with section 186 of the Companies Act, 2013

Rs.in Lakhs

|                                           | 31.03.2023 | 31.03.2022 |
|-------------------------------------------|------------|------------|
| i) Sivasakthi Hospitality Private Limited | 114.31     | 98.60      |
| ii) Trident Explosives Private Limited    | 1.45       | 9.60       |

## 38. Information about Consolidated Segments:

Rs.in Lakhs

| Segment Revenue                 | 31.03.2023 | 31.03.2022 |
|---------------------------------|------------|------------|
| Segment A (Explosives Division) | 18990.51   | 11779.89   |
| Segment B (Hotel Division)      | 3829.72    | 2615.31    |
| Segment C (College Division)    | 110.01     | 94.83      |
| Net Sales from Operations       | 22930.24   | 14490.03   |
| <b>Segment Results</b>          |            |            |
| Segment A (Explosives Division) | 359.32     | 88.68      |
| Segment B (Hotel Division)      | 318.02     | 385.58     |
| Segment C (College Division)    | 30.09      | 32.35      |
| Profit before tax               | 707.43     | 506.61     |
| <b>Segment Assets</b>           |            |            |
| Segment A (Explosives Division) | 8949.80    | 4295.05    |
| Segment B (Hotel Division)      | 3446.14    | 3290.89    |
| Segment C (College Division)    | 98.35      | 76.99      |
| Total Assets                    | 12494.29   | 7662.93    |
| <b>Segment Liabilities</b>      |            |            |
| Segment A (Explosives Division) | 8058.44    | 3464.79    |
| Segment B (Hotel Division)      | 272.83     | 218.96     |
| Segment C (College Division)    | 3.48       | 18.90      |
| Total Liabilities               | 8334.75    | 3702.65    |
| <b>Capital Expenditure</b>      |            |            |
| Segment A (Explosives Division) | 203.33     | 43.60      |
| Segment B (Hotel Division)      | 261.75     | 135.40     |
| Segment C (College Division)    | 0          | 0          |
| Total Capital Expenditure       | 465.08     | 179.00     |
| <b>Depreciation</b>             |            |            |
| Segment A (Explosives Division) | 174.20     | 136.98     |
| Segment B (Hotel Division)      | 301.42     | 233.49     |
| Segment C (College Division)    | 0          | 0          |
| Total Depreciation              | 475.62     | 370.47     |
| <b>Segment Expenditure</b>      |            |            |
| Segment A (Explosives Division) | 20583.66   | 11554.23   |
| Segment B (Hotel Division)      | 3210.28    | 1996.24    |
| Segment C (College Division)    | 79.92      | 62.48      |
| Total Expenditure               | 23873.86   | 13612.95   |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

## 39. Value of Imported and Indigenous Material consumed. (Rs. In Lakhs)

|                                 | 31.03.2023             |          | 31.03.2022             |         |
|---------------------------------|------------------------|----------|------------------------|---------|
|                                 | % of Total consumption | Value    | % of total Consumption | Value   |
| Raw Materials Imported          | 14.36                  | 2627.49  | 5.44                   | 542.13  |
| Indigenous                      | 85.64                  | 15666.01 | 94.56                  | 9426.05 |
|                                 | 100                    | 18293.50 | 100                    | 9968.18 |
| Stores and Spare Parts Imported | --                     | --       | 2.87                   | 7.90    |
| Indigenous                      | 100                    | 259.08   | 97.13                  | 267.56  |
|                                 | 100                    | 259.08   | 100                    | 275.46  |

## 40. FINANCIAL RATIOS:

| No. | Ratios                          | Numerator                           | Denominator                                    | 2023   | 2022   | Change % |
|-----|---------------------------------|-------------------------------------|------------------------------------------------|--------|--------|----------|
| a)  | Current Ratio                   | Current Assets                      | Current Liabilities                            | 1.29   | 1.68   | -23%     |
| b)  | Debt-Equity Ratio               | Total Debt                          | Total Equity                                   | 1.34   | 0.66   | 103%     |
| c)  | Debt Service coverage ratio     | Earnings available for debt service | Debt Service                                   | 0.72   | 1.67   | -57%     |
| d)  | Return on equity ratio          | Profit for the year                 | Average Total equity                           | 9.61%  | 9.02%  | 7%       |
| e)  | Inventory turnover ratio        | Revenue from operations             | Average Inventory                              | 7.91   | 10.47  | -24%     |
| f)  | Trade receivable turnover ratio | Revenue from operations             | Average trade receivable                       | 25.05  | 26.80  | -7%      |
| g)  | Trade payable turnover ratio    | Purchases and other services        | Average trade payable                          | 14.47  | 15.32  | -6%      |
| h)  | Net capital turnover ratio      | Revenue from Operations             | Working capital                                | 15.87  | 15.16  | 4.63%    |
| i)  | Net profit ratio                | Profit for the year                 | Revenue from Operations                        | 1.68%  | 2.30%  | -27%     |
| j)  | Return on capital employed      | EBIT                                | Capital employed                               | 12.24% | 12.50% | -2%      |
| k)  | Return on investment            | Earnings from Invested funds        | Average invested funds in treasury investments | 0      | 0      |          |

# VETRIVEL EXPLOSIVES PRIVATE LIMITED

Note: Reason for changes

- b) Led by increase in borrowings
- c) Led by increase in Repayment of Loans
- i) Led by increase in Turnover

41. Previous year figures have been regrouped / rearranged / recast wherever necessary to confirm with current year's presentation.
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In terms of our report of even date

For ELANGO VAN & NATARAJAN  
Chartered Accountants  
(FRN. 000799S)



(S. ELANGO VAN)  
Partner (M. No. 24654)  
PLACE: SALEM  
DATED: 29/09/2023

BY ORDER OF THE BOARD



R.VIJAYAKANNAN - Managing Director  
(DIN: 01876560)



R.VETRIVEL - Director  
(DIN: 01876584)