

Independent Auditor's Report

To the Members of
PENNAR ENVIRO LIMITED

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of *PENNAR ENVIRO LIMITED* ("the Company") which comprise the Balance Sheet as at March 31, 2018, 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit /loss(including other comprehensive income), and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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, 2018, its Profit (including other comprehensive income) and its Cash Flows for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us whose report for the year ended 31 March 2017 and 31 March 2016 dated 10 May 2017 and 13 May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.



for the differences in the accounting principles adopted by the company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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 Ind AS financial statements comply with the Ind AS 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - 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. The Company has disclosed the impact of pending litigations as at 31st March, 2018 on its financial position in its financial statements as referred to in Note No.35 to the Ind AS financial statements.

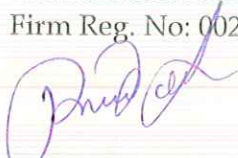


- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed

Place: Hyderabad
Date: 10-05-2018



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


G V L Prasad
Partner
M.No.026548

"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, 2018:

- i. (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 been physically verified by the management according to the phased program designed to cover all the fixed assets over the year.
- ii. The inventory has been physically verified by the management during the year and the discrepancies noticed on such verification between the physical stock and the book records were not material. In our opinion, the frequency of such verification is reasonable.
- iii. 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.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- v. 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.
- vi. 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.
- vii. (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, 2018 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.
- viii. 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. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised money 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.
- x. 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.
- xi. 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;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. 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 Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. 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.
- xv. 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.



xvi. 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.

Place: Hyderabad
Date: 10-05-2018

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




G V L Prasad
Partner
M.No.026548

"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 ENVIRO LIMITED* ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



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

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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



Opinion

In our opinion the Company has, in all material respects, an adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 10-05-2018



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


G V L Prasad
Partner
M.No.026548

Pennar Enviro Limited
Hyderabad

Balance sheet as at 31st March 2018

S.No	Particulars	Note	In Rs		
			As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
I	ASSETS				
1	NON CURRENT ASSETS				
a	Property, plant and equipment	3	12,617,743	13,656,232	15,371,355
b	Capital Work In Progress	4	24,645,761	24,645,761	24,645,761
c	Financial assets				
(a)	Investments	5	200,000	200,000	200,000
(b)	Other financial assets	6	767,577	835,027	937,352
d	Other Non Current Assets	7	12,953,037	22,943,389	33,232,750
			51,184,118	62,280,409	74,387,218
2	CURRENT ASSETS				
a	Inventories	8	83,816,675	38,260,714	25,909,197
b	Financial assets				
(A)	Trade Receivables	9	876,942,313	638,268,921	625,080,718
(c)	Cash and cash equivalents	10	11,203,862	17,009,814	1,486,539
(c)	Other balances with banks	11	13,002,659	13,487,454	6,513,661
c	Short Term Loans & Advances	12	44,636,565	45,501,089	52,151,840
d	Other Current Assets	13	211,680	1,520,957	1,125,355
			1,029,813,754	754,048,949	712,267,310
	Total (1+2)		1,080,997,872	816,329,358	786,654,529
II	EQUITY AND LIABILITIES				
1	EQUITY				
a	Equity Share Capital	14	83,682,590	83,682,590	83,682,590
b	Other equity	15	252,681,266	23,015,463	6,068,524
	Total Equity		336,363,856	106,698,053	89,751,114
2	LIABILITIES				
	NON CURRENT LIABILITIES				
a	Financial liabilities				
-	Secured	16	1,097,933	-	-
-	UnSecured		250,000,000	250,000,000	135,000,000
b	Deferred Tax Liability (Net)	17	5,925,212	9,597,009	13,423,759
c	Long Term Provisions	18	2,905,139	2,105,533	2,105,533
			259,928,284	261,702,542	150,529,292
3	CURRENT LIABILITIES				
	Financial liabilities				
a	Borrowings	19	75,458,550	59,562,902	50,989,473
b	Trade Payables	20	221,216,802	324,232,207	420,955,952
c	Other Financials Liabilities	21	313,002	-	-
d	Income tax liabilities (net)	22	116,850,982	7,181,254	7,509,518
e	Provisions	23	1,095,294	-	-
f	Other current liabilities	24	69,771,102	56,952,400	66,919,180
			484,705,732	447,928,763	546,374,123
	Total (1+2+3)		1,080,997,872	816,329,358	786,654,529
	Corporate information, significant accounting policies and Accompanying notes form an integral part of the financial statements	1 to 40			

