

FOURTEEN ANNUAL REPORT *FOR THE YEAR 2017 – 2018*

KRITIKA WIRES LIMITED *(Formerly: Kritika Wires Private Limited)*

Prepared By
S. K. BHARTIA & ASSOCIATES
Chartered Accountants

39, Strand Road
4th Floor, Room No – 75
Kolkata – 700 001

**INDEPENDENTS AUDITORS REPORT
TO THE MEMBERS OF KRITIKA WIRES LIMITED
(FORMERLY: KRITIKA WIRES PVT. LTD.)**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statement of **M/s. KRITIKA WIRES LIMITED (Formerly Kritika Wires Pvt. Ltd.)** ("the Company") which comprises of Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 31st March, 2018, and their profit and their cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable;
2. As required by Section 143(3) of the Act, we report, that
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
 - (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 of the Company as on 31st March, 2018 taken on record by the Board of Directors of the Company, none of the directors of the Company is disqualified as on 31st March, 2018 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 B**", 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There were no pending litigations which would impact the financial position of the company
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

*For S. K. BHARTIA & ASSOCIATES
Chartered Accountants*

Place: Kolkata

Date: 31st August' 2018

*(S. K. BHARTIA)
Partner
M. N. 056742
Firm No.: 322565E*

ANNEXURE – A TO THE INDEPENDENT'S AUDITORS REPORT

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

TO THE MEMBER OF KRITIKA WIRES LIMITED **(Formerly Kritika Wires Private Limited)** **on the accounts for the year ended 31st March 2018**

- i)** (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the company are reported to have been physically verified by the management at reasonable intervals and no material discrepancies are reported to have been noticed on such verification

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the company.
- ii)** The physical verification of the inventories has been conducted at reasonable intervals by the management during the year. In respect of Inventory lying with third parties, these have substantially been confirmed by them. As explained to us, no discrepancies were noticed on physical verification of inventory during the year.
- iii)** As informed the company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly clause (iii) (a) (b) and (c) of the Companies (Auditor's Report) Order, 2016 are not applicable and hence not commented upon.
- iv)** According to the information and explanation given to us, the company has not granted any loans, or made any investments, or provided any guarantees or Security to the parties covered under the provision of section 185 and 186 of the Companies Act, 2013.
- v)** The company has not accepted any deposited within the meaning of section 73 to 76 and any other relevant provision of the Companies Act and the rules framed there under. Hence the provision of the clause (v) of paragraph 3 of the order is not applicable.
- vi)** We have broadly reviewed the books and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii)** (a) According to the information and explanation given to us and according to books and records as produced and examined by us, the company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities.

(b) According to the information given to us and records of the company, there are no outstanding amount of income tax or sales tax or service tax or duty of custom or duty of excise or value added tax on account of any dispute.

- viii) As per the books and records maintained by the company and according to the information and explanation give to us, the company has not defaulted in repayment of dues to financial institutions or bank. The company has not issued any debenture.
- ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instrument) and term loan. Hence the provision of the clause (ix) of paragraph 3 of the order is not applicable.
- x) During the course of our examination of the books and records of the company we have neither come across any fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi) As per the books and records maintained by the company and produced before us the company has not paid or provided any managerial remuneration, hence the provisions of Section 197 read with schedule V of the companies Act, 2013 are not applicable.
- xii) In our opinion, considering the nature of activities carried on by the company during the year, the provision of any special statute applicable to the Nidhi Company are not applicable to the company. Hence the order of the clause (xii) of paragraph 3 is not applicable.
- xiii) According to the information and explanation given to us and according to books and records as produced and examined by us, all the transaction with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable and details have been disclosed in the financial statements, as required under Accounting Standards (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Hence the provision of Clause (xiv) of the paragraph is not applicable
- xv) As per the books and records maintain by the company and produced before us the company has not entered into any non-cash transaction with directors or persons connected with him, hence the provisions of Section 192 of the companies Act, 2013 are not applicable.
- xvi) In our opinion, considering the nature of activities carried on by the company during the year, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

*For S. K. BHARTIA & ASSOCIATES
Chartered Accountants*

Place: Kolkata

Date: 31st August' 2018

*(S. K. BHARTIA)
Partner
M. N. 056742
Firm No.: 322565E*

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls 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 **M/s. KRITIKA WIRES LIMITED (Formerly Kritika Wires Pvt. Ltd.)** ("the Company") as of 31st March 2018 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.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

