

Independent Auditor's Report

To the Members of

PENNAR RENEWABLES PRIVATE LIMITED

(Formerly known as New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

Report on the Financial Statements

We have audited the accompanying financial statements of **PENNAR RENEWABLES PRIVATE LIMITED** (Formerly known as New Era Enviro Ventures (Karimnagar) Pvt.Ltd.) ("*the Company*") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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, 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 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 there under and the Order under Section 143(11) of the Act.

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 March 31, 2016, and its Profit and its Cash Flow for the year ended on that date.

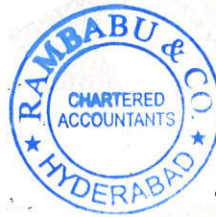
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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.
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 purpose 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 written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 E".
- 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 and in our opinion and to the best of our information and according to the explanations given to us:
- i. There are no pending litigations which would impact the financial position of the Company.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Unit.

Place: Hyderabad
Date: 16-05-2016



For RAMBABU & Co.,
Chartered Accountants
FRN: 002976S

A handwritten signature in blue ink, appearing to read "Ravi Rambabu".

RAVI RAMBABU
Partner
M.No.018541

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have not been physically verified by the management according to the phased program designed to cover all the fixed assets over the year.
- 2) The Company does not maintain inventory and therefore we have not reported on the related matters of this clause and sub-clauses (a), (b) and (c).
- 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 Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

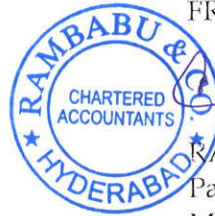


- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or 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 and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.



- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For RAMBABU & Co.,
Chartered Accountants
FRN: 002976S



[Handwritten Signature]
RAVI RAMBABU
Partner
M.No.018541

Place: Hyderabad
Date: 16-05-2016

"Annexure B" to the Independent Auditor's 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 **PENNAR RENEWABLES PRIVATE LIMITED** (Formerly known as New Era Enviro Ventures (Karimnagar) Pvt.Ltd.) ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management responsible for establishing and maintaining internal financial controls base 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. 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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:

Place: Hyderabad

Date: 16-05-2016



For RAMBABU & Co.,
Chartered Accountants
FRN: 002976S


RAVI RAMBABU
Partner
M.No.018541

PENNAR RENEWABLES PRIVATE LIMITED

(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

Balance Sheet as at 31 March 2016

		Amount (Rs)	
	Note	As at 31st March, 2016	As at 31st March, 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share Capital	3	50,000,000	196,080
Reserves and Surplus	4	456,872,263	11,039,748
		506,872,263	11,235,828
Current liabilities			
Trade Payables	5	889,593,006	30,000
Short Term Borrowings	6	483,607,077	434,570
Other Current Liabilities	7	3,965,347	-
		1,377,165,430	464,570
		1,884,037,693	11,700,398
ASSETS			
Non Current Assets			
Fixed Assets			
- Tangible Assets	8	1,360,833,504	-
- Intangible Assets		17,200	-
Long Term Loans & Advances	9	13,257,601	122,701
Other Non Current Assets	10	698,250	-
		1,374,806,555	122,701
Current Assets			
Cash and Bank Balances	11	470,327,840	10,174,080
Short Term Loans & Advances	12	28,412,844	362,000
Other Current Assets	13	10,490,454	1,041,617
		509,231,138	11,577,697
		1,884,037,693	11,700,398

Significant Accounting Policies and Notes on Financial Statements

1-18

In terms of our report attached.

For RAMBABU & CO.,

Chartered Accountants

Firm Reg.No.002976S





RAVI RAMBABU

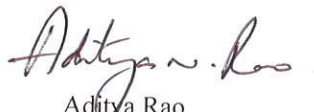
Partner

Membership.No.018541

Date:16-05-2016

Place: Hyderabad

For and on behalf of the Board of Directors of
Pennar Renewables Private Limited



Aditya Rao

Director

Din No. 01307343





Lavanya Kumar Rao

Kondapally

Director

Din No.01710629

PENNNAR RENEWABLES PRIVATE LIMITED**(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)****Statement of Profit and Loss for the year ended 31st March, 2016**

	Note	For the year ended 31st March, 2016	Amount (Rs) For the year ended 31st March, 2015
Revenue from Operations		-	-
Other Income	14	7,539,912	938,471
Total revenues		7,539,912	938,471
Expenses			
Employee Benefits	15	1,811,281	-
Finance Cost	16	157,557	25,957
Depreciation and Amortisation Expenses	8	-	-
Other Expenses	17	4,831,249	202,015
Total Expenses		6,800,087	227,972
Profit/(loss) before tax		739,825	710,499
Income tax expense			
Current tax		140,000	135,386
Less: Mat Credit entitlement		(140,000)	(56,677)
Deferred tax		-	-
Profit for the year		739,825	631,790
Earnings per equity share (face value of share Rs. 10 each)			
Basic	18	0.15	32.22
Diluted		0.15	32.22

Significant Accounting Policies and Notes on Financial Statements

1-18

In terms of our report attached.