As per our report of even date attached

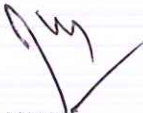
For and on behalf of he Board of Directors

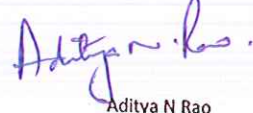
For RAMBABU & Co.,
Chartered Accountants
Firm Reg No: 0029765

GVL Prasad
Partner
Membership.No:026548

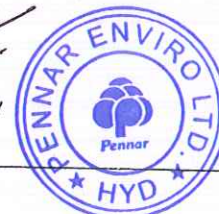


Place : Hyderabad
Date : May 10, 2018


P V Rao
Director
DIN: 013157581


Aditya N Rao
Vice Chairman
DIN: 01307343


K Chakravarthy
CEO



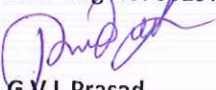
Pennar Enviro Limited
Hyderabad
Statement of Profit and Loss for the year ended 31st March 2018

S.No	Particulars	Note	For the year Ended 31.03.2018	For the year Ended 31.03.2017
	Gross Revenue		1,212,151,649	1,152,807,913
	Less : Excise Duty/Service Tax		1,709,290	12,408,395
	Sales Tax		7,947,995	30,769,734
	Goods and Service Tax		120,069,954	-
I	Revenue from operations (Net Sales)	25	1,084,133,700	1,122,038,179
II	Other Income	26	1,242,503	888,108
III	Total Revenue (I + II + III)		1,085,376,203	1,122,926,287
IV	Expenditure :			
	Raw Material Consumed	27	612,813,511	951,588,143
	Change in Inventories	28	(45,124,042)	(12,167,410)
	Excise duty on sale of goods		1,709,290	12,408,395
	Manufacturing Expenses	29	13,537,195	14,826,411
	Employee Benefits Expense	30	89,979,056	82,792,437
	Other Expenses	31	28,568,041	29,419,798
	Finance Cost	32	33,276,542	10,459,750
	Depreciation & amortization Expenses	33	11,672,604	12,378,575
			746,432,197	1,101,706,099
	Profit before Tax		338,944,006	21,220,188
V	Tax Expenses			
	Current Tax		112,950,000	8,100,000
	Deferred Tax		(3671797)	(3,826,750)
			109278203	4,273,250
	Net Profit after Tax		229,665,804	16,946,938
	Earning Per Share (having a face value of Rs 10 each)			
	- Basic and Diluted	34	27.44	2.03
	No.of Shares		8368259	8368259
	Corporate information, significant accounting policies and Accompanying notes form an integral part of the financial statements	1 to 40		

As per our report of even date attached

For and on behalf of he Board of Directors

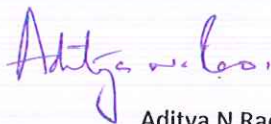
For **RAMBABU & Co.,**
Chartered Accountants
Firm Reg No: 002976S