*For S. K. BHARTIA & ASSOCIATES
Chartered Accountants*

Place: Kolkata

Date: 31st August' 2018

*(S. K. BHARTIA)
Partner
M. N. 056742
Firm No.: 322565E*

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

BALANCE SHEET AS AT 31ST MARCH, 2018

| | | NOTE | AS AT 31-Mar-18 (Rs.) | AS AT 31-Mar-17 (Rs.) |
|-----------|--|---------|-----------------------------|-----------------------------|
| I | EQUITY & LIABILITIES | | | |
| | <u>1. Share Holders Fund</u> | | | |
| | a. Share Capital | 2 | 129,400,000 | 64,700,000 |
| | b. Reserves & Surplus | 3 | 280,079,913 | 293,981,383 |
| | | | 409,479,913 | 358,681,383 |
| | <u>2. Non Current Liabilities</u> | | | |
| | a. Long Term Borrowings | 4 | 92,503,141 | 64,130,258 |
| | b. Deferred Tax Liability | 5 | 9,910,570 | 9,443,789 |
| | c. Long Term Provisions | 6 | 2,626,077 | - |
| | | | 105,039,788 | 73,574,047 |
| | <u>3. Current Liabilities</u> | | | |
| | a. Short Term Borrowings | 7 | 356,880,917 | 331,020,929 |
| | b. Trade Payables | 8 | 375,152,223 | 353,015,169 |
| | c. Other Current Liabilities | 9 | 127,887,978 | 37,020,626 |
| | d. Short Term Provisions | 10 | 38,068,424 | 11,712,710 |
| | | | 897,989,542 | 732,769,435 |
| | T O T A L | | 1,412,509,243 | 1,165,024,865 |
| II | ASSETS | | | |
| | <u>1. Non Current Assets</u> | | | |
| | a. Fixed Assets | 11 | | |
| | i) Tangible Assets | | 219,380,543 | 179,711,339 |
| | ii) Capital Work-in-Progress | | 3,719,524 | 43,465,848 |
| | | | 223,100,067 | 223,177,187 |
| | b. Non Current Investments | 12 | 31,000,177 | 20,830,177 |
| | c. Long Term Loans & Advances | 13 | 170,246 | 170,246 |
| | | | 254,270,490 | 244,177,610 |
| | <u>2. Current Assets</u> | | | |
| | a. Inventories | 14 | 272,075,160 | 208,149,670 |
| | b. Trade Receivables | 15 | 722,594,646 | 543,954,783 |
| | c. Cash & Cash Equivalents | 16 | 78,394,994 | 68,720,835 |
| | d. Short Term Loans & Advances | 17 | 84,873,854 | 99,891,966 |
| | e. Other Current Assets | 18 | 300,098 | 130,000 |
| | | | 1,158,238,753 | 920,847,254 |
| | T O T A L | | 1,412,509,243 | 1,165,024,865 |
| | Notes forming part of the Financial Statements | 1 to 35 | - | - |

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED

For & on behalf of Board

For S. K. BHARTIA & ASSOCIATES

Chartered Accountants

(S. K. Bhartia)

Partner

M. No.: 056742

Firm No.: 322565E

Sd/-

N. K. Agarwal
(Chirman & WTD)
(DIN: 01020334)

Sd/-

H. P. Agarwal
(Managing Director)
(DIN: 00654218)

Sd/-

Mahesh Sharma
(Company Secreatry)

Place: Kolkata

Date: 31st August'2018

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31ST MARCH 2018

| | PARTICULARS | NOTE | FOR THE YEAR ENDED 31-Mar-2018 | FOR THE YEAR ENDED 31-Mar-2017 |
|------|---|----------------|--------------------------------------|--------------------------------------|
| I | Revenue from Operations | 19 | 2,554,758,394 | 2,053,879,930 |
| II | Other Income | 20 | 24,173,114 | 16,983,520 |
| III | Total Revenue (I+II) | | 2,578,931,508 | 2,070,863,449 |
| IV | EXPENSES | | | |
| | Cost of Material Consumed | 21 | 1,788,186,681 | 1,266,553,467 |
| | Purchases of Stock-in-Trade | | 319,584,611 | 487,488,777 |
| | Change in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade | 22 | 14,718,584 | (34,816,251) |
| | Employee Benefits Expense | 23 | 60,739,869 | 28,424,568 |
| | Finance Cost | 24 | 78,248,317 | 61,852,611 |
| | Depreciation & Amortisation Expenses | 25 | 24,332,549 | 22,862,341 |
| | Other Expenses | 26 | 215,840,799 | 204,202,570 |
| | | | 2,501,651,410 | 2,036,568,083 |
| V | PROFIT BEFORE TAX (III - IV) | | 77,280,099 | 34,295,367 |
| VI | TAX EXPENSES | | | |
| | 1) Deffered Tax | | 466,781 | (616,941) |
| | 2) Current Tax | | 26,014,788 | 11,728,246 |
| VII | PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (V-VI) | | 50,798,530 | 23,184,062 |
| VIII | PROFIT/(LOSS) FOR THE PERIOD | | 50,798,530 | 23,184,062 |
| IX | EARNING PER SHARE | 27 | 3.93 | 3.58 |
| | Notes forming part of the Financial Statements | 1 to 35 | | |

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED

For & on behalf of Board

For S. K. BHARTIA & ASSOCIATES
Chartered Accountants

(S. K. Bhartia)
Partner

M. No.: 056742

Firm No: 322565E

Place: Kolkata

Date: 31st August'2018

Sd/-

N. K. Agarwal
(Chirman & WTD)
(DIN: 01020334)

Sd/-

H. P. Agarwal
(Managing Director)
(DIN: 00654218)

Sd/-

Mahesh Sharma
(Company Secratry)

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2018

| | FOR THE YEAR ENDED 31-Mar-2018 (Rs.) | FOR THE YEAR ENDED 31-Mar-2017 (Rs.) |
|------------|--|---|
| I | <u>CASH FLOW FROM OPERATING ACTIVITIES</u> | |
| | 77,280,099 | 34,295,367 |
| | Net profit before taxation & extraordinary items | |
| | <u>Adjustments for:</u> | |
| | 24,332,549 | 22,862,341 |
| | - | (311,664) |
| | 2,967,003 | - |
| | (12,754,370) | (10,309,512) |
| | (26,826) | (20,636) |
| | 78,248,317 | 61,852,611 |
| | 170,046,771 | 108,368,508 |
| | Operating Profit before Working Capital Changes | |
| | <u>Adjustments for (Increases) / Decreases in operating assets:</u> | |
| | (63,925,491) | 20,021,671 |
| | (178,639,863) | 90,531,392 |
| | 40,025,796 | (24,531,405) |
| | (170,098) | 65,000 |
| | <u>Adjustments for Increases/ (Decreases) in operating liabilities:</u> | |
| | 22,137,054 | (136,086,808) |
| | 90,867,352 | (6,432,812) |
| | 80,341,521 | 51,935,546 |
| | 25,007,684 | 7,480,291 |
| | 55,333,837 | 44,455,255 |
| | - | - |
| | 55,333,837 | 44,455,255 |
| | Cash Generated from Operations | |
| | 25,007,684 | 7,480,291 |
| | Less: Income Tax Paid | |
| | 55,333,837 | 44,455,255 |
| | Cash Flow before extraordinary items | |
| | - | - |
| | Cash from Extraordinary Items | |
| | 55,333,837 | 44,455,255 |
| | Net Cash flow from Operating Activities | |
| II | <u>CASH FLOW FROM INVESTING ACTIVITIES</u> | |
| | (24,255,429) | (61,913,246) |
| | - | 880,981 |
| | (10,170,000) | (13,582,732) |
| | 12,754,370 | 10,309,512 |
| | 26,826 | 20,636 |
| | (21,644,232) | (64,284,849) |
| | Net Cash flow from Investing Activities | |
| III | <u>CASH FLOW FROM FINANCING ACTIVITIES</u> | |
| | - | 20,000,000 |
| | 494,750,000 | 23,164,270 |
| | (466,377,117) | (56,871,071) |
| | 25,859,988 | 103,804,121 |
| | (78,248,317) | (61,852,611) |
| | (24,015,446) | 28,244,708 |
| | Net Cash flow from Financing Activities | |
| IV | 9,674,159 | 8,415,114 |
| | Net Increase/(Decrease) in Cash & Cash Equivalents (I+II+III) | |
| | 68,720,835 | 60,305,722 |
| | Cash & Cash Equivalents at the beginning of the period | |
| | 78,394,994 | 68,720,835 |
| | Cash & Cash Equivalents at the end of the period | |