For RAMBABU & CO.,

Chartered Accountants

Firm Reg.No.002976S




RAVI RAMBABU

Partner

Membership.No.018541

Date:16-05-2016

Place: Hyderabad

For and on behalf of the Board of Directors of
Pennar Renewables Private Limited


Aditya Rao

Director

Din No. 01307343




Lavanya Kumar Rao

Kondapally

Director

Din No.01710629

Pennar Renewables Private Limited
(Formerly New Era Enviro Ventures (Karimnagar) Private Limited)
Hyderabad

Cash Flow Statement for the Year Ended 31st March 2016

SI No	Particulars	Rs in Lakhs	Rs in Lakhs
A	Cash Flows from operating activities :		
	Net Profit Before Tax	739,825	710,499
	Add: Loss from sale of assets	-	-
	Add : Depreciation	-	-
	Add : Finance Cost	157,557	-
	Add: Bad Debts written off	-	-
	Add: Misc Expenses Written off	-495,600	-
	Add: Dividend received	-	-
	Less: Interest Received	-6,267,722	-
	Less: Rent Received	-	-
	Operating Profit before working capital changes	-5,865,940	710,499
	Adjustment for:		
	Trade receivables	-	-
	Inventories	-	-
	Loans and Advances & other assets	-37,499,681	-705,212
	Trade payables and Other Payables	893,528,353	-26,170
		856,028,672	-731,382
	Cash Generated From Operation	850,162,732	-20,883
	Less : Income Tax Paid	-	-
	Net cash from operating activities " A "	850,162,732	-20,883
B	Cash Flows from Investing activities :		
	Purchase of fixed assets	-1,360,850,704	-362,000
	Proceedings from sale of fixed assets	-	-
	Purchase of Current Investments	-	-
	In Margin Money Deposits	-457,100,000	-
	Interest Received	6,267,722	-
	Dividend Received	-	-
	Increase in other Non current assets	-13,833,150	-
	Rent Received	-	-
	Net cash used in investing activities " B "	-1,825,516,132	-362,000
C	Cash Flows from Financing activities :		
	Repayment of Equity share capital	-	-
	Repayment of preference share capital	-	-
	Proceeds from issue of Equity Share Capital	495,392,210	-
	Proceeds from Long Term Borrowings	-	-
	Repayment of Long Term Borrowings	-	-
	Net increase/(decrease) of working capital borrowings	-	-
	Proceeds from short-term borrowings	483,172,507	-
	Finance Cost	-157,557	-
	Net Cash used in financing activities " C "	978,407,160	-
	Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	3,053,760	-382,883
	Cash and Cash Equivalents at the beginning #	174,080	556,963
	Cash and Cash Equivalents at the end	3,227,840	174,080
	# Cash and Cash equivalents includes cash and cash equivalents of the company and subsidiaries Pennar Engineered Building Systems Limited, Pennar Enviro Limited and New Era Enviro Ventures (Karimnagar) Private Limited		

In terms of our report attached.

