



## Independent Auditor's Report

To  
The Members of PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

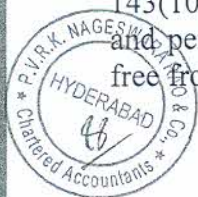
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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. 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, 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 financial statements based on our 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2017, its loss and its cash flows for the period ended on that date.

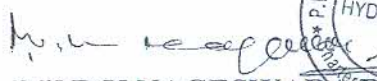

### Report on Other Legal and Regulatory Requirements

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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
  - d. In our opinion, the aforesaid 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 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31<sup>st</sup> March, 2017 which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31<sup>st</sup> March, 2017;
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note No. 6.2.7.

For P V R K NAGESWARA RAO & CO.,  
Chartered Accountants  
Firm's Registration Number: 002283S

  
  
P V R K NAGESWARA RAO  
Partner  
Membership Number: 18840

HYDERABAD  
22.05.2017

Annexure A to Independent Auditor's Report

Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date

- 1 The company does not own any fixed assets. Therefore, the provisions of Clause 3(i)(a), (i)(b) and (i)(c) of the said Order are not applicable to the Company.
- 2 The Company does not hold any inventory as at 31<sup>st</sup> March, 2107. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- 4 The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- 5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- 6 The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- 7 (a) According to the records of the Company and as per the information and explanations given to us and confirmed by management of the Company, the provisions of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues are not applicable to the company for this period.  
  
(b) According to the records of the company and as per the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute as on 31<sup>st</sup> March, 2017.
- 8 As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- 9 The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.



Chartered Accountants

- 11 The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 12 As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 13 The Company has not entered into transactions with related parties during the period. Accordingly, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15 The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

HYDERABAD  
25.05.2017

For P V R K NAGESWARA RAO & Co.,  
Chartered Accountants

Firm's Registration Number: 002283S



P V R K NAGESWARA RAO

Partner

Membership Number: 18840



**Annexure B to Independent Auditor's Report**  
**Referred to in Paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**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 **PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED** ("the Company") as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the period 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls 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 31<sup>st</sup> March, 2017, 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.

HYDERABAD  
22.05.2017

For P V R K NAGESWARA RAO & Co.,  
Chartered Accountants

Firm's Registration Number: 002283S

  
P V R K NAGESWARA RAO

Partner

Membership Number: 18840

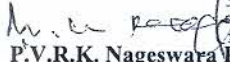


PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note No.	(Amount in Rupees)	
			As at 31st March, 2017
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	1,00,000	
Reserves and surplus	2	(41,983)	58,017
<b>Current liabilities</b>			
Other current liabilities	3		17,200
<b>Total</b>			<u>75,217</u>
<b>Assets</b>			
<b>Current assets</b>			
Cash and bank balances	4		75,217
<b>Total</b>			<u>75,217</u>
<b>Summary of Significant Accounting Policies and Other Explanatory Information</b>	6		

As per our report of even date  
For P.V.R.K. Nageswara Rao & Co.,  
Chartered Accountants  
Firm's Registration Number: 0022835

  
P.V.R.K. Nageswara Rao  
Partner  
Membership Number: 18840



  
Dr. A.N.Gupta  
Director

  
T.V.Chowdary  
Director

Secunderabad  
22.05.2017



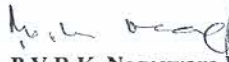
PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

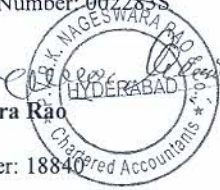
Statement of Profit and Loss for the period ended 31st March, 2017

Particulars	Note No.	(Amount in Rupees) For the period ended 31st March, 2017
<b>Revenue</b>		
Revenue from operations		-
Total revenue		-
<b>Expenses</b>		
Other expenses	5	41,983
Total expenses		<u>41,983</u>
<b>Loss before tax</b>		(41,983)
<b>Tax expense</b>		-
<b>Loss after tax</b>		(41,983)
<b>Earnings/(Loss) per equity share</b> (Face value: Rs.10/- per share)		
Basic/Diluted - Rs.		(5.89)


**Summary of Significant Accounting Policies and Other Explanatory Information** 6

As per our report of even date  
For P.V.R.K. Nageswara Rao & Co.,  
Chartered Accountants  
Firm's Registration Number: 002283S

  
P.V.R.K. Nageswara Rao  
Partner  
Membership Number: 18840



  
Dr. A.N. Gupta  
Director

  
T.V. Chowdary  
Director

Secunderabad  
22.05.2017

PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED



Cash Flow Statement for the period ended 31st March, 2017

PARTICULARS	(Amount in Rupees)	
	For the period ended 31st March, 2017	
<b>A Net cash flow from operating activities</b>		
Loss before tax for the year		(41,983)
Add / (Less) : Adjustments for Working Capital Changes:		
Increase in Other Current Liabilities		17,200
<b>Total</b>	<b>A</b>	<b>(24,783)</b>
<b>B Cash flow from financing activities</b>		
Proceeds from issue of equity shares		1,00,000
<b>Total</b>	<b>B</b>	<b>100,000</b>
<b>C Cash and cash equivalents as at the end of the year</b>		
Net Increase in cash and cash equivalents	<b>(A+B)</b>	75,217
<b>Total</b>	<b>C</b>	<b>75,217</b>


Note:

- 1 The above cash flow statement has been prepared under the indirect method set out in Accounting Standard -3 "Cash flow statements" .
- 2 Summary of significant accounting policies and other explanatory information (Note No.6) form an integral part of the Cash Flow Statement.