G.V.L. Prasad
Partner
Membership.No:026548




P.V. Rao
Director
DIN: 013157581


K. Chakravarthy
CEO


Aditya N. Rao
Vice Chairman
DIN: 01307343



Place : Hyderabad
Date : May 10, 2018

Pennar Enviro Limited
Cash Flow Statement for the year ended 31.03.2018

Sl No	Particulars	For the year ended	
		31.03.2018	31.03.2017
A	Cash Flow from operating activities		
	Profit Before Tax	338,944,006	21,220,188
	Depreciation & Amortisation	11,672,604	12,378,576
	Finance Costs	33,276,542	10,459,751
	Loss on sale of Assets	957,834	-
	Bad Debts written off	-	-
	Operating Profit Before working capital changes	384,850,986	44,058,515
	Adjustments for (increase)/decrease in operating assets		
	Trade Receivables	(238,673,393)	(13,188,202)
	Inventories	(45,555,961)	(12,351,517)
	Shrot Term Borrowings - Banks	15,895,648	8,573,429
	Short Term Loans & Advances	864,524	6,650,752
	Other Current Assets	1,309,277	(395,602)
	Adjustments for (increase)/decrease in operating liabilities		
	Other Current Liabilities	14,226,998	(9,966,781)
	Trade Payables	(103015405)	(96,723,745)
	Cash Generated from operating activities	29,902,674	(73,343,151)
	Less: Taxes paid	3,280,271	(8,223,613)
	Net Cash from operating activities (A)	26,622,403	(81,566,764)
B	Net Cash from Investing Activities		
	Movement for payment towards Capital Goods	(1,906,955)	(374,091)
	Margin Money Deposits made	(7,665,205)	(6,973,793)
	Proceeds from Sale of Assets	305,358	-
	Increase In non Current Assets	67,450	(102,325)
	Net cash from Investing Activities (B)	(9,199,352)	(7,450,209)
C	Cash Flow from finacing Activities		
	Repayment of long term borrowings	-	-
	Procceds from Long Term borrowings	1,897,539	115,000,000
	Finance Cost	(33,276,542)	(10,459,751)
	Net Cashfrom (used) in financing activities (C)	(31,379,003)	104,540,249
	Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	(13,955,952)	15,523,276
	Cash and Cash equivalents at the beginning of the year	16,809,814	1,286,538
	Cash and Cash equivalents at the end of the year	2,853,862	16,809,814

In terms of our report attached.

For and on behalf of the Board of Directors

For RAMBABU & Co.,
Chartered Accountants
Firm Reg No: 0029765


G V L Prasad
Partner
Membership.No:026548

Place : Hyderabad
Date : May 10, 2018




Aditya N Rao
Vice Chariman
DIN 01307343




P V Rao
Directors
DIN 03157581

1. Corporate Information

Pennar Enviro Limited is a multi-product company engaged in the business of Design, manufacture, supply, erection and maintenance of Water and Waste Water Treatment Plants, EPC Contract and manufacture and supply of Water Treatment Chemicals and Fuel Additives for both solid and liquid fuels. The company's Registered Office is situated at Plot no 186/A, IDA Mallapur Telangana 500076. The company is a subsidiary of of Pennar Industries Limited.

Statement of Compliance and Recent Pronouncements

1.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from April 1, 2017 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 1, 2016.

The financial statement up to the year ended March 31, 2017, were prepared under the historical cost convention on accrual basis in accordance with the Generally Accepted Accounting Principles and Accounting Standards as prescribed under the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 then applicable (Previous GAAP) to the Company. Previous period figures in the Financial Statements have been recasted/restated to make it comparable with current year's figure.

2. Significant Accounting Policies

2.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest lakhs except otherwise stated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement :

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3 : Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

2.2 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost include deemed cost on the date of transition and comprises purchase price of assets or its construction cost including duties and taxes, inward freight and other expenses incidental to acquisition or installation and adjustment for exchange differences wherever applicable and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. For major projects, interest and other costs incurred on / related to borrowings to finance such projects or fixed assets during construction period and related pre-operative expenses are capitalized.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement when incurred.

Capital Work-in-progress includes preoperative and development expenses, equipments to be installed, construction and erection materials, advances etc. Such items are classified to the appropriate categories of PPE when completed and ready for intended use.

Depreciation and Amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method in respect of Plant and Equipments and Office Equipments at all location of the Company Depreciation on up gradation of Property, Plant and Equipment is provided over the remaining useful life of the mother plant / fixed assets.

Leasehold Land held under finance lease including leasehold land are depreciated over their expected lease terms. No depreciation is charged on Freehold land.