For **RAMBABU & Co.,**
Chartered Accountants
Firm Reg No: 002976S

Ravi Rambabu

Ravi Rambabu
Partner
Membership.No:018541

Place : Hyderabad
Date : May 16, 2015



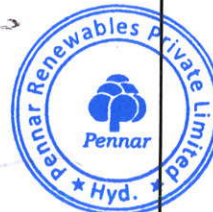
For Pennar Renewables Private Limited

Aditya Beo

Aditya Beo
Director
Din No.01307843

Lavanya Kumar Rao

Lavanya Kumar Rao
Kondapally
Director
Din No.01710629



Notes Forming Part of Financial Statements

1	Corporate Information <p>Pennar Renewables Private Limited (Formerly New Era Enviro Ventures (Karimnagar) Private Limited) is engaged in the Business of Generation and Distribution of Solar Power and to carry all other related Activities. The Company carrying its activities from its registered office situated at 9th Floor, DHFLVC Silicon Towers, Madhapur Road, Kondapur, Hyderabad - 500 084. The name of the Company has changed to Pennar Renewables Private Limited with effect from 16-05-2016.</p>
2	Significant accounting policies and practices
2.1	Basis of accounting and preparation of financial statements <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
2.2	Use of estimates <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
2.3	Inventories and Services <p>a) Inventories are valued at the lower of cost (on FIFO / weighted average basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges and is net of credit under VAT and CENVAT scheme, where applicable.</p> <p>b) Work-in-progress and finished goods have been valued at cost or net realizable value whichever is lower. Cost include all direct costs and appropriate proportion of overheads and, where applicable, Excise duty.</p> <p>c) Service contract works under process is measured by reference to the actual cost incurred for the work performed up to the reporting date with reference to the estimated total contract for each contract.</p>
2.4	Depreciation and amortisation <p>Depreciation on Tangible and Intangible assets including additions has been provided on Straight Line Method (SLM) method at the rates specified in schedule II of the companies Act,2013.</p>
2.5	Revenue recognition <p><u>Sale of goods</u> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.</p> <p><u>Income from services</u> Revenue from service contracts is is recognised by reference to the completion of the contract activity on the reporting date, where the contract activity extended beyond the reporting date, on the basis of percentage of completion method.</p> <p><u>Interest income</u> Interest income is recognised on time proportionate bais.</p>

2.6	<p>Tangible fixed assets</p> <p>Fixed assets are stated at cost of acquisition as reduced by accumulated depreciation. All costs including financial costs up to the date of commissioning and attributable to the fixed assets are capitalised apart from taxes, freight and incidental expenses related to the acquisition and installation of the respective fixed assets and excludes duties and taxes to the extent recoverable from tax authorities.</p>
2.7	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p>
2.8	<p>Employee benefits</p> <p>a) Gratuity is accounted on actuarial basis and charged to profit and loss statement on reporting date. b) Employer contribution towards provident fund is accounted on accrual basis and charged to profit and loss statement on reporting date. c) Bonus and leave encashment is accounted on payment basis and charged to profit loss statement on reporting date.</p>
2.9	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.</p>
2.10	<p>Taxes on income</p> <p>Income tax liability for the year is calculated in accordance with the relevant tax laws and regulations applicable to the company. Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one more subsequent periods.</p>
2.11	<p>Impairment of assets</p> <p>The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the company's assets. The recoverable amount of such assets is estimated. Where the carrying amount of the asset exceeds the recoverable amount, the impairment loss is recognised in the statement of profit and loss.</p>
2.12	<p>Provisions and contingencies</p> <p>Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not possible that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.</p>

PENNAR RENEWABLES PRIVATE LIMITED

(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

Notes to financial statements for the year ended 31st March, 2016

3 Share capital

	As at 31st March, 2016	As at 31st March, 2015
Authorised Share Capital.		
54,00,0000 Equity Shares of Rs.10/- each (previous year:20,000 Equity Shares of Rs.10/- each)	54,000,000	200,000
	54,000,000	200,000
Issued, subscribed and fully paid up		
50,00,000 Equity Shares of Rs.10/- each (previous year: 19,608 Equity Shares of Rs.10/- each)	50,000,000	196,080
	50,000,000	196,080

3.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Equity shares	As at 31st March, 2016		As at 31st March, 2015	
	Number	Amount	Number	Amount
At the commencement of the year	19,608	196,080	19,608	196,080
Equity Shares issued during the year	4,980,392	49,803,920	-	-
At the end of the year	5,000,000	50,000,000	19,608	196,080

3.1.1 During the year, company allotted 49,80,392 No. of equity shares of Rs.10 each to M/s Pennar Industries Limited. Out of the total shares allotted 29,411 shares were allotted at par and the remaining 49,50,981 shares were allotted at Rs.100 (Including premium of Rs.90 each). after the above said allotment, company became the subsidiary of M/s Pennar Industries Limited, with effect from 14th October,2015.