As per our report of even date  
For P.V.R.K. Nageswara Rao & Co.,  
Chartered Accountants  
Firm's Registration Number: 0022835

  
  
P.V.R.K. Nageswara Rao  
Partner  
Membership Number: 18840

  
Dr. A.N.Gupta  
Director

  
T.V.Chowdary  
Director

Secunderabad  
22.05.2017

PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

Notes to Balance sheet		(Amount in Rupees)
Note No.	Particulars	As at 31st March, 2017

<b>1 Share capital</b>		
<b>Authorised</b>		
50,000 Equity shares of Rs.10/- each		5,00,000
		<u>5,00,000</u>
<b>Issued</b>		
10,000 Equity shares of Rs.10/- each		1,00,000
		<u>1,00,000</u>
<b>Subscribed and fully paid up</b>		
10,000 Equity shares of Rs.10/- each		1,00,000
		<u>1,00,000</u>

**Reconciliation of the number of equity shares outstanding and amount of share capital is set out below:**

Particulars	As at 31st March, 2017	
	Number	Amount
Equity Shares outstanding at the beginning of the period	-	-
Add: Equity Shares issued during the period	10,000	1,00,000
Equity Shares outstanding at the end of the period	10,000	1,00,000

**Shares held by Holding Company:**

10,000 Equity Shares of Rs.10/- each fully paid up held by Premier Explosives Limited (Holding Company)

**Details of shareholders holding more than 5% Equity Shares is set out below:**

Name of the shareholder	As at 31st March, 2017	
	No. of shares held	% of share holding
Premier Explosives Limited	10,000	100.00%

**Terms/rights attached to equity shares:**

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

<b>2 Reserves and surplus</b>		
Balance in statement of profit and loss [(Surplus/(Deficit))]		
Loss as per statement of profit and loss		(41,983)
		<u>(41,983)</u>
<b>3 Other current liabilities</b>		
Creditors for expenses		17,200
		<u>17,200</u>
<b>4 Cash and bank balances</b>		
Balance with banks		
In Current account		75,217
		<u>75,217</u>



*Prakash Chandra*

PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

Notes to Statement of profit and loss (Amount in Rupees)  
 For the period ended 31st March, 2017

Note No.	Particulars	
<b>5</b>	<b>Other expenses</b>	
	Rates and taxes, excluding taxes on income	580
	Payments to auditors: as auditors	11,500
	Professional charges	14,662
	Preliminary expenses written off	15,120
	Bank charges	121
		<u>41,983</u>



*[Handwritten signature]*

## 6 Summary of Significant Accounting Policies and Other Explanatory Information

### 6.1 Summary of significant accounting policies

#### 1 Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, other relevant provisions of the Act and other pronouncements of the Institute of Chartered Accountants of India.

The financial statements are presented in Indian rupees rounded off to the nearest rupee. These financial statements cover the period from 15th July, 2016 to 31st March, 2017. There are no previous year figures as this is the first year of the Company.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of proposed products and expected time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

#### 2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

#### 3 Provisions, Contingent liabilities and Contingent assets

- (i) Provisions, involving substantial degree of estimation in measurement, are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
- (ii) Contingent liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognised but are disclosed in the Notes to the financial statements.
- (iii) Contingent assets are neither recognised nor disclosed in the financial statements.

#### 4 Earnings per share

- (i) The basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- (ii) For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 5 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.



PELNEXT DEFENCE SYSTEMS PRIVATE LIMITED

6 Summary of Significant Accounting Policies and Other Explanatory Information

6.2 Other explanatory information

1 Corporate information

PELNEXT Defence Systems Private Limited has been incorporated as a wholly owned subsidiary of Premier Explosives Limited to manufacture defence products and the Company is yet to commence operations.

2 There are no Contingent liabilities and commitments as at 31st March, 2017.

3 There are no dues to micro and small enterprises as at 31st March, 2017.

4 Details of related parties (Accounting Standard 18)

S.No.	Nature of relationship	Related party
1	Holding Company	Premier Explosives Limited

5 Details of transactions with the related parties (Amount in Rupees)

S. No.	Related party / Nature of transaction	2016-17	
		Amount of Transaction	Amount Outstanding
1	Holding Company		5,300
	Investment in Equity shares	1,00,000	credit
	Reimbursement of payment of expenses	5,300	

6 Calculation of Earnings/(Loss) per share

		Period ended 31st March, 2017
Profit/(Loss) attributable to the equity shareholders (Rs. )	(A)	(41,983)
Basic / weighted average number of equity shares outstanding during the year	(B)	7123
Face value of each equity share (Rs.)		10
Earnings/(Loss) per share (Rs.)	(A) / (B)	(5.89)

7 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBNs	Other denomination notes	(Amount in Rupees)
			Total
Closing cash in hand as on 08.11.2016	Nil	Nil	Nil
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 30.12.2016	Nil	Nil	Nil

As per our report of even date  
For P.V.R.K. Nageswara Rao & Co.,  
Chartered Accountants  
Firm's Registration Number: 002283S

P.V.R.K. Nageswara Rao  
Partner  
Membership Number: 18840



Dr. A.N.Gupta  
Director

T.V.Chowdary  
Director

Secunderabad  
22.05.2017



## Independent Auditor's Report

To  
The Members of PREMIER WIRE PRODUCTS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **PREMIER WIRE PRODUCTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance 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. 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, 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 financial statements based on our 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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, 2017, its profit and its 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



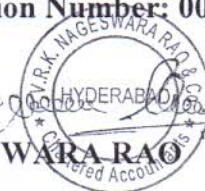


- e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at 31<sup>st</sup> March, 2017 which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2017;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March, 2017;
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No.25.2.16.

**For P V R K NAGESWARA RAO & CO.,  
Chartered Accountants  
Firm's Registration Number: 002283S**

*P. V. R. K. Nageswara Rao*

**P V R K NAGESWARA RAO  
Partner  
Membership Number: 18840**



**HYDERABAD  
22.05.2017**

Annexure A to Independent Auditor's Report  
Referred to in Paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date


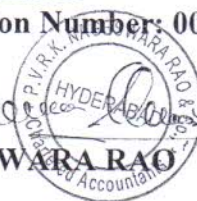
- 1 (a) The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) The fixed assets have been physically verified by the management according to the phased programme designed to cover all the fixed assets on rotation basis. In respect of fixed assets verified according to this programme, which is considered reasonable, no material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2 The inventories of the company have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on physical verification of stocks as compared to book records, which in our opinion were not material, have been properly dealt with in the books of account.
- 3 The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.
- 4 The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, the provisions of Clause 3(iv) of the Order are not applicable to the Company.
- 5 The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- 6 The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- 7 (a) According to the records of the Company and as per the information and explanations given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of excise, value added tax, cess and any other statutory dues applicable to it with appropriate authorities and in respect of these statutory dues, there are no outstanding dues as on 31.03.2017 which are outstanding for a period of more than six months from the date they became payable. As confirmed by the Company, the provisions of employee's state insurance and duty of customs are not applicable to the company for this year.  
(b) According to the records of the company and as per the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute as on 31<sup>st</sup> March, 2017.