Note: The above cash flow statement has been prepared under the Indirect Method as set out in the AS - 3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India

IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED

For & on behalf of Board

For S. K. BHARTIA & ASSOCIATES
Chartered Accountants

(S. K. Bhartia)

Partner

M. No.: 056742

Firm No: 322565E

Place: Kolkata

Date: 31st August 2018

Sd/-

N. K. Agarwal
(Chirman & WTD)
(DIN: 01020334)

Sd/-

H. P. Agarwal
(Managing Director)
(DIN: 00654218)

Sd/-

Mahesh Sharma
(Company Secretery)

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Pvt. Ltd.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Note – 1 Significant Accounting Policy

General

- i. The financial statements are prepared on historical cost convention and all Expenses and Income, unless specifically stated to be otherwise, have been accounted for on mercantile basis except Gratuity paid or accounted for on Cash basis, and in accordance with the generally accepted accounting principles in India and provisions of Companies Act 2013 and comply with the material aspects with the Accounting Standards notified under the Co's Act, 2013 read with companies (Accounting Standard) Rule, 2006.
- ii. All Assets & Liabilities have been classified as current or non-current as per Companies normal operating cycle and other criteria set out in the Schedule III in the Companies Act, 2013.

Use of Estimates

The preparation of the financial statements, in conformity with the accounting standards generally accepted in India, requires the management to make estimates that affect the reported amount of assets & liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenue and expenses for the year. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

Revenue Recognition

- i. Sales comprise invoice value of Goods net of VAT & Excise and are recognized on transfer of risk and rewards associated with the property in goods to the buyer which is normally on delivery as per terms of sales.
- ii. Export transactions are recorded at prevailing exchange rates and Import transactions are recorded at exchange rates as specified by the Custom Authorities
- iii. The difference between the specified rate and actual rate of settlement is dealt with Profit & Loss A/c.
- iv. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the P&L A/c.
- v. All expenses and income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on Mercantile Basis, except Export Incentives which are being accounted for as and when received.

Investments

Long Term Investments are stated at cost.

Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, inclusive of inward freight, duties & taxes and other related incidental expenses and exclusive of Modvat / Cenvat benefit availed less accumulated depreciation and impairment of loss, if any. All cost including finance cost till the asset is put to commercial use is capitalized.

Depreciation & Amortization

Depreciation on Fixed assets is provided on Written down Value (WDV) Method based on the useful life of the Assets as prescribed in Schedule II to the Companies Act, 2013. The useful lives of the assets are arrived at by retaining 5% of the cost of assets as residual value.

Contd. 2

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Pvt. Ltd.)

: 2 :

Inventories

- i) Raw materials, Stores, Spares, Fuel & Consumables are valued at Cost
- ii) Finished Goods are valued at lower of cost or market price.
- iii) Works in progress are valued at cost of Raw Material plus proportion of Manufacturing Expenses.

Employment Benefits:

The company's contribution to the recognized provident fund, pension fund & employees deposit linked insurance scheme paid/payable during the year debited to profit & loss account.

Retirement Benefits:

Retirement benefits are not computed and are not provided in the accounts.

Modvat / Cenvat

Cenvat benefits is accounted for by reducing the purchase cost of materials / fixed assets.

Provisions, Contingent Liabilities & Contingent Assets

Provisions 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. Contingent liabilities are not recognized but disclosed by way of Notes while Contingent Assets are neither recognized nor disclosed.

Taxation

- i) Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax is recognized subject to consideration of prudence on timing difference being difference between taxable and accounting Income/Expenditure that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets are not recognized unless there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.
- ii) Minimum Alternant Tax Credit Entitlement is recognized in the books of accounts when there is convincing evidence that the company will pay the normal Income Tax during the specified period. The Entitlement is reviewed at each balance sheet date with regards to the correctness of the carrying amount.

Impairment of Assets

An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value being higher of value in use and net selling price, value in use is measured on the basis of reasonable estimate of the expected cash flows over the balance useful life of the assets, Impairments losses are recognized as an expenses in the Profit & Loss Account in which Assets is identified as impaired. The impaired loss recognized in prior accounting period if there is improvement in the recoverable amount.

Earning Per Share

"Earning per share" is computed in accordance with Accounting Standards - 20. Basic Earning per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average no of equity shares outstanding during the year.