Depreciation on Property, Plant and Equipments commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows :

Category	Useful Life
Factory Buildings	30 Yrs
Plant and Machinery	15 Yrs
Factory Equipments	10 Yrs
Furniture & Fixtures	10 Yrs
Computers	3 Yrs
Vehicles	8 Yrs

2.3 Intangible Assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets, are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.4 Impairment of Tangible and Intangible Assets

Tangible and Intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

2.5 Financial Assets and Financial Liabilities

(I) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(II) Investments are being carried at deemed cost/at cost.

2.6 Inventories

Inventories are valued at lower of cost or net realisable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost, and includes appropriate portion of overheads.

Cost in respect of process stock represents, cost incurred up to the stage of completion.

Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete by the Company.

Insurable Spares whose use are expected to be irregular, are amortised over a period of specified plant and machinery life and such amount is included under stores and spares consumed.

2.7 Foreign Currency Transactions and Derivatives

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss except in respect of non-current liabilities existing as on April 1, 2016 related to Property, Plant and Equipment/ Capital work in progress, in which case these are adjusted to the cost of respective PPE/ Capital work in progress. Foreign exchange gain/loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

2.8 Equity Share Capital

All equity shares is recorded at par value and carry equal voting rights.

2.9 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

2.10 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

Contribution to Superannuation fund, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

2.11 Revenue

Sale of goods and services

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of GST and other duties which the company pays as principal.

Revenue on account of services is recognised on achievement of mile stone as per the contract. Unbilled service revenue is recognised based on calculations on accrual basis at the year end.

2.12 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

2.13 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets include Minimum Alternative Tax (MAT) measured in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability and such benefit can be measured reliably and it is probable that the future economic benefit associated with same will be realized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

2.14 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average

number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

2.15 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below :

2.16 Depreciation / amortization and impairment on property, plant and equipment / intangible assets

Property, plant and equipment and intangible assets are depreciated/ amortized on straight-line basis over the estimated useful lives (or lease term if shorter) in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation / amortization and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

Claims including insurance claims are accounted for on determination of certainty of realisation thereof, as amount expected to be realised in this respect has been considered to be covering the carrying amount of relevant assets and other recoverable.

2.17 Impairment allowances on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

2.18 Income taxes

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

2.19 Provisions and Contingencies

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

3 Fixed Assets			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
- Tangible Assets	12,617,743	13,656,232	15,371,355
Total	12,617,743	13,656,232	15,371,355

4 Capital Work In Progress			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
- Capital Work In Progress	24,645,761	24,645,761	24,645,761
Total	24,645,761	24,645,761	24,645,761

5 Financial Assets (Investments)			
Rs in lakhs			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Investment - Unquoted at cost 200 nos of Equity Shares of Rs 1000 each in Mana Effluent Treatment Plant Limited, the commonETP plant at Mallapur.	200,000	200,000	200,000
Total	200,000	200,000	200,000

6 Other Financial Assets			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Electricity Deposit	127,943	127,943	127,943
Rent Deposit (Note 6.1)	616,034	656,934	749,559
Other Deposit	23,600	50,150	59,850
Total	767,577	835,027	937,352

6.1 Rent Deposit include an amount of Rs 3,62,934 deposited with Pennar Engineered Building systems Limited, a fellow subsidiary

7 Other Non Current Assets			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deposits with Tax authorities	200,550	200,550	200,550
Deferred Expenses to the extent not written off	12,752,487	22,742,839	33,032,200
Total	12,953,037	22,943,389	33,232,750

8 Inventories (As valued and certified by Management)			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Material	4,879,649	4,447,730	4,263,623
Work in Progress	78,424,283	32,624,574	21,085,828
Finished Goods	512,743	1,188,410	559,746
Total	83,816,675	38,260,714	25,909,197

9 Trade Receivables			
Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good	9,890,831	3,866,558	8,242,454
Unsecured considered doubtful		488,316	5,813,98
	9,890,831	4,354,874	8,823,852
Other Trade receivables			
Unsecured, considered good	607,051,482	633,914,047	616,256,866
Total	876,942,313	638,268,921	625,080,718