3.1.2 All Equity shares issued by the Company carry equal voting and participatory rights.

3.1.3 Particulars of shareholders holding more than 5% shares of a class of shares

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Pennar Industries Limited	4,980,392	99.61%	-	-
New Era Enviro Ventures Private Limited	-	-	9,999	51.00%
Trade Source INC	-	-	9,608	49.00%

3.1.4 Details of shares held by the holding company :

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Pennar Industries Limited	4,980,392	99.61%	-	-
New Era Enviro Ventures Private Limited	-	-	9,999	51.00%

4 Reserves and Surplus

	As at 31st March, 2016	As at 31st March, 2015
(a) Securities Premium:		
Opening Balance	10,872,480	10,872,480
During the Year Received	445,588,290	-
Closing Balance	456,460,770	10,872,480
(b) Statement of Profit and loss account		
Opening Balance	167,268	(464,523)
Add: Profit for the year	739,825	631,791
Closing Balance	907,093	167,268
(c) Miscellaneous expenditure to the extent not written off/adjusted		
Preliminary & Pre operative expenditure(Refer Note 4.1)	619,500	-
Less:Written off during the year	123,900	-
	495,600	-
	456,872,263	11,039,748

4.1 Preliminary & pre operative expenditure includes an amount of Rs.5,12,400/- incurred towards increasing in authorised share capital and will be written off over a period of five years commencing from the financial year 2015-2016.

PENNNAR RENEWABLES PRIVATE LIMITED
(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

Notes to financial statements for the year ended 31st March, 2016

5 Trade Payables

	As at 31st March, 2016	As at 31st March, 2015
(a) Creditors for Capital Equipment	888,083,231	-
(b) Creditors for Services	1,509,775	30,000
	889,593,006	30,000

6 Short Term Borrowings

	As at 31st March, 2016	As at 31st March, 2015
(a) Unsecured Loans		
(i) From Directors	34,570	34,570
(ii) From Others (Refer Note 6.1)	330,470,730	400,000
(b) LC Buyers Credit from SBI (Refer Note 6.2)	153,101,777	-
	483,607,077	434,570

6.1 Unsecured loan from others includes:

- i). Rs.32,96,25,230/- from M/s. Pennar Industries Limited
- ii). Rs.2,00,000/- interest free unsecured loan from M/s. New Era Enviro Ventures (Medak) Private Limited.
- iii). Rs.2,00,000/- interest free unsecured loan from M/s. New Era Enviro Ventures (Adilabad) Private Limited.

6.2 SBI, Industrial Finance Branch sanctioned Buyers Credit in Foreign Currency through SBI Sydney for an amount of USD 22,50,000 interest @ 2.26145% p.a. yearly rests for a period of 1080 days. The said Buyers Credit is repayable at the end of the period and secured by Lien on Rs.341 Lakhs Fixed Deposit.

7 Other Current Liabilities

	As at 31st March, 2016	As at 31st March, 2015
Statutory Remittances		
(a) Service Tax Payable	9,198	-
(b) Professional Tax Payable	150	-
(c) Tax Deducted at Source Payable	3,955,999	-
	3,965,347	-

9 Long Term Loans & Advances

	As at 31st March, 2016	As at 31st March, 2015
Cenvat Credit - Service tax	304,179	-
Vat Input Credit	12,035,187	-
TDS Receivable (net of provision for income tax)	721,558	66,024
MAT Credit Entitlement	196,677	56,677
	13,257,601	122,701

10 Other Non Current Assets

	As at 31st March, 2016	As at 31st March, 2015
Rental Deposit	698,250	-
	698,250	-

11 Cash and Bank Balances

	As at 31st March, 2016	As at 31st March, 2015
Cash and cash equivalents		
- Cash on hand	3,786	-
- Balance with banks		
In current accounts	3,224,054	174,080
	3,227,840	174,080
In Other Bank Balances		
- Fixed Deposit	13,000,000	8,000,000
- Buyers Credit Margin Money Deposits (Refer Note 6.2)	34,100,000	-
- LC Margin Money Deposits	420,000,000	2,000,000
	470,327,840	10,174,080

11.1 Out of the above cash and cash equivalents which meet the definition of cash flow statement is Rs.32,27,840/- (previous years balances Rs.1,74,080)

PENNNAR RENEWABLES PRIVATE LIMITED
(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

Notes to financial statements for the year ended 31st March, 2016

12 Short Term Loans & Advances

	As at 31st March, 2016	As at 31st March, 2015
Advance for land	362,000	362,000
Advances for services	140,000	-
Advance to Suppliers(refer note 12.1)	27,910,844	-
Total	28,412,844	362,000

12.1 Advance to suppliers includes an amount of Rs. 2,46,74,423 to M/s.Pennar Engineered Building Systems Ltd, a fellow subsidiary Company.