- 8 According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. There was no amount raised by the Company through the issue of Debentures.
- 9 The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- 10 During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11 The Company has not paid or provided any managerial remuneration during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- 12 As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- 13 The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- 14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15 The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- 16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

HYDERABAD  
22.05.2017

For P V R K NAGESWARA RAO & Co.,  
Chartered Accountants  
Firm's Registration Number: 002283S

  
  
P V R K NAGESWARA RAO  
Partner  
Membership Number: 18840

**Annexure B to Independent Auditor's Report**  
**Referred to in Paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date**

**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 **PREMIER WIRE PRODUCTS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2017 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls 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 31<sup>st</sup> March, 2017, 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.

HYDERABAD  
22.05.2017

**For P V R K NAGESWARA RAO & Co.,  
Chartered Accountants**

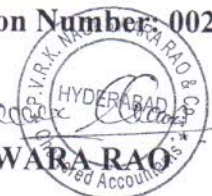
**Firm's Registration Number: 002283S**

*P.V.R.K. Nageswara Rao*

**P V R K NAGESWARA RAO**

**Partner**

**Membership Number: 18840**




**PREMIER WIRE PRODUCTS LIMITED**


**Balance Sheet** as at 31st March, 2017


(Amount in Rupees)

Particulars	Note No.	As at	
		31st March, 2017	31st March, 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	1	6,50,00,000	6,50,00,000
Reserves and surplus	2	<u>2,09,54,557</u>	<u>11,15,368</u>
		<b>8,59,54,557</b>	<b>6,61,15,368</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	3	22,66,528	18,69,827
Other long-term liabilities	4	50,000	50,000
Long-term provisions	5	<u>9,06,060</u>	<u>12,79,046</u>
		<b>32,22,588</b>	<b>31,98,873</b>
<b>Current liabilities</b>			
Short-term borrowings	6	1,10,155	-
Trade payables:			
Total outstanding dues of micro and small enterprises (Refer note no.25.2.7)		-	-
Total outstanding dues of creditors other than micro and small enterprises		7,21,938	10,73,517
Other current liabilities	7	44,09,731	38,30,727
Short-term provisions	8	<u>6,23,177</u>	<u>2,52,109</u>
		<b>58,65,001</b>	<b>51,56,353</b>
<b>Total</b>		<b><u>9,50,42,146</u></b>	<b><u>7,44,70,594</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	5,20,14,289	3,94,01,196
Long-term loans and advances	10	47,78,053	42,61,404
Other non-current assets	11	<u>1,00,800</u>	<u>1,34,400</u>
		<b>5,68,93,142</b>	<b>4,37,97,000</b>
<b>Current assets</b>			
Inventories	12	1,51,21,788	1,18,75,505
Trade receivables	13	2,06,06,236	1,43,48,891
Cash and bank balances	14	1,06,636	28,22,877
Short-term loans and advances	15	15,55,464	8,65,985
Other current assets	16	<u>7,58,880</u>	<u>7,60,336</u>
		<b>3,81,49,004</b>	<b>3,06,73,594</b>
<b>Total</b>		<b><u>9,50,42,146</u></b>	<b><u>7,44,70,594</u></b>
<b>Summary of Significant Accounting Policies and Other Explanatory Information</b>	25		

As per our report of even date  
**For P.V.R.K. Nageswara Rao & Co.,**  
 Chartered Accountants  
 Firm's Registration Number: 0022338  
  
**P.V.R.K. Nageswara Rao**  
 Partner  
 Membership Number: 48840



  
**T.V. Chowdary**  
 Director

  
**Dr. (Mrs.) Kailash Gupta**  
 Director

Secunderabad  
 22.05.2017

**PREMIER WIRE PRODUCTS LIMITED**

**Statement of Profit and Loss for the year ended 31st March, 2017**

**(Amount in Rupees)**

Particulars	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>Revenue</b>			
Revenue from operations			
Sale of products		12,74,59,393	9,99,33,12
Sale of services	17	1,44,825	2,82,15
Other operating revenues	18	22,86,294	16,08,41
		<u>12,98,90,512</u>	<u>10,18,23,68</u>
Less: Excise duty		1,44,78,640	1,13,63,09
		<u>11,54,11,872</u>	<u>9,04,60,59</u>
Other income	19	7,12,650	12,24,09
Total revenue		<u>11,61,24,522</u>	<u>9,16,84,68</u>
<b>Expenses</b>			
Cost of raw materials consumed	20	6,34,44,435	4,46,09,14
Changes in inventories of finished goods, work-in-progress and scrap	21	(5,26,732)	4,882,21
Employee benefits expense	22	1,33,23,280	1,21,72,30
Finance costs	23	6,65,261	5,50,53
Depreciation	09	29,89,956	30,93,48
Other expenses	24	3,35,16,973	2,51,52,88
		<u>11,34,13,173</u>	<u>9,04,60,56</u>
Total expenses		<u>11,34,13,173</u>	<u>9,04,60,56</u>
<b>Profit before tax</b>		<b>27,11,349</b>	<b>12,24,12</b>
<b>Tax expense</b>			
Current tax		5,70,000	2,60,000
Deferred tax		3,96,701	1,15,707
Income tax adjustments		15,798	-
Mat credit entitlement		(5,16,649)	(2,33,256)
		<u>4,65,850</u>	<u>1,42,45</u>
<b>Profit after tax</b>		<b>22,45,499</b>	<b>10,81,67</b>

**Earnings per equity share**

(Face value: Rs.10/- per share)

Basic/Diluted - Rs.

0.42

0.62

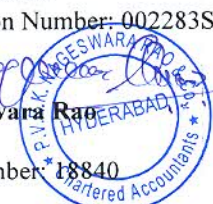
**Summary of Significant Accounting Policies and Other**

**Explanatory Information**

25

As per our report of even date  
For **P.V.R.K. Nageswara Rao & Co.,**  
Chartered Accountants  
Firm's Registration Number: 002283S

**P.V.R.K. Nageswara Rao**  
Partner  
Membership Number: 18840



*T.V. Chowdary*  
**T.V. Chowdary**  
Director

*Kailash Gupta*  
**Dr. (Mrs.) Kailash Gupta**  
Director

Secunderabad  
22.05.2017

**PREMIER WIRE PRODUCTS LIMITED**

**Cash Flow Statement for the year ended 31st March, 2017**

(Amount in Rupees)