Contd. 3

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 3 :

| | | AS AT 31-Mar-2018 (Rs.) | | AS AT 31-Mar-2017 (Rs.) | |
|----------|--|--|----------------------|--|----------------------|
| 2 | <u>SHARE CAPITAL</u> | | | | |
| | a) <u>Authorised Capital</u> 18,500,000 Equity Shares of Rs. 10/- each (P.Y. 80,00,000 Shares of Rs. 10/- Each) | 185,000,000 | | 80,000,000 | |
| | b) <u>Issued, Subscribed & Fully Paid up</u> 12,940,000 Equity Shares of Rs. 10/- each fully paid-up (Out of the above 64,70,000 Eq. Shares @ Rs. 10/- each were issued by way of Bonus.) (P.Y. 64,70,000 Eq. Share Capital of Rs. 10/- per Share) | 129,400,000 | | 64,700,000 | |
| | | 129,400,000 | | 64,700,000 | |
| | c) <u>Reconciliation of number of shares outstanding is set out below:</u> Equity Shares at the beginning of the year Add: Bonus Shares Alloted during the year Equity Shares at the closing of the year | 6470000 6470000 12940000 | | 6070000 400000 6470000 | |
| | d) The company has only one class of equity shares having par value of Rs. 10/- each and each shareholder is eligible for one vote per share. | | | | |
| | e) <u>Details of the Shareholder holding more than 5 % Shares</u> | | | | |
| | <u>Name of the Share Holder</u> | <u>% Held</u> | <u>No. of Shares</u> | <u>% Held</u> | <u>No. of Shares</u> |
| | Alltime Suppliers Private Limited | 7.26% | 940000 | 7.26% | 470000 |
| | Gunnayak Commercial Pvt. Ltd. | 26.66% | 3450000 | 26.66% | 1725000 |
| | Hanuman Prasad Agarwal | 9.43% | 1220000 | - | - |
| | Mohta Agencies Pvt. Ltd. | 5.87% | 760000 | 5.87% | 380000 |
| | Naresh Kumar Agarwal | 6.49% | 840000 | 13.45% | 870000 |
| | Panchshul Merchants Pvt. Ltd. | 15.46% | 2000000 | 15.46% | 1000000 |
| | R. A. Computech Investment & Consultants (P) Ltd. | 7.50% | 970000 | 7.50% | 485000 |
| | Sulochana Garg | - | - | 11.90% | 770000 |
| | Sushil Agarwal | 9.43% | 1220000 | - | - |
| 3 | <u>RESERVES & SURPLUS</u> | | | | |
| | a) <u>Capital Reserve</u> As per last Balance Sheet Add: Addition during the year | 1,500,000 - | | 1,500,000 - | |
| | | 1,500,000 | | 1,500,000 | |
| | b) <u>Securities Premium</u> As per last Balance Sheet Add: Addition during the year Less: Reduction for Bonus issue of Shares | 209,800,000 - 209,800,000 64,700,000 145,100,000 | | 193,800,000 16,000,000 209,800,000 - 209,800,000 | |
| | c) <u>Profit & Loss Account</u> As per last Balance Sheet Add: Profit/(Loss) during the year | 82,681,383 50,798,530 133,479,913 | | 59,497,322 23,184,062 82,681,383 | |
| | d) TOTAL (a+b+c) | 280,079,913 | | 293,981,383 | |

Contd...4

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 4 :

| | | <u>31-Mar-2018</u> | | <u>31-Mar-2017</u> |
|----------|---|--------------------|--|--------------------|
| 4 | <u>LONG TERM BORROWINGS</u> | | | |
| | a) <u>Secured Loan</u> | | | |
| | From HDFC Bank | - | | 1,088,479 |
| | | - | | 1,088,479 |
| | b) <u>Unsecured Loan</u> | | | |
| | From Related Parties | 12,108,458 | | 24,228,102 |
| | From Bodies Corporate | 80,394,683 | | 38,813,677 |
| | | 92,503,141 | | 63,041,779 |
| | c) <u>Nature of security and repayment terms</u> | 92,503,141 | | 64,130,258 |
| | i) The term loan is secured against Hyp. of Car | | | |
| | ii) The term loan shall carry fixed rate of interest @ 14.17% | | | |
| | iii) The term loan having a balance as on 31st March 2018 is Rs. 12,66,112/- and is repayable in 36 monthly instalment of Rs. 1,10,929/- | | | |
| | iv) The unsecured loan is considered as long term in nature. | | | |
| 5 | <u>DEFERRED TAX LIABILITY (NET)</u> | | | |
| | <u>Deferred Tax Liability</u> | | | |
| | Related to Fixed Assets | 9,910,570 | | 9,443,789 |
| | <u>Deferred Tax Assets</u> | | | |
| | Tax Impact on Unabsorbed Loss | - | | - |
| | Deferred Tax Liability (Net) | 9,910,570 | | 9,443,789 |
| 6 | <u>LONG TERM PROVISIONS</u> | | | |
| | For Gratuity | 2,626,077 | | |
| | | 2,626,077 | | - |
| 7 | <u>SHORT TERM BORROWINGS</u> | | | |
| | a) <u>Secured Loan</u> | | | |
| | State Bank of India - Working Capital Loan | 163,006,503 | | 157,378,550 |
| | Karnataka Bank - Working Capital Loan | 193,874,414 | | 170,878,510 |
| | Karnataka Bank - Packing Credit Loan | - | | 2,763,870 |
| | | 356,880,917 | | 331,020,929 |
| | b) <u>Nature of security and repayment terms</u> | | | |
| | i) Hypothecation of stocks of raw materials, WIP, finished goods, spares of the company and book debts and personal gurantee of directors. | | | |
| | ii) The loan shall be repayable on demand. | | | |
| 8 | <u>TRADE PAYABLES</u> | | | |
| | Trade Payables | 375,152,223 | | 353,015,169 |
| | | 375,152,223 | | 353,015,169 |
| | According to the information available with the company there are no dues payable to Micro, Medium and small enterprises as defined under Micro, Small, and Medium Enterprises Development Act, 2006. | | | |
| 9 | <u>OTHER CURRENT LIABILITIES</u> | | | |
| | Sri Ganesh Ji Maharaj | 11 | | 11 |
| | Current Maturities of Long Term Debt | 1,266,112 | | 1,331,148 |
| | Statutory Dues Payable | 17,766,555 | | 1,971,064 |
| | <u>Other Liabilities</u> | | | |
| | For Capital Goods | 299,437 | | 596,652 |
| | For Other Goods | 2,784,083 | | 7,127,374 |
| | For Other Finance | 45,792,719 | | 22,779,579 |
| | Advances from Customers | 59,979,061 | | 3,214,799 |
| | | 127,887,978 | | 37,020,626 |