13 Other Current Assets

	As at 31st March, 2016	As at 31st March, 2015
Interest Receivable on Deposits	2,313,806	1,041,616
Prepaid Expenses	8,176,647	-
Total	10,490,453	1,041,616

14 Other Income

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest on Fixed Deposits	7,539,912	938,471
Total	7,539,912	938,471

15 Employee benefits expense

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Salaries & wages	1,811,281	-
Total	1,811,281	-

16 Finance Cost

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Interest on LC Buyers Credit	101,776	-
Bank Charges	42,095	25,957
Interest on Income Tax	4,581	-
Interest on TDS	9,105	-
Total	157,557	25,957

17 Other expenses

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Communication Expenses	10,570	-
Professional & Consultancy fees	3,163,790	168,515
Office Expenses	136,420	-
Rent	444,038	-
Travel Expenses	557,573	-
Rates & Taxes	48,443	18,500
Printing & Stationery	58,540	-
Postage & Courier	1,725	-
Preliminary and Pre Operative Expenses Written off	123,900	-
Auditor's remuneration (refer note 17.1)	286,250	15,000
Total	4,831,249	202,015

17.1 Auditor's remuneration

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Statutory Audit Fee	250,000	15,000
Service Tax	36,250	-
Total	286,250	15,000

18 Earnings per share

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Profit / (Loss) after tax	739,825	631,790
Weighted average number of equity shares outstanding during the year	5,091,807	19,608
Earnings per share – Par value of Rs.10/-	0.15	32.22

PENBAR RENEWABLES PRIVATE LIMITED

(Formerly New Era Enviro Ventures (Karimnagar) Pvt.Ltd.)

8 Fixed Assets

	Gross block			Depreciation			Net block		
	As at 1st April, 2015	Additions	Disposals	As at 31st March, 2016	As at 1st April, 2015	Depreciation charge for the year	Deductions	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets									
Leasehold Land Development	-	8,696,489	-	8,696,489	-	-	-	8,696,489	-
Plant & Machinery	-	1,352,137,015	-	1,352,137,015	-	-	-	1,352,137,015	-
(A)	-	1,360,833,504	-	1,360,833,504	-	-	-	1,360,833,504	-
Intangible Assets									
Computer software	-	17,200	-	17,200	-	-	-	17,200	-
(B)	-	17,200	-	17,200	-	-	-	17,200	-
Total (A+B)	-	1,360,850,704	-	1,360,850,704	-	-	-	1,360,850,704	-
Previous year									

8.1 Fixed Assets have been capitalized on 31st March 2016. Company has not provided depreciation for one day.

8.2 The Lease of the Leased Property shall be effective from the date of execution of this lease deed (i.e.23-12-2015) for a period of 20 years.

The Company is obligated under non-cancellable operating lease arrangements in respect of its project site in Bujarampet village, kowdipalli Mandal, Medak District for a lease period of 20 years as at 31/03/2016.

The rental expenses amounting to Rs.3,49,125/- was recognised in the statement of Profit and loss account for the year ended 31/03/2016.

The total future minimum lease payments under this non-cancellable lease are as follows:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Not later than 1 Year	349,125	-
Later than 1 year and not later than 5 Years	2,126,871	-
Total	2,475,996	-

19	Contingent Liabilities - NIL		
20	Related Party Disclosures		
	Key Management Personnel		
	Aditya Rao - Director		
	K Lavanya Kumar Rao - Director		
	Pennar Industries Limited - Holding Company		
	Pennar Engineered Building Systems Ltd - Fellow Subsidiary		
20.1	Aggregate Related Party Transactions		
	Particulars	Holding Company	Fellow Subsidiary
			KMP & Relatives of KMP
	Purchases Made during the year	-	90,926,202
	Advance Against Supplies	-	24,674,423
	Investments	49,803,920	-
	Advance Received	329,625,230	-
	Reimbursement of expenses	2,260,900	-
	Interest Paid	13,839,100	-
21	Dues to Micro, Small and Medium Enterprises		
	The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006", is based on Management's knowledge of their status. Based on the information and confirmations provided to us by the management there are no dues to micro, small and medium enterprises as on 31 March 2016.		
22	Fixed Assets have been Captilized on 31st March 2016, Company has not provided depreciation for the one day.		
23	Conformations are not received in respect of the amounts relating to trade receivable, trade payables, loans & advances.		
24	The Company has not started its Commercial operations as on 31-03-2016.		
25	Figures are rounded off to the nearest rupee.		

In terms of our report attached.
For Rambabu & Co.,
Chartered Accountants
Firm Reg.No:002976S




Ravi Rambabu
Partner
Membership No:018541

For and on behalf of the Board of Directors of
Pennar Renewables Private Limited



Aditya Rao
Director
Din No.01307343



Lavanya Kumar Rao
Kondapally
Director
Din No.01710629



Place : Hyderabad
Date: 16-05-2016