PARTICULARS	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>I Net cash flow from operating activities</b>		
Profit before tax for the year	27,11,349	12,24,124
Add/ (Less) : Adjustments for:		
Depreciation	29,89,956	30,93,481
Interest Expense	3,24,912	3,56,755
Book deficit on assets discarded	20,60,567	2,10,961
Bad debts written off	41,900	-
Provision for liabilities no longer required, written back	(5,00,053)	(9,64,080)
Interest Income	(1,62,872)	(1,31,456)
	<u>47,54,410</u>	<u>25,65,661</u>
	74,65,759	37,89,785
Add / (Less) : Adjustments for Working Capital Changes:		
(Increase) / Decrease in Other non-current assets	33,600	(1,34,400)
(Increase) / Decrease in Inventories	(32,46,283)	88,19,009
(Increase) in Trade Receivables	(62,99,245)	(1,14,75,012)
(Increase) / Decrease in Short Term Loans and Advances	(6,94,638)	7,06,373
Decrease in Other current assets	-	54,96,530
Increase / (Decrease) in Long Term Provisions	(3,72,986)	1,36,305
Increase / (Decrease) in Trade Payables	(3,51,579)	1,96,105
Increase in Other Current Liabilities	10,79,057	50,739
Increase in Short Term Provisions	41,037	1,049
	<u>(98,11,037)</u>	<u>37,96,698</u>
Cash generated from operations	(23,45,278)	75,86,483
Less : Direct taxes paid	2,50,608	5,647
<b>Total A</b>	<u>(25,95,886)</u>	<u>75,80,836</u>
<b>II Cash flow from investing activities</b>		
Purchase of Fixed assets	(69,926)	(9,86,057)
Interest Received	1,64,328	1,31,395
<b>Total B</b>	<u>94,402</u>	<u>(8,54,662)</u>
<b>III Cash flow from financing activities</b>		
Proceeds from issue of equity shares	4,75,00,000	-
Redemption of 11% Redeemable, Non-Convertible & Cumulative preference shares	(4,75,00,000)	-
Proceeds / (Repayment) of Short Term Borrowings	110,155	(38,64,603)
Interest Paid	(3,24,912)	(3,56,755)
<b>Total C</b>	<u>(2,14,757)</u>	<u>(42,21,358)</u>
<b>IV Cash and cash equivalents as at the end of the year</b>		
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	(27,16,241)	25,04,816
Cash and Cash Equivalents as at the beginning of the year	28,22,877	3,18,061
<b>Total D</b>	<u>1,06,636</u>	<u>28,22,877</u>

**Note:**

- The above cash flow statement has been prepared under the indirect method set out in Accounting Standard -3 "Cash flow statements"
- Summary of significant accounting policies and other explanatory information (Note No.25) form an Integral part of the Cash Flow Statement
- Previous year figures have been regrouped / reclassified to conform to current year classification.

As per our report of even date

For **P.V.R.K. Nageswara Rao & Co.**

Chartered Accountants

Firm's Registration Number: 002283S

**P.V.R.K. Nageswara Rao**  
Partner

Membership Number: 18840

Secunderabad  
22.05.2017

  
**T.V. Chowdary**  
Director

  
**Dr. (Mrs.) Kailash Gupta**  
Director



**PREMIER WIRE PRODUCTS LIMITED**

Notes to Balance sheet		(Amount in Rupees)	
Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016

**1 Share capital**

**Authorised**

(i)	70,00,000 (Previous year:18,00,000) Equity shares of Rs.10/- each	7,00,00,000	1,80,00,000
(ii)	55,00,000 (Previous year: 55,00,000) 11% Redeemable,Non-Convertible & Cumulative preference shares of Rs.10/- each	5,50,00,000	5,50,00,000
		<b>12,50,00,000</b>	<b>7,30,00,000</b>

**Issued**

(i)	65,00,000 (Previous year :17,50,000)Equity shares of Rs.10/- each	6,50,00,000	1,75,00,000
(ii)	Nil (Previous year :47,50,000)11% Redeemable,Non-Convertible & Cumulative preference shares of Rs.10/- each	-	4,75,00,000
		<b>6,50,00,000</b>	<b>6,50,00,000</b>

**Subscribed and fully paid up**

(i)	65,00,000 (Previous year :17,50,000)Equity shares of Rs.10/- each	6,50,00,000	1,75,00,000
(ii)	Nil (Previous year :47,50,000)11% Redeemable,Non-Convertible & Cumulative preference shares of Rs.10/- each	-	4,75,00,000
		<b>6,50,00,000</b>	<b>6,50,00,000</b>

**Reconciliation of the number of equity shares outstanding and amount of share capital is set out below:**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Equity Shares outstanding at the beginning of the year	17,50,000	1,75,00,000	17,50,000	1,75,00,000
Add: Equity Shares issued during the year	47,50,000	4,75,00,000	-	-
Equity Shares outstanding at the end of the year	65,00,000	6,50,00,000	17,50,000	1,75,00,000

**Reconciliation of the number of 11% Cumulative Redeemable Preference Shares Outstanding and amount of share capital is set out below:**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Preference Shares outstanding at the beginning of the year	47,50,000	4,75,00,000	47,50,000	4,75,00,000
Less: Preference Shares redeemed during the year	47,50,000	4,75,00,000	-	-
Preference Shares outstanding at the end of the year	-	-	47,50,000	4,75,00,000

**Shares held by Holding Company:**

52,00,000 (Previous year: 4,50,000) Equity Shares of Rs.10/- each fully paid up held by Premier Explosives Limited (Holding Company)

**Details of shareholders holding more than 5% Equity Shares is set out below:**

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% of share holding	No. of shares held	% of share holding
Dr. (Mrs.) Kailash Gupta	5,95,000	9.15%	5,95,000	34.00%
Premier Explosives Limited	52,00,000	80.00%	4,50,000	25.71%
Dr. A.N.Gupta	3,55,000	5.46%	3,55,000	20.29%
A. N. Gupta HUF	1,85,000	2.85%	1,85,000	10.57%

**Details of Shareholders holdings more than 5 percent 11% Cumulative Redeemable Preference Shares is set out below:**

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares held	% of share holding	No. of shares held	% of share holding
Premier Explosives Limited	-	-	4,75,000	100%