Contd....5

KRITIKA WIRES LIMITED
(FORMERLY KRITIKA WIRES PRIVATE LIMITED)
(CIN: U27102WB2004PLC098699)

: 5 :

Assessment Year : 2018 - 2019

NOTE '11' OF FIXED ASSETS ANNEXED TO AND FORMING PART OF STATEMENT OF ACCOUNT AS ON 31ST MARCH, 2018

| Particulars | Land | Factory Shed & Building | Furniture & Fixture | Plant & Machinery | Electrical Installations | Laboratory Equipments | Air Conditioner | Computer | Mobile |
|---------------------------------|------------|-------------------------|---------------------|-------------------|--------------------------|-----------------------|-----------------|-----------|---------|
| GROSS BLOCK | | | | | | | | | |
| As at 01/04/2016 | 8,351,247 | 68,945,691 | 955,097 | 185,004,650 | 25,249,937 | 1,422,820 | 959,030 | 1,115,367 | - |
| Additions | 11,128,818 | - | - | 1,609,410 | - | 371,925 | 168,400 | 235,375 | - |
| Disposals | - | - | - | - | 1,938,619 | - | - | - | - |
| As at 31/03/2017 | 19,480,065 | 68,945,691 | 955,097 | 186,614,060 | 23,311,319 | 1,794,745 | 1,127,430 | 1,350,742 | - |
| Additions | - | 20,820,079 | 870,588 | 40,410,158 | - | 1,333,015 | 100,781 | 95,935 | 307,063 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2018 | 19,480,065 | 89,765,770 | 1,825,685 | 227,024,218 | 23,311,319 | 3,127,760 | 1,228,211 | 1,446,677 | 307,063 |
| DEPRECIATION | | | | | | | | | |
| As at 01/04/2016 | - | 28,804,982 | 782,777 | 69,367,212 | 18,364,474 | 935,346 | 668,196 | 993,019 | - |
| Charge for the year | - | 3,795,932 | 54,691 | 13,275,929 | 1,981,814 | 215,138 | 162,813 | 175,552 | - |
| Add Back | - | - | - | - | 1,369,302 | - | - | - | - |
| As at 31/03/2017 | - | 32,600,914 | 837,468 | 82,643,141 | 18,976,986 | 1,150,484 | 831,009 | 1,168,571 | - |
| Charge for the year | - | 4,907,179 | 50,086 | 15,122,204 | 1,252,960 | 307,434 | 124,931 | 95,581 | 58,240 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2018 | - | 37,508,093 | 887,554 | 97,765,345 | 20,229,946 | 1,457,918 | 955,940 | 1,264,152 | 58,240 |
| NET BLOCK | | | | | | | | | |
| As at 31/03/2017 | 19,480,065 | 36,344,776 | 117,630 | 103,970,919 | 4,334,332 | 644,261 | 296,421 | 182,171 | - |
| As at 31/03/2018 | 19,480,065 | 52,257,677 | 938,132 | 129,258,873 | 3,081,372 | 1,669,842 | 272,271 | 182,525 | 248,823 |
| Capital Work-in-Progress | | | | | | | | | |
| As at 01/04/2016 | - | - | - | 657,381 | - | - | - | - | - |
| Additions | - | 15,839,288 | - | 26,969,179 | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2017 | - | 15,839,288 | - | 27,626,560 | - | - | - | - | - |
| Additions | - | 4,980,791 | - | 16,503,121 | - | - | - | - | - |
| Disposals | - | 20,820,079 | - | 40,410,158 | - | - | - | - | - |
| As at 31/03/2018 | - | - | - | 3,719,524 | - | - | - | - | - |

Contd. 6

KRITIKA WIRES LIMITED
(FORMERLY KRITIKA WIRES PRIVATE LIMITED)
(CIN: U27102WB2004PLC098699)

: 6 :

Assessment Year : 2018 - 2019

NC NOTE ' 11 ' OF FIXED ASSETS ANNEXED TO AND FORMING PART OF STATEMENT OF ACCOUNT AS ON 31ST MARCH, 2018 Contd.....

| Particulars | Motor Car | Motorcycle | Fire Fighting | Pollution Control Eq. | Tools & Tackles | CCTV | Labour Rest Room | Office Building | Total |
|---------------------------------|-----------|------------|---------------|-----------------------|-----------------|---------|------------------|-----------------|-------------|
| GROSS BLOCK | | | | | | | | | |
| As at 01/04/2016 | 1,435,006 | 67,000 | 15,395 | 10,655,615 | 1,055,048 | 37,365 | 3,613,484 | 5,511,608 | 314,394,361 |
| Additions | 5,338,018 | - | - | - | - | 252,832 | - | - | 19,104,778 |
| Disposals | - | - | - | - | - | - | - | - | 1,938,619 |
| As at 31/03/2017 | 6,773,024 | 67,000 | 15,395 | 10,655,615 | 1,055,048 | 290,197 | 3,613,484 | 5,511,608 | 331,560,520 |
| Additions | - | - | - | - | - | 64,134 | - | - | 64,001,753 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2018 | 6,773,024 | 67,000 | 15,395 | 10,655,615 | 1,055,048 | 354,331 | 3,613,484 | 5,511,608 | 395,562,273 |
| DEPRECIATION | | | | | | | | | |
| As at 01/04/2016 | 1,289,624 | 57,251 | 14,625 | 6,283,721 | 629,845 | 35,359 | 674,881 | 1,454,829 | 130,356,142 |
| Charge for the year | 1,892,972 | 2,543 | - | 838,352 | 78,144 | 60,170 | 142,986 | 185,305 | 22,862,341 |
| Add Back | - | - | - | - | - | - | - | - | 1,369,302 |
| As at 31/03/2017 | 3,182,596 | 59,794 | 14,625 | 7,122,073 | 707,989 | 95,529 | 817,867 | 1,640,134 | 151,849,181 |
| Charge for the year | 1,250,971 | 1,880 | - | 677,590 | 63,770 | 102,159 | 136,029 | 181,535 | 24,332,549 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2018 | 4,433,567 | 61,674 | 14,625 | 7,799,663 | 771,759 | 197,688 | 953,896 | 1,821,669 | 176,181,730 |
| NET BLOCK | | | | | | | | | |
| As at 31/03/2017 | 3,590,428 | 7,206 | 770 | 3,533,542 | 347,059 | 194,668 | 2,795,617 | 3,871,474 | 179,711,339 |
| As at 31/03/2018 | 2,339,457 | 5,326 | 770 | 2,855,952 | 283,289 | 156,643 | 2,659,588 | 3,689,939 | 219,380,543 |
| Capital Work-in-Progress | | | | | | | | | |
| As at 01/04/2016 | - | - | - | - | - | - | - | - | 657,381 |
| Additions | - | - | - | - | - | - | - | - | 42,808,467 |
| Disposals | - | - | - | - | - | - | - | - | - |
| As at 31/03/2017 | - | - | - | - | - | - | - | - | 43,465,848 |
| Additions | - | - | - | - | - | - | - | - | 21,483,912 |
| Disposals | - | - | - | - | - | - | - | - | 61,230,237 |
| As at 31/03/2018 | - | - | - | - | - | - | - | - | 3,719,524 |