10 Cash and Cash equivalents

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and Cash Equivalents			
Balances with banks			
- in current accounts	2,820,543	16,798,804	894623
Cash on hand	33,319	11,010	391916
Other Bank Balances			
in deposit accounts with maturity less than 12 months	8,350,000	200,000	200,000
Total	11,203,862	17,009,814	1,486,539
Cash and Cash Equivalents for Cash Flow Statement	2,853,862	16,809,814	1,286,539

11 Other Balances with Banks

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Other Bank Balances			
- in margin money accounts	13,002,659	13,487,454	6513661
Total	13,002,659	13,487,454	6,513,661

12 Short Term Loans & Advances

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured, considered good, recoverable in cash or in kind for value to be received)			
Loans & Advances to Staff	184,769	401,946	922958
Advances for Raw Material	14,699,516	16,333,386	30078750
Advances to others	26,468,004	25,555,974	20412298
Indirect Tax Balances	901,363	-	-
Other Deposits	362,954	860,454	399279
Service tax Cenvat	2019959	2349329	338555
Total	44,636,565	45,501,089	52,151,840

13 Other Current Assets

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Prepaid Expenses	211,680	1,520,957	1125355
Total	211,680	1,520,957	1,125,355

14 Equity Share Capital

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
14.1 AUTHORISED SHARE CAPITAL			
Equity Shares			
90,00,000 Equity Shares of Rs 10/- each (previous year 90,00,000 equity shares of Rs 10/- each)	90,000,000	90,000,000	90,000,000
	90,000,000	90,000,000	90,000,000
14.2 ISSUED, SUBSCRIBED & PAID UP			
Equity Shares			
83,68,259 Equity Shares of Rs 10/- each (Previous Year 83,68,259 Equity Shares of Rs 10/- each	83,682,590	83,682,590	83,682,590
Total	83,682,590	83,682,590	83,682,590

14.2.1 All Equity Shares issued by the company carry equal voting and participatory rights

14.2.2 The details of share holders holding more than 5% shares :

Name of the share holder	As at 31.03.2018	As at 31.03.2017	31.03.2018	31.03.2017
	No of Shares		% held	
Pennar Industries Limited	4,270,000	4,270,000	51.03	51.03
Aditya N Ra	1,500,000	1,500,000	17.92	17.92
Sudeepta Rao	958,925	958,925	11.46	11.46

15 Other Equity

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
General Reserve			
Opening Balance	1,749,571	1,749,571	1,749,571
Closing Balance	1,749,571	1,749,571	1,749,571
Balance in Profit and Loss			
Opening Balance	21,265,892	4,318,954	15094030
Add : Profit for the year	229,665,804	16,946,938	-10775077
Closing Balance	250,931,695	21,265,892	4,318,953
Total	252,681,266	23,015,463	6,068,524

16 Financial Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured			
From NBFC - Secured			
Kotak Mahindra Prime Ltd (Vehicle loans) (Note 16.2)	1,097,933	-	-
Unsecured			
Inter Corporate Loan (Note 16.1)	250,000,000	250,000,000	135000000
Total	251,097,933	250,000,000	135,000,000

16.1 The inter corporate loan includes an amount of Rs 17,50,00,000 loan from Pennar Industries Limited, its holding company and Rs 7,50,00,000 from Pennar Engineered Buildings Systems Limited a fellow subsidiary. Loan from holding company does not attract interest and fellow subsidiary attracts an interest of 10% per annum for the current year and 12% per annum for the previous year.

16.2 During the Current Financial Year the company has taken vehicles loans for an amount of Rs14,19,000/- from Kotak Mahindra Prime Limited at an interest rate of 8.75 p.a. The said loans are repayable in 48 equal monthly instalments. The said loans are secured by way of hypothecation of same vehicles.