**Terms/rights attached to equity shares:**

The company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

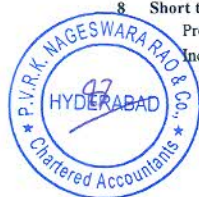


*[Handwritten signature]*



**PREMIER WIRE PRODUCTS LIMITED**

Notes to Balance sheet		(Amount in Rupees)	
Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>2</b>	<b>Reserves and surplus</b>		
	State Subsidy received	15,00,000	15,00,000
	General reserve		
	Amount transferred from statement of profit and loss	1,50,000	1,50,000
	Revaluation reserve (Refer Note No.25.2.4)	1,75,93,690	-
	Balance in statement of profit and loss (Surplus/(Deficit))		
	As per last account	(5,34,632)	(16,16,305)
	Add: Profit as per statement of profit and loss	22,45,499	10,81,673
		<u>2,09,54,557</u>	<u>11,15,368</u>
<b>3</b>	<b>Deferred tax liabilities (net)</b>		
	Balance at the beginning of the year	18,69,827	17,54,120
	Adjustment for the current year (Refer Note No.25.2.11)	3,96,701	1,15,707
		<u>22,66,528</u>	<u>18,69,827</u>
<b>4</b>	<b>Other long term liabilities</b>		
	Earnest money deposit	50,000	50,000
		<u>50,000</u>	<u>50,000</u>
<b>5</b>	<b>Long term provisions</b>		
	Provision for employee benefits	9,06,060	12,79,046
		<u>9,06,060</u>	<u>12,79,046</u>
<b>6</b>	<b>Short term borrowings</b>		
	<b>Loans repayable on demand</b>		
	Working capital loan from bank (Secured)	1,10,155	-
	<b>Primary security:</b>		
	Secured by hypothecation of inventory, receivables, other current assets and fixed assets of the company;		
	<b>Personal guarantee:</b>		
	By a director of the company and Sri. Dr. A.N. Gupta, relative of one of the directors of the company.		
	Above loan carries interest @ 12.10% p.a.		
	There is no default as on the balance sheet date in repayment of loan and interest amounts		
		<u>1,10,155</u>	<u>-</u>
<b>7</b>	<b>Other current liabilities</b>		
	Advances from customers	4,69,158	29,902
	<b>Other payables</b>		
	Statutory liabilities	6,23,372	5,36,714
	Employee benefits payable	10,83,801	9,37,435
	Creditor for expenses	22,33,400	23,26,676
		<u>39,40,573</u>	<u>38,00,825</u>
		<u>44,09,731</u>	<u>38,30,727</u>
<b>8</b>	<b>Short term provisions</b>		
	Provision for employee benefits	53,390	12,353
	Income tax (net of prepaid taxes of Rs.18,018/-, previous year Rs.20,244/-)	5,69,787	2,39,756
		<u>6,23,177</u>	<u>2,52,109</u>



*[Handwritten signature]*

**PREMIER WIRE PRODUCTS LIMITED**

Note No.9. Fixed assets

(Amount in Rupees)

Description of assets	Gross block				Depreciation			Net block			
	Cost as at 01.04.2016	Additions during the year	Additions due to revaluation at Fair Market Value	Deductions during the year	Total cost as at 31.03.2017	Up to 31.03.2016	For the year	On deductions	Total up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Own assets											
Tangible assets											
Freehold land*	10,00,310	-	1,75,93,690	-	1,85,94,000	-	-	-	-	1,85,94,000	10,00,310
Roads and buildings	1,79,73,314	-	-	-	1,79,73,314	43,00,370	5,65,534	-	4,865,904	1,31,07,410	1,36,72,944
Plant and equipment	3,77,10,835	23,626	-	26,14,767	3,51,19,694	1,30,35,847	24,04,027	5,54,200	14,885,674	2,02,34,020	2,46,74,988
Data processing equipment	52,994	-	-	-	52,994	24,531	10,269	-	34,800	18,194	28,463
Office equipment	20,633	46,300	-	-	66,933	20,633	5,022	-	25,655	41,278	-
Furniture and fittings	16,050	-	-	-	16,050	13,373	561	-	13,934	2,116	2,677
Vehicles	38,238	-	-	-	38,238	16,424	4,543	-	20,967	17,271	21,814
<b>Total tangible assets</b>	<b>5,68,12,374</b>	<b>69,926</b>	<b>1,75,93,690</b>	<b>26,14,767</b>	<b>7,18,61,223</b>	<b>1,74,11,178</b>	<b>29,89,956</b>	<b>5,54,200</b>	<b>1,98,46,934</b>	<b>5,20,14,289</b>	<b>3,94,01,196</b>
Previous year total	5,61,23,665	9,86,057	-	2,97,348	5,68,12,374	1,44,04,085	30,93,481	86,388	1,74,11,178	3,94,01,196	4,17,19,580

Freehold Land was revalued by registered valuers as at 31st March 2017 (Refer: Note No.25.2.4)



*[Handwritten signature]*

PREMIER WIRE PRODUCTS LIMITED

Notes to Balance sheet

(Amount in Rupees)

Note No.	Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>10</b>	<b>Long term loans and advances</b> (Unsecured, considered good)		
	Security deposits	18,12,976	18,12,976
	Mat credit entitlement	29,65,077	24,48,428
		<u>47,78,053</u>	<u>42,61,404</u>
<b>11</b>	<b>Other non-current assets</b> (Unsecured, considered good)		
	Long term prepaid expenses	1,00,800	134,400
		<u>1,00,800</u>	<u>134,400</u>
<b>12</b>	<b>Inventories</b> (Valued at cost and net realisable value whichever is lower except the scrap which is valued at net realisable value)		
	Raw materials	56,86,904	32,88,745
	Work-in-progress	52,64,918	42,17,295
	Finished goods	13,88,251	16,82,989
	Stores and spares	23,22,346	19,75,602
	Scrap	4,59,369	7,10,874
		<u>1,51,21,788</u>	<u>1,18,75,505</u>
<b>13</b>	<b>Trade receivables</b> (Unsecured, considered good)		
	Outstanding for a period exceeding six months from the date they became due for payment	69,29,689	58,350
	Others	1,36,76,547	1,42,90,541
		<u>2,06,06,236</u>	<u>1,43,48,891</u>
<b>14</b>	<b>Cash and bank balances</b>		
	Cash and cash equivalents		
	Cash on hand	60,811	1,87,995
	Balances with banks		
	In Current account	45,825	56,457
	In Cash credit account	-	25,78,425
		<u>1,06,636</u>	<u>28,22,877</u>
<b>15</b>	<b>Short term loans and advances</b> (Unsecured, considered good)		
	Advances to suppliers	11,26,604	5,46,725
	Balances with central excise	72,833	39,122
	Prepaid expenses	1,86,761	1,64,960
	Advances for expenses	97,252	30,503
	Service tax credit receivable	72,014	79,516
	Prepaid taxes	-	5,159
		<u>15,55,464</u>	<u>8,65,985</u>
<b>16</b>	<b>Other current assets</b>		
	Interest accrued on fixed deposits	1,30,000	1,31,456
	Incentives receivable	6,28,880	6,28,880
		<u>7,58,880</u>	<u>7,60,336</u>