Contd. 7

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 7 :

| | | <u>31-Mar-2018</u> | | <u>31-Mar-2017</u> |
|-----------|---|-----------------------|-----------------------------|--------------------|
| 10 | <u>SHORT TERM PROVISIONS</u> | | | |
| | For Income Tax | 37,727,498 | | 11,712,710 |
| | For Gratuity | 340,926 | | - |
| | | <u>38,068,424</u> | | <u>11,712,710</u> |
| 12 | <u>NON-CURRENT INVESTMENTS</u> | | | |
| | a) <u>Investment in Property</u> | | | |
| | Art & Painting | 170,000 | | - |
| | Flat | 7,047,445 | | 7,047,445 |
| | Office | 6,082,732 | | 6,082,732 |
| | | <u>13,300,177</u> | | <u>13,130,177</u> |
| | b) <u>Investment in Mutual Fund (Quoted)</u> | | | |
| | Baroda Pioneer ELSS' 96 | 8254.230 200,000 | No. of Units 8254.230 | 200,000 |
| | SBI Duel Advance Fund - series XVI (G) | 750000 7,500,000 | 750000 | 7,500,000 |
| | SBI Duel Advance Fund - series XXIII (G) | 1000000 10,000,000 | - | - |
| | | <u>17,700,000</u> | | <u>7,700,000</u> |
| | c) Market Value of Quoted Mutual Fund | 19,002,713 | | 8,222,691 |
| | d) Total (a + b) | <u>31,000,177</u> | | <u>20,830,177</u> |
| 13 | <u>LONG TERM LOANS & ADVANCES</u> | | | |
| | (Unsecured & considered good) | | | |
| | Security Deposits | 170,246 | | 170,246 |
| | | <u>170,246</u> | | <u>170,246</u> |
| 14 | <u>INVENTORIES</u> | | | |
| | (As Valued & Certified by the Management) | | | |
| | Raw Materials (At Cost) | 139,445,719 | | 91,269,732 |
| | Work in Progress | 23,181,539 | | 52,793,929 |
| | Finished Goods (At Cost or Market price whichever is lower) | 68,470,128 | | 53,965,074 |
| | Scrap (At Realisable value) | 1,105,682 | | 716,930 |
| | Stores & Spares | 39,872,093 | | 9,404,005 |
| | | <u>272,075,160</u> | | <u>208,149,670</u> |
| 15 | <u>TRADE RECEIVABLES</u> | | | |
| | (Unsecured & Considered good) | | | |
| | More Than Six Months | 91,240,695 | | 100,517,051 |
| | Others | 631,353,951 | | 443,437,732 |
| | | <u>722,594,646</u> | | <u>543,954,783</u> |
| 16 | <u>CASH & CASH EQUIVALENTS</u> | | | |
| | Cash on hand (As Certified by the Management) | 6,067,135 | | 7,714,971 |
| | Balance with Schedule Bank | 161,883 | | 162,532 |
| | FD with Bank (Incl. Int Accrued) | 72,165,976 | | 60,843,332 |
| | | <u>78,394,994</u> | | <u>68,720,835</u> |
| 17 | <u>SHORT TERM LOANS & ADVANCES</u> | | | |
| | (Recoverable in Cash or in kind, Unsecured, Considered Goods) | | | |
| | Security Deposit | 12,268,803 | | 14,447,829 |
| | Advance Tax & Duties | 62,264,197 | | 37,519,328 |
| | Advances for Capital Goods | 1,200,000 | | 5,308,102 |
| | Advances to Suppliers | 7,212,414 | | 35,732,901 |
| | Advances to Others | 1,928,440 | | 6,883,807 |
| | | <u>84,873,854</u> | | <u>99,891,966</u> |