17 Deferred Tax Liability (Net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Opening Deferred Tax Liability	9,597,009	13,423,759	2256820
Deferred Tax Liability recognised during the year			
On a/c of depreciation	(368,687)	(424,779)	245503
On a/c of deferred Revenue Expenses	(3303110)	(3,401,971)	10921436
Closing Deferred Tax Liability	5,925,212	9,597,009	13,423,759

18 Long Term Provisions

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Gratuity	1,145,963	574,068	574,068
Provision for leave encashment	1,759,176	1,531,465	1,531,465
Total	2,905,139	2,105,533	2,105,533

19 Borrowings

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured			
Cash Credit from Banks (Note 19.1)			
Axis Bank Limited	75,458,550	59,562,902	50989473
Total	75,458,550	59,562,902	50,989,473

19.1 Working capital facilities sanctioned by Axis Bank is secured by first charge on all current assets both present and future, movable fixed assets (excluding vehicles) and factory land and buildings standing in the name of the company. These are further secured by way of corporate guarantee given by Pennar Industries Limited, the holding company and personal guarantee of Mr. Aditya N Rao, Vice Chairman of the company in his personal capacity.

20 Trade Payables

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Creditors for Raw Material (Note 20.1)	176,841,498	297,178,503	399732058
Creditors for Expenses (Note 20.2)	43,589,413	25,492,832	19,418,828
Due to Micro, Small and Medium Enterprises	785,891	1,560,872	1805066
Total	221,216,802	324,232,207	420,955,952

20.1 Creditors for Raw Material include an amount of Rs 5,70,16,487 payable to Pennar Industries Limited, holding company. In the above payables an amount of Rs.37,29,85,935 was not included and adjusted against receivables of Hindustan Dorr Oliver, and Avasarala Technologies

20.2 Creditors for Expenses include an amount of Rs 10,09,461 payable to Pennar Engineered Building Systems Limited, a fellow subsidiary.

21 Other Current Liabilities

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current Maturities of Long Term Debt :			
From NBFC - Secured			
Kotak Mahindra Prime Ltd (Vehicle loans)	313,002	-	
Total	313,002	-	-

22 Income tax liabilities (net)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for IncomeTax (Net of Advance Tax Rs 12,44,701.) (Previous year Rs 19,74,818)	116,850,982	7,181,254	7509518
Total	116,850,982	7,181,254	7,509,518

23 Short Term Provisions

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Gratuity	797,614	-	
Provision for Leave Encashment	297,680	-	
Total	1,095,294	-	-

24

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from customers	58,358,061	46,307,307	60128954
Indirect Taxes Payable	7,226,381	8,589,721	5027187
PF/ESI/PT Payable	710,651	694,056	608331
TDS Payable	3,476,010	1,361,316	1154708.29
Total	69,771,102	56,952,400	66,919,180

25 Revenue from operations

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Revenue From Operations		
Sale of Products	782,324,926	1,136,168,232
Sale of Services	169,826,723	16,639,681
Un billed Revenue (Note 25.1)	260,000,000	-
	1,212,151,649	1,152,807,913
Less : Excise Duty/Service Tax	1,709,290	12,408,395
Sales Tax	7,947,995	30,769,734
GST	120,069,954	-
	129,727,239	43,178,129
Net Revenue	1,082,424,410	1,109,629,784

25.1

Nuclear Power Corporation of India Limited (NPCIL) has awarded project to Hindustan Dorr-Oliver Limited (HDOL), there after under terms of arrangement Pennar is funding to HDOL material supplies & Services for the projects with agreed margins. NPCIL has provided itemised billing to HDOL where HDOL is eligible to bill to NPCIL only upon completion of pre defined mile stones. Accordingly the services rendered before reaching agreed milestones were recognised in the books of accounts as unbilled revenue.