*Subul*



**PREMIER WIRE PRODUCTS LIMITED**

Notes to Statement of profit and loss			(Amount in Rupees)	
Note No.	Particulars	For the year ended 31st March, 2017		For the year ended 31st March, 2016
<b>17</b>	<b>Sale of services</b>			
	Job work charges		1,44,825	2,82,150
			<u>1,44,825</u>	<u>2,82,150</u>
<b>18</b>	<b>Other operating revenues</b>			
	Sale of scrap arising out of manufacturing process		22,86,294	16,08,417
			<u>22,86,294</u>	<u>16,08,417</u>
<b>19</b>	<b>Other income</b>			
	Interest income		1,62,872	1,31,456
	Provision for liabilities no longer required, written back		5,00,053	9,64,080
	Other non-operating income		49,725	1,28,559
			<u>7,12,650</u>	<u>12,24,095</u>
<b>20</b>	<b>Cost of raw materials consumed</b>			
	Opening Inventory		32,88,745	65,21,235
	Add: Purchases		6,58,42,594	4,13,76,650
			6,91,31,339	4,78,97,885
	Less: Closing Inventory		56,86,904	32,88,745
			<u>6,34,44,435</u>	<u>4,46,09,140</u>
<b>21</b>	<b>Changes in inventories of finished goods, work-in-progress and scrap</b>			
	Finished goods			
	Closing Inventory	13,88,251		16,82,989
	Opening Inventory	16,82,989	294,738	69,47,497
				52,64,508
	Excise duty adjustment			
	Excise duty on closing Inventory	1,61,647		1,86,999
	Excise duty on opening Inventory	1,86,999		8,04,696
	Excise duty adjustment on finished goods		(25,352)	(6,17,697)
	Work-in-progress			
	Closing Inventory	52,64,918		42,17,295
	Opening Inventory	42,17,295	(10,47,623)	47,57,108
				5,39,813
	Scrap			
	Closing Inventory	4,59,369		7,10,874
	Opening Inventory	7,10,874	251,505	4,06,468
			<u>(5,26,732)</u>	<u>48,82,218</u>
<b>22</b>	<b>Employee benefits expense</b>			
	Salaries, wages, bonus and other benefits		1,24,94,055	1,11,99,494
	Contribution to provident fund and other funds		4,38,685	5,72,950
	Staff welfare expenses		3,90,540	3,99,864
			<u>1,33,23,280</u>	<u>1,21,72,308</u>
<b>23</b>	<b>Finance costs</b>			
	Interest expense		3,24,912	3,56,755
	Other borrowing costs		3,40,349	1,93,776
			<u>6,65,261</u>	<u>5,50,531</u>



**PREMIER WIRE PRODUCTS LIMITED**

**Notes to Statement of profit and loss**

**(Amount in Rupees)**

Note No.	Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>24</b>	<b>Other expenses</b>		
	Consumption of stores and spare parts	68,49,362	55,36,703
	Consumption of packing materials	10,68,094	8,62,103
	Power and fuel	1,62,00,698	1,28,12,828
	Repairs to buildings	2,55,590	1,37,436
	Repairs to machinery	27,63,784	26,18,374
	Repairs to other assets	15,754	7,250
	Insurance	3,00,405	2,70,397
	Rates and taxes, excluding taxes on income	6,87,100	1,29,976
	Payments to auditors:		
	as auditors	1,00,000	85,000
	for tax audit	60,000	50,000
	for income tax matters	35,000	35,000
	for reimbursement of expenses	1,900	800
	Printing and stationery	22,476	24,053
	Communication expenses	22,581	23,002
	Vehicle maintenance	10,000	17,000
	Travelling and conveyance	2,08,208	1,26,821
	Professional charges	46,480	28,250
	Other selling expenses	-	1,000
	Carriage and freight	22,53,997	22,02,885
	Less: recovered	<u>8,66,933</u>	<u>8,86,814</u>
	General expenses	13,87,064	13,16,071
	Bank charges and commission	11,26,131	6,70,084
	Donations	2,30,825	1,83,176
		6,200	6,600
	Prior year expenditure	16,854	-
	Bad debts written off	41,900	-
	Book deficit on assets discarded	20,60,567	2,10,961
		<u><b>3,35,16,973</b></u>	<u><b>2,51,52,885</b></u>



*[Handwritten signature]*

## PREMIER WIRE PRODUCTS LIMITED

### 25 Summary of Significant Accounting Policies and Other Explanatory Information

#### 25.1 Summary of significant accounting policies

##### 1 Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis, except for freehold land which is carried at revalued amount in compliance with all material aspects of the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, other relevant provisions of the Act and other pronouncements of the Institute of Chartered Accountants of India.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

##### 2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and reported amounts of revenues and expenses for the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

##### 3 Tangible Fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation thereon and impairment losses, if any, except in case of land which is stated at revalued amount. Historical cost is inclusive of freight, duties and taxes and incidental expenses related to acquisition and net of CENVAT wherever applicable. In respect of projects involving construction, related pre-operational expenses form part of the cost of the assets capitalised.

Subsequent costs are included in the asset's carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit and loss during the period in which they are incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation as at the balance sheet date.

An item of Property, Plant and Equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

##### 4 Depreciation

(i) Depreciation is computed on a straight line basis so as to write off cost of assets over the useful lives of tangible fixed assets in the manner prescribed in Schedule II of the Act. The useful life of the assets are periodically reviewed and re-determined based on a technical evaluation and expected use and the unamortised depreciable amount is charged over the remaining useful life of such assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life and residual value are reviewed atleast at each financial year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

(ii) Depreciation has been provided at one hundred percent for assets costing Rs.5,000/- or less.

##### 5 Inventories

(i) Raw materials and stores and spares are valued at lower of cost, calculated on weighted average basis, and net realisable value. Items held for use in the production of inventories are not written down below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.

(ii) Finished goods and work-in-progress are valued at lower of cost and net realisable value. Cost includes materials, labour and a proportion of appropriate overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

(iii) Scarp is valued at net realisable value.

(iv) Net realisable value is the estimated selling price in the ordinary course of business, reduced by the estimated costs of completion and costs to effect the sale.