Contd. 8

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 8 :

| | | <u>31-Mar-2018</u> | | <u>31-Mar-2017</u> |
|-----------|--|----------------------|--|----------------------|
| 18 | <u>OTHER CURRENT ASSETS</u> | | | |
| | Pre-Paid Expenses | 300,098 | | 130,000 |
| | | <u>300,098</u> | | <u>130,000</u> |
| 19 | <u>REVENUE FROM OPERATION</u> | | | |
| | a) <u>Sale of Products (Wires)</u> | | | |
| | Gross Sales | 2,951,158,355 | | 2,232,475,973 |
| | Less: Excise Duty & GST | 396,757,074 | | 189,995,986 |
| | | <u>2,554,401,281</u> | | <u>2,042,479,987</u> |
| | b) <u>Sales of Service</u> | | | |
| | Conversion Charges | 357,113 | | 11,399,943 |
| | | <u>357,113</u> | | <u>11,399,943</u> |
| | c) Total (a+b) | <u>2,554,758,394</u> | | <u>2,053,879,930</u> |
| 20 | <u>OTHER INCOME</u> | | | |
| | Export Incentive | 3,642,690 | | 2,631,559 |
| | Exchange Flactuation | 5,016,534 | | 1,985,099 |
| | Profit on Sale of Assets | - | | 311,664 |
| | Interest Earned | 12,754,370 | | 10,309,512 |
| | Dividend Income | 26,826 | | 20,636 |
| | Other Income | 2,732,694 | | 1,725,050 |
| | | <u>24,173,114</u> | | <u>16,983,520</u> |
| 21 | <u>COST OF MATERIAL CONSUMED</u> | | | |
| | <u>Raw Material Consumed</u> | | | |
| | Opening Stock | 91,269,732 | | 92,382,542 |
| | Add: Purchases | 1,836,362,667 | | 1,265,440,657 |
| | | <u>1,927,632,399</u> | | <u>1,357,823,199</u> |
| | Less : Closing Stock | 139,445,719 | | 91,269,732 |
| | | <u>1,788,186,681</u> | | <u>1,266,553,467</u> |
| 22 | <u>CHANGES IN INVENTORY OF FINISHED GOODS</u> | | | |
| | <u>WORK-IN-PROGRESS & STOCK-IN-TRADE</u> | | | |
| | Opening Stock | | | |
| | - Finished Goods | 54,682,004 | | 27,606,569 |
| | - Work In Progress | 52,793,929 | | 45,053,112 |
| | | <u>107,475,933</u> | | <u>72,659,681</u> |
| | Less: Closing Stock | | | |
| | - Finished Goods | 69,575,810 | | 54,682,004 |
| | - Work In Progress | 23,181,539 | | 52,793,929 |
| | | <u>92,757,349</u> | | <u>107,475,933</u> |
| | | <u>14,718,584</u> | | <u>(34,816,251)</u> |
| 23 | <u>EMPLOYEE BENEFITS EXPENSE</u> | | | |
| | Salary & Wages | 57,151,388 | | 28,139,902 |
| | Staff Welfare | 621,478 | | 284,666 |
| | Provision for Gratuity | 2,967,003 | | - |
| | | <u>60,739,869</u> | | <u>28,424,568</u> |
| 24 | <u>FINANCE COSTS</u> | | | |
| | <u>Interest Expense</u> | | | |
| | on Term Loan | 177,633 | | 253,176 |
| | on Cash Credit | 29,592,653 | | 26,327,475 |
| | on Packing Credit | 399,020 | | 74,143 |
| | on Loan | 8,504,575 | | 9,377,966 |
| | Other Borrowing Costs | 39,574,436 | | 25,819,852 |
| | | <u>78,248,317</u> | | <u>61,852,611</u> |

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 9 :

| | | <u>31-Mar-2018</u> | | <u>31-Mar-2017</u> |
|-----------|--|-----------------------|--|-----------------------|
| 25 | <u>DEPRECIATION & AMORTISATION EXPENSES</u> | | | |
| | Depreciation | 24,332,549 | | 22,862,341 |
| | | <u>24,332,549</u> | | <u>22,862,341</u> |
| 26 | <u>OTHER EXPENSES</u> | | | |
| | Consumable Stores Consumed | 31,000,203 | | 49,026,166 |
| | Repairs & Maintenance | 21,797,285 | | 12,662,710 |
| | Factory Expenses | 98,960 | | 133,282 |
| | Clearing & Forwarding Charges | 1,493,615 | | 918,363 |
| | Custom Duty | 177,247 | | 10,030,046 |
| | Power & Fuel Expenses | 67,772,060 | | 57,369,115 |
| | Carriage Inward | 33,805,631 | | 27,419,948 |
| | Conversion Charges | 9,086,864 | | 9,822,889 |
| | Insurance Charges | 429,230 | | 270,099 |
| | Security Charges | 689,106 | | 687,277 |
| | Bank Comission & Charges | 2,415,443 | | 2,204,878 |
| | Rent, Rates & Taxes | 3,942,145 | | 4,451,943 |
| | Audit Fees | | | |
| | - Statutory Audit | 80,000 | | 54,625 |
| | - Tax Audit | 30,000 | | 28,750 |
| | - VAT Audit | - | | 8,625 |
| | Advertisement | 1,230,463 | | 991,546 |
| | Accounting Charges | - | | 48,000 |
| | Maintenance Charges | 818,082 | | 517,799 |
| | Travelling & Conveyance | 2,001,348 | | 1,537,625 |
| | Bad Debt | 4,565,994 | | 3,980,967 |
| | Key Man Insurance Charges | 1,866,480 | | - |
| | Car Expenses | 647,182 | | 487,567 |
| | Director's Remunerration | 960,000 | | 600,000 |
| | Demat Charges | 807 | | - |
| | Office Electricity Expenses | 64,740 | | 65,150 |
| | Legal & Professional Charges | 1,313,990 | | 960,142 |
| | Penalty | - | | 1,395,000 |
| | Printing, Stationery & Postage | 582,125 | | 345,890 |
| | Membership & Subscription | 228,312 | | 607,542 |
| | General Expenses | 348,080 | | 275,585 |
| | Computer Expenses | 146,434 | | 87,892 |
| | LD Charges | 926,509 | | 10,696,215 |
| | Telephone Charges | 386,505 | | 357,848 |
| | Laboratory Testing Charges | 563,339 | | 1,004,190 |
| | Return & ROC Filling Fee | 805,200 | | 2,950 |
| | Carriage Outward | 22,015,093 | | 4,141,695 |
| | Sales Promotion | 449,983 | | - |
| | Brokerage & Commission | 2,077,778 | | 814,144 |
| | Quality Discount & Rebate | 88,467 | | - |
| | Repair & Maintenance-Office | 936,100 | | 196,107 |
| | | <u>215,840,799</u> | | <u>204,202,570</u> |
| 27 | <u>EARNING PER SHARE</u> | | | |
| | Profit After Tax (PAT) | 50,798,530 | | 23,184,062 |
| | No. of Equity Shares | 12940000 | | 6470000 |
| | Earning Per Share (EPS) | 3.93 | | 3.58 |
| 28 | <u>CONTIGENT LIABILITY</u> | <u>(Rs. In Lakhs)</u> | | <u>(Rs. In Lakhs)</u> |
| | <u>Liability not accounted as debts:-</u> | | | |
| | Gurantee given by bank on behalf of company | 1,851.13 | | 256.26 |