26 Other Income

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest Income	1,223,503	584,732
Miscellaneous Income	19,000	303,376
Total	1,242,503	888,108

27 Raw Material Consumed

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Opening Stocks	4,447,730	4,263,623
Add : Purchases	520,323,035	951,772,250
	524,770,765	956,035,873
Less : Closing Stocks	4,879,649	4,447,730
Consumption	519,891,116	951,588,143
Subcontract Expenses	92,922,396	-
Net Material Cost	612,813,511	951,588,143
Purchases includes a sum of Rs 9,26,306 (previous year Rs 7,61,325) towards freight inwards and Rs 1,37,622 (previous year Rs 1,08,751) towards clearing and forwarding charges.		

28 Changes in Inventories (other than RM)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Opening Stocks		
Work in Progress	32,624,574	21,085,828
Finished Goods	1,188,410	559,746
	33,812,984	21,645,574
Closing Stocks		
Work in Progress	78,424,283	32,624,574
Finished Goods	512,743	1,188,410
	78,937,026	33,812,984
Changes in Stock	(45,124,042)	(12,167,410)

29 Manufacturing Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Stores & Spares	553,259	811,464
Power	180,008	149,277
Repairs & Maintenance - Plant & Machinery	552,842	24,150
Repairs & Maintenance - Others	267,158	-
Miscellaneous manufacturing expenses (Note 24.2)	11,983,929	13,841,520
Total	13,537,195	14,826,411

30 Employee Benefits Expense

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Salaries & Wages	78,846,829	74,571,756
Contribution to Gratuity, PF & Super Annuation	6,646,744	4,165,527
Staff Welfare Expenses	4,485,483	4,055,154
Total	89,979,056	82,792,437

31 Other Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Insurance	610,093	165,647
Travelling & Conveyance	8,746,612	11,248,255
Rent	1,614,820	1,574,900
Rates & Taxes	125,934	206,578
Advertisement & Sales Promotion	1,335,968	752,653
Sales Commission	1,941,676	2,149,434
Communication Expenses	1,244,065	1,469,911
Freight Outward	5,204,703	4,109,039
Technical, Legal & Professional	2,086,539	2,288,552
Directors' Fees & Expenses	13,500	18,000
Printing & Stationery	849,311	924,587
Repairs and Maintenance	809,713	482,438
Auditors' Remuneration (Note 31.1)	250,000	250,000
Interest & Penalty on Taxes & Duties	94,469	544,439
Vehicle Maintenance Expenses	139,6715	193,0460
Miscellaneous Expenses	1,211,299	1,304,905
Foreign Exchange Fluctuation	74,791	-
Loss on Sale of Assets	957,834	-
Total	28,568,041	29,419,798

31.1 Auditors Remuneration (Excluding Goods & Service Tax)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Audit Fees	200000	200000
Tax Audit Fees	50000	50000
Total	250000	250000

32 Finance Cost

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Interest on Inter corporate Loan	18,643,561	-
Interest on Working Capital	6,984,971	6,700,641
Interest Vehicle loan	4,795	96,739
Bank Charges	5,155,131	3,462,225
Interest on Income Tax/TDS	2,488,084	200,145
Total	33,276,542	10,459,750

33 Depreciation & Amortisation Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Amortisation of Deferred Expenses (Note 33.1)	9,990,352	10,289,361
Depreciation (Note.33.2)	1682252	2089215
Total	11,672,604	12,378,576

33.1 Amortization of Deferred Revenue Expenses

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
		0
Market Development Expenses Chemical Division	0	299010
A: Less Written off during the Year	0	299010
	0	0
Water Projects Division	22742839	32733190
B: Less Written off during the Year	9990351	9990351
Additions during the year		0
	12752488	22742839
Deferred Revenue Expenses Written off A+B	9990351	10289361

34 Earning Per Share

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Net profit for basic EPS	229,665,804	16,946,938
Weighted Average No. of shares	8,368,529	8,368,259
Annualized Basic Earning per share - (`)	27.44	2.03