A handwritten signature in blue ink, appearing to be "P. V. R. K. Nageswara Rao".



**PREMIER WIRE PRODUCTS LIMITED**

**25 Summary of Significant Accounting Policies and Other Explanatory Information**

**25.1 Summary of significant accounting policies**

**6 Borrowing costs**

- (i) Borrowing cost includes interest, ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- (ii) Borrowing costs directly attributable to acquisition or construction of Fixed Assets which necessarily take a Substantial period of time to get ready for their intended use, incurred till the time of commencement of commercial production or their intended use are capitalized. All other borrowing costs are expensed in the period they occur.

**7 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be readily measured.

(i) sales

Revenue from Sales is recognised when the significant risk and rewards of ownership are transferred to the customers which is based up on the terms of the applicable contract, which coincides with the delivery of the goods. Gross Sales include excise duty and adjustments for price variation and liquidated damages.

(ii) Service income

Service income is recognised as per the terms of the contracts with customers when the related services are performed or the agreed milestones are achieved.

(iii) Interest

Revenue is recognised on an accrual basis and on a time proportion basis taking into account the amount outstanding and the applicable rate.

**8 Excise duty**

Excise duty recovered is included in "Gross Sales". Excise duty on sales is shown as an item of expense and deducted from gross sales. Value of closing stock of finished goods includes excise duty paid / payable on such stocks wherever applicable.

**9 Employee benefits**

Short term employee benefits

Short term employee benefits are recognised as an expense as per the company's scheme based on expected obligation on undiscounted basis.

Long term employee benefits

(i) Defined contribution plans

Provident fund: Contribution to provident fund is made at the prescribed rates to the Employees Provident Fund Scheme of the Central Government and is charged to the Statement of profit and loss.

(ii) Defined benefit plans

a) Gratuity

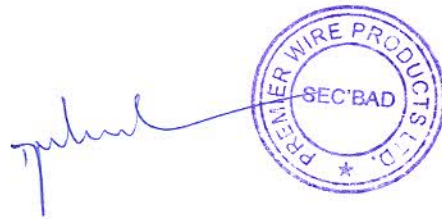
Accruing liability towards gratuity is provided on the basis of actuarial valuation made by an independent actuary. The actuarial valuation is done using projected unit credit method.

b) Leave encashment

The company records its unavailed leave liability based on actuarial valuation using projected unit credit method.

c) Actuarial gains / losses arising during the year are recognised in the Statement of profit and loss.

(iii) Terminal benefits are recognised as an expense as and when incurred.





**PREMIER WIRE PRODUCTS LIMITED**

**25 Summary of Significant Accounting Policies and Other Explanatory Information**

**25.1 Summary of significant accounting policies**

**10 Operating leases**

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

**11 Taxation**

(i) Tax expense (or tax saving) is the aggregate of current year tax, deferred tax charged (or credited) to the Statement of profit and loss.

(ii) Current year tax

The provision for taxation is based on assessable profits of the company as determined under the Income Tax Act, 1961. The company also provides for such disallowances made on completion of assessments pending appeals, as considered appropriate depending on the merits of each case.

(iii) Deferred tax

Deferred Income Taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

(iv) Minimum Alternate Tax (MAT) Credit

MAT credit is recognised, as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified year. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendation contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

**12 Provisions, Contingent liabilities and Contingent assets**

(i) Provisions, involving substantial degree of estimation in measurement, are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

(ii) Contingent liabilities, which are possible or present obligations that may but probably will not require outflow of resources, are not recognised but are disclosed in the Notes to the financial statements.

(iii) Contingent assets are neither recognised nor disclosed in the financial statements.

**13 Earnings per share**

(i) The basic earnings per share (EPS) is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**14 Dividends**

Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**15 Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.



*[Handwritten signature]*



**PREMIER WIRE PRODUCTS LIMITED**

**25 Summary of Significant Accounting Policies and Other Explanatory Information**

**25.2 Other explanatory information**

**1 Corporate information**

Premier Wire Products Limited is a manufacturer of G I WIRE having its registered office at Secunderabad, Telangana, India. The company's main manufacturing facilities are located at Ramajipet, Nalgonda district of Telangana.

2 Previous year figures have been regrouped/ recast/ rearranged wherever necessary to conform to current year classification.

**3 Contingent liabilities and commitments**

	As at 31st March, 2017	As at 31st March, 2016
<b>Commitments</b>		
Arrears of fixed cumulative dividend on Preference Shares	-	1,56,75,000

4 During the year, the Company has revalued its Freehold Land effective from 31.12.2016 based on the report of Independent Registered Valuers who have ascertained the fair values on the assumptions of market value, realisable value and distress sale value, after observing the recent arm-length prices in the vicinity of the land. The Company has adopted the realisable values reported by the valuer at Rs.1,85,94,000/- as against the original cost of Rs.10,00,310/-. The resulting revaluation surplus of Rs.1,75,93,690/- has been credited to Revaluation Reserve, which is not available for distribution of dividend to shareholders.

5 Confirmation letters have been issued in respect of trade receivables and other receivables, loans and advances and trade payables and other payables of the company but not responded to in some cases. Hence, unconfirmed balances are subject to reconciliation and consequent adjustments, if any, would be determined / made on receipt of confirmation. However, in the opinion of the Board, all assets other than fixed assets have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

**6 Excise duty**

Excise duty on sales for the year has been disclosed as reduction from turnover. Excise duty relating to the difference between closing stock and opening stock has been included in Note no. 21 "Changes in inventories of finished goods, work-in-progress and scrap".