Contd.10

29 RELATED PARTY DISCLOSURE

Related Party disclosure as identified by the management in accordance with the AS - 18 are as follows:

i) List of the Related Party where control exists and related parties with whom transaction have taken place and relationship:

a) Associates

Gunnayak Commercial Pvt. Ltd.

b) Key Managerial Personnel

- 1) Sri Naresh Kumar Agarwal
- 2) Sri Sanjeev Kumar Binani
- 3) Sri Hanuman Prasad Agarwal (w.e.f. 06th March' 2018)
- 4) Sri Ankush Agarwal (w.e.f. 06th March' 2018)
- 5) Sri Mahesh Kumar Sharma (Company Secretary)

c) Enterprises owned or significantly influenced by Key Managerial Person and their Relative (others)

Alltime Suppliers Pvt. Ltd.
Classic Electrodes (I) Ltd.
Jai Hanuman Industrial Corporation
Mohta Agencies Pvt. Ltd.
Panchshul Merchants Pvt. Ltd.
R A Computech Investment & Consultant Pvt. Ltd.
Sangeeta Agarwal
Khushboo Agarwal

Note: Related Party transaction is as identified by the company and relied upon by the auditor

ii) Transaction with Related Parties during the year:

| <u>Nature of Transaction</u> | <u>Associates</u> | <u>Key Managerial Personnel</u> | <u>Others</u> |
|---|--------------------------|---------------------------------|------------------------------|
| Sales | NIL (NIL) | NIL (NIL) | 16,045,290 (NIL) |
| Purchases | NIL (NIL) | NIL (NIL) | 495,871,129 (303,819,279) |
| Conversion Charges Paid | NIL (NIL) | NIL (NIL) | 339,686 (973,100) |
| Conversion Charges Received | NIL (NIL) | NIL (NIL) | 379,490 (2,196,933) |
| Interest Paid | 1,306,500 (1,247,108) | NIL (NIL) | 1,764,319 (3,661,626) |
| Remuneration to Key Managerial Person | NIL (NIL) | 2,634,780 (864,000) | NIL (NIL) |
| Salary to Relative of Key Managerial Person | NIL (NIL) | NIL (NIL) | 1,620,000 (NIL) |
| Un-Secured Loan Taken | NIL (NIL) | NIL (NIL) | 2,750,000 (3,700,000) |
| Un-Secured Loan Re-Payment | 12,123,078 (773,902) | NIL (NIL) | 4,091,712 (35,100,000) |

iii) Balances with Related Party at the end of the year:

| | | | |
|----------------|---------------------|--------------|-----------------------------|
| Trade Payables | NIL (NIL) | NIL (NIL) | 123,835,834 (61,083,407) |
| Unsecured Loan | NIL (10,947,228) | NIL (NIL) | 12,108,458 (13,280,874) |

Note: Figures in the bracket related to the previous year.

KRITIKA WIRES LIMITED
(Formerly Kritika Wires Private Limited)
(CIN: U27102WB2004PLC098699)

: 11 :

| | | <u>31-Mar-2018</u> | | <u>31-Mar-2017</u> |
|---|--|--|---|--|
| 30 | <u>FOREIGN EXCHANGE TRANSCATION</u> <u>Value of Import on FOB Basis in respect of:</u> - Capital Goods - Trading Goods - Raw Material <u>Earning in Foreign</u> - Export of Goods <u>Expenditure Incurred in Foreign Currency</u> - Foreign Travel Expenses - Other Expenses | NIL NIL 132,240,004 185,045,889 NIL NIL | | NIL NIL 162,252,048 169,300,561 NIL NIL |
| 31 | <u>Value of Imported/Indigenous Raw Materials, Spare Parts, Components and stores & there percentage</u> <u>Raw Material</u> Imported 7.20% Indiginious 92.80% <u>Stores</u> Imported 0.00% Indiginious 100% | 132,240,004 1,704,122,663 NIL 61,468,291 | 12.82% 87.18% 0.00% 100% | 162,252,048 1,103,188,609 NIL 45,621,501 |
| 32 | <u>BALANCE SUBJECT TO CONFIRMATION</u> Trade Receivables/Advances / Deposits/ Trade Payable are subject to confirmation. | | | |
| 33 | The Company has identified two manufacturing facilities at Sankrail Industrial Park, Jangalpur,Vill & PO. Kanduah, Howrah - 711302 as its cash generating units and carried out test for impairment of Assets on the basis of indications set out in Accounting Standard - 28 "Accounting for Impairments of Assets" at the Balance Sheet date. The company did not find any Impairment in its Assets as on 31st March 2018. | | | |
| 34 | The amount have been rounded of to the nearest Rupee. | | | |
| 35 | Previous Year's figure are being regrouped and rearranged wherever necessary. | | | |
| IN TERMS OF OUR REPORT OF EVEN DATE | | For & on behalf of Board | | |
| <i>For S. K. BHARTIA & ASSOCIATES</i> <i>Chartered Accountants</i> | | Sd/- N. K. Agarwal (Chirman & WTD) (DIN: 01020334) | Sd/- H. P. Agarwal (Managing Director) (DIN: 00654218) | |
| (S.K. Bhartia) Partner M. No. 056742 Firm no. 322565E | | Sd/- Mahesh Sharma (Company Secratry) | | |
| Place: Kolkata Date: 31st August'2018 | | | | |