Schedule of Assets 33.2
Fixed Assets

	Gross Block			Depreciation			Net Block			
	Opening Balance	Addition	Sale/delet ion	31.03.2018	Opening Balance	Addition	Sale/delet ion	31.03.2018	31.03.2017	31.03.2018
Land	2737929	0	0	2737929	0	0	0	2737929	2737929	2737929
Factory buildings	6193990	0	0	6193990	2789704	188937	0	2978641	3215349	3404286
Plant & Manchninery	10025318	0	0	10025318	7985735	582036	0	8567771	1457547	2039583
Equipments	10314350	0	0	10314350	8063233	314375	0	8377608	1936742	2251117
Furniture & Fixtures	5169210	0	4569473	599737	3730378	164021	3347620	546779	52958	1438832
Vehicles	3716399	1574306	2432240	2858465.16	3313385	188429	2390901	1110913	1747552	403014
Computers	8222422	332649	0	8555071	6840951	244454	0	7085405	1469666	1381471
Total	46379618	1906955	7001713	41284860.2	32723386	1682252	5738521	28667117	12617743.2	13656232

35 Contingent Liabilities not acknowledged as Debt
a) Bank guarantees given by Banks Rs. 7,52,41,882

36 Related Party Disclosures

SI No	Relationship	Name
1	Pennar Industries Limited	Holding company
2	Pennar Engineered Building Systems Limited	Fellow Subsidiary
3	Mr. Nrupender Rao	Key Management Personnel (KMP)
	Mr. Aditya N Rao	Key Management Personnel (KMP)
	Mr Shreepad Purkar	Key Management Personnel (KMP)
	Mr K chakravarthy	Key Management Personnel (KMP)

36.1 Aggregate Related Party Transactions :

SI No	Particulars	Rupees					
		Holding Company		Fellow Subsidiary		KMP	
		2017 - 18	2016 - 17	2017 - 18	2016 - 17	2017 - 18	2016 - 17
1	Sales Made during the year	24,876,807	420,726	19,021,162	-	-	-
2	purchases Made during the year	33,904,157	745,401,723	678,000	3,243,737	-	-
3	Other Services Rendered	-	-	-	-	-	-
4	Other Services Received	-	-	133,668	131,016	7,436,514	4,752,424
5	Inter Corporate Deposit Received	-	75,000,000	-	-	-	-
6	Inter Corporate Deposit Paid	-	-	-	60,000,000	-	-
7	Advances Received	44,975,000	118,184,726	-	-	-	-
8	Advances Paid	-	-	-	-	-	-
9	Balances payable	250,231,802	403,247,910	76,009,461	78,316,974	-	-
10	Balances Receivable	-	-	-	-	-	-

37 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
Disclosures of Sundry Creditors under trade payables is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development (Act 2006)" and relied upon by the auditors.

Particulars	Rs in lakhs	
	2017- 18	2016- 17
Principal amount remaining unpaid as at the end of the year	7.86	15.61
Interest due on the above	0.06	0.87
Interest paid on above	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information available with the company. This has been relied upon by the auditors.

38 Loans & Advances and Trade Receivables are subject to confirmation.


39 Foreign Currency Transactions	For the Year Ended	
	31.03.2018	31.03.2017
a) Outflow in foreign currency		
1. Raw Material	12,255,074	7,247,374
2. Consultancy Fee	-	330,011
3. Foreign Travel	-	640,307
b) Inflow in foreign currency		
1. Sale of goods	29,332,933	2,169,305

40 Figures for the previous year have been regrouped / reclassified / recast wherever necessary. Figures are rounded off to the nearest rupees.

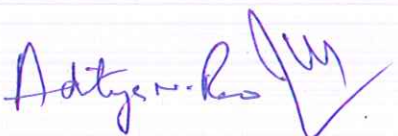
In terms of our report attached
For Rambabu & Co
Chartered Accountants
Firm Regn No 002976S



G V L Prasad
Partner
Membership.No:026548

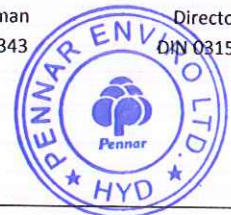



K Chakravarthy
CEO

For and on behalf of the Board of Directors


Aditya N Rao
Vice Chairman
DIN 01307343


P V Rao
Director
DIN 03157581



Place : Hyderabad
Date : May 10, 2018