**7 Dues of micro and small enterprises**

Information as required to be disclosed under Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is given below has been determined to the extent such parties have been identified on the basis of information available with the company:

Particulars	(Amount in Rupees)	
	For the year end 31st March, 2017	For the year ended 31st March, 2016
Principal amount remaining unpaid as on 31st March	Nil	Nil
Interest due thereon as on 31st March	Nil	Nil
Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	Nil	Nil
Interest accrued and remaining unpaid as at 31st March	Nil	Nil






**PREMIER WIRE PRODUCTS LIMITED**

**25 Summary of Significant Accounting Policies and Other Explanatory Information**

**25.2 Other explanatory information**

**8 Information on employee benefits (Accounting Standard 15)**

(Amount in Rupees)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
-------------	--	--

**a) Defined contribution plans**

Contribution to provident fund	4,38,685	4,40,477
--------------------------------	----------	----------

**b) Defined benefit plans**

The following table sets out the status of the defined benefit plans as required under AS 15 (Revised)

	Leave encashment (Unfunded)	Gratuity	Leave encashment (Unfunded)	Gratuity
<b>Assumptions</b>				
Salary rise	4%	4%	4%	4%
Discount rate	7%	7%	8%	8%
Attrition rate	1%	1%	1%	1%
<b>Changes in present value of obligation</b>				
Opening defined benefit obligation	1,22,839	11,68,560	1,17,959	10,36,087
Interest cost	7,946	93,485	9,437	82,887
Current services cost	34,293	1,01,372	1,454	38,188
Benefits paid	(47,016)	-	(38,414)	-
Actuarial (gain) / loss on obligation	1,68,988	(691,017)	32,403	11,398
Closing defined benefit obligation	2,87,050	6,72,400	1,22,839	11,68,560
<b>Expenses recognised in Statement of profit and loss</b>				
Current service cost	34,293	101,372	1,454	38,188
Interest cost on benefit obligation	7,946	93,485	9,437	82,887
Expected return on plan assets	-	-	-	-
Net actuarial (gain) / loss recognised in the year	1,68,988	(691,017)	32,403	11,398
Net benefit expense	2,11,227	(496,160)	43,294	132,473

Note:

The estimates of rate of escalation in salary considered in actuarial valuation, is determined after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by an actuary.



*[Handwritten signature]*



**PREMIER WIRE PRODUCTS LIMITED**

**25 Summary of Significant Accounting Policies and Other Explanatory Information**

**25.2 Other explanatory information**

**9.1 Details of related parties (Accounting Standard 18)**

Nature of relationship	Related party
1 Holding Company / Associate company till 29.06.2016	Premier Explosives Limited

**9.2 Details of transactions with the related parties**

(Amount in Rupees)

S. No.	Related party / Nature of transaction	2016-17		2015-16	
		Amount of Transaction	Amount Outstanding	Amount of Transaction	Amount Outstanding
1	Holding Company / Associate company till 29.06.2016		1,79,77,201		1,12,79,867
	Sale of goods	2,13,63,259	DEBIT	1,49,16,042	DEBIT
	Job work charges received	1,44,825		2,82,150	
	Investment on Equity shares	4,75,00,000			
	Redemption of Preference shares	4,75,00,000			



*[Handwritten Signature]*

PREMIER WIRE PRODUCTS LIMITED

25 Summary of Significant Accounting Policies and Other Explanatory Information

25.2 Other explanatory information

10 Calculation of Earnings per share

		Year ended 31st March, 2017	Year ended 31st March, 2016
Profit attributable to the equity shareholders (Rs.)	(A)	22,45,499	10,81,673
Basic / weighted average number of equity shares outstanding during the year	(B)	53,28,767	17,50,000
Face value of each equity share (Rs.)		10	10
Earnings per share (Rs.)	(A) / (B)	0.42	0.62

11 Deferred tax liabilities(net)

Particulars	(Amount in Rupees)		
	Opening as at 1st April, 2016	Charge/(Credit) during the year	Closing as at 31st March, 2017
<b>a) Deferred tax liabilities</b>			
Depreciation	54,31,490	(14,97,339)	39,34,151
<b>Total (a)</b>	54,31,490	(14,97,339)	39,34,151
<b>b) Deferred tax assets:</b>			
Expenses debited to the Statement of profit and loss in a year but allowable as deductible expenses for tax purposes in the subsequent years as reduced by the claims allowable in the current year in respect of such expenses on a payment basis	5,38,221	(2,52,663)	2,85,558
Unabsorbed depreciation	30,23,442	(16,41,377)	13,82,065
<b>Total (b)</b>	35,61,663	(18,94,040)	16,67,623
<b>Net (a - b)</b>	18,69,827	3,96,701	22,66,528

12 Details of raw materials consumed

Particulars	(Amount in Rupees)	
	Year ended 31st March, 2017	Year ended 31st March, 2016
Wire Rods	5,07,72,572	3,65,36,604
Zinc	1,26,71,863	80,72,536
<b>Total</b>	<b>6,34,44,435</b>	<b>4,46,09,140</b>



25 Summary of Significant Accounting Policies and Other Explanatory Information

25.2 Other explanatory information

13 Details of sales, closing stock and opening stock

Particulars	(Amount in Rupees)					
	Sales		Closing inventory		Opening inventory	
	2016-17	2015-16	31.03.2017	31.03.2016	01.04.2016	01.04.2015
Galvanized Iron Wire	12,74,59,393	9,99,33,121	13,88,251	16,82,989	16,82,989	69,47,497
<b>Total</b>	<b>12,74,59,393</b>	<b>9,99,33,121</b>	<b>13,88,251</b>	<b>16,82,989</b>	<b>16,82,989</b>	<b>69,47,497</b>

14 Details of work in progress

Particulars	(Amount in Rupees)	
	As at 31st March, 2017	As at 31st March, 2016
Galvanized Iron Wire	52,64,918	42,17,295
<b>Total</b>	<b>52,64,918</b>	<b>42,17,295</b>

15 Value of imported and indigenous raw materials and spare parts consumed and their percentages to total consumption

Particulars	(Amount in Rupees)			
	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Amount	%	Amount	%
Raw materials				
Imported	-	-	-	-
Indigenous	6,34,44,435	100.00%	4,46,09,140	100.00%
	<b>6,34,44,435</b>	<b>100.00%</b>	<b>4,46,09,140</b>	<b>100.00%</b>
Components and spares				
Imported	-	-	-	-
Indigenous	19,25,136	100.00%	19,46,473	100.00%
	<b>19,25,136</b>	<b>100.00%</b>	<b>19,46,473</b>	<b>100.00%</b>

16 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	(Amount in Rupees)		
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	30,000	37,000	67,000
(+) Permitted receipts	-	1,67,316	1,67,316
(-) Permitted payments	-	1,00,777	1,00,777
(-) Amount deposited in Banks	30,000	-	30,000
Closing cash in hand as on 30.12.2016	-	1,03,539	1,03,539

As per our report of even date

For P.V.R.K. Nageswara Rao & Co.,  
Chartered Accountants  
Firm's Registration No. 002283S

P.V.R.K. Nageswara Rao  
Partner  
Membership No.18840



*T.V. Chowdary*  
T.V. Chowdary  
Director

*Kailash Gupta*  
Dr. (Mrs.) Kailash Gupta  
Director

Secunderabad  
22.05.2017