

PENNAR RENEWABLES PRIVATE LIMITED

9th Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad - 500 084

Balance Sheet as at 31st March 2017

Particulars	Note	As at 31st March 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
SHARE HOLDER'S FUNDS			
Share Capital	3	500,00,000	500,00,000
Reserves and Surplus	4	4925,74,362	4568,72,263
		5425,74,362	5068,72,263
NON CURRENT LIABILITIES			
Long Term Borrowings(Secured)	5	3847,90,640	-
Defferred Tax Liability(Net)	6	176,64,885	-
CURRENT LIABILITIES			
Trade Payables	7	1389,48,520	8895,93,006
Short Term Borrowings	8	5364,78,200	4836,07,077
Other Current Liabilities	9	859,33,921	39,65,347
Short Term Provisions	10	59,16,262	-
		11697,32,429	13771,65,430
		17123,06,791	18840,37,693
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
- Tangible Assets	11	14294,36,205	13608,50,704
- Intangible Assets		-	-
Long Term Loans & Advances	12	434,37,775	132,57,601
Other Non Current Assets	13	51,45,250	6,98,250
		14780,19,230	13748,06,555
CURRENT ASSETS			
Trade Receivables	14	491,51,550	-
Cash and Bank Balances	15	1180,66,954	4703,27,840
Short Term Loans & Advances	16	479,38,974	284,12,844
Other Current Assets	17	191,30,083	104,90,454
		2342,87,561	5092,31,138
		17123,06,791	18840,37,693
Significant Accounting Policies and Notes on Financial Statements		1-30	1-18

In terms of our report attached.

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



RAVI RAMBABU
Partner
Membership.No.018541
Date:12/05/2017
Place: Hyderabad

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

Aditya Rao

Aditya Rao
Director
DIN No. 01307343



Srinivasa Krishna Prasad

Srinivasa Krishna Prasad
Jammalamadaka
Director
DIN No. 07581392

PENNAR RENEWABLES PRIVATE LIMITED

9th Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad - 500 084

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

Particulars	Note	Amount (Rs)	
		For the year ended 31st March, 2017	For the year ended 31st March, 2016
INCOME:			
Revenue from Operations	18	2598,61,730	-
Other Income	19	120,28,800	75,39,912
Total Income		2718,90,530	75,39,912
EXPENSES:			
Employee Benefits	20	8,83,091	18,11,281
Finance Cost	21	1113,57,834	1,57,557
Depreciation	11	694,07,997	-
Other Expenses	22	369,98,525	48,31,249
Total Expenses		2186,47,446	68,00,087
Profit/(loss) before tax		532,43,084	7,39,825
Income tax expense			
Current tax		108,55,732	1,40,000
Deffered tax		176,64,885	-
Less: Mat Credit entitlement		(108,55,732)	(1,40,000)
Profit for the year		355,78,199	7,39,825
Earnings per equity share (face value of share Rs. 10 each)			
Basic	23	7.12	0.15
Diluted		7.12	0.15

Significant Accounting Policies and Notes on Financial Statements 1-30

In terms of our report attached.

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





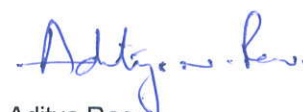
RAVI RAMBABU
Partner

Membership.No.018541

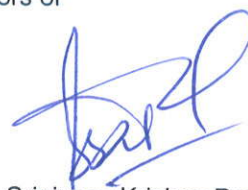
Date:12/05/2017

Place: Hyderabad

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



Aditya Rao
Director
DIN No. 01307343



Srinivasa Krishna Prasad
Jammalamadaka
Director
DIN No. 07581392



Pennar Renewables Private Limited
Hyderabad
Cash Flow Statement for the Year Ended 31st March 2017

SI No	Particulars	31-03-2017 (Rs.)	31-03-2016 (Rs.)
A	Cash Flows from operating activities :		
	Net Profit Before Tax	532,43,084	7,39,825
	Add: Loss from sale of assets	-	-
	Add : Depreciation	694,07,997	-
	Add : Finance Cost	1113,57,834	1,57,557
	Add: Bad Debts written off	-	-
	Add: Misc Expenses Written off	(3,71,700)	(4,95,600)
	Add: Dividend received	-	-
	Less: Interest Received	(76,11,502)	(62,67,722)
	Less: Rent Received	-	-
	Operating Profit before working capital changes	2260,25,712	(58,65,940)
	Adjustment for:		
	Trade receivables	(491,51,550)	-
	Inventories	-	-
	Loans and Advances & other assets	(239,47,808)	(374,99,681)
	Trade payables and Other Payables	(6625,30,601)	8935,28,353
		(7356,29,959)	8560,28,672
	Cash Generated From Operation	(5096,04,247)	8501,62,732
	Less : Income Tax Paid	40,00,000	-
	Net cash from operating activities " A "	(5136,04,247)	8501,62,732
B	Cash Flows from Investing activities :		
	Purchase of fixed assets	(1379,93,498)	(13608,50,704)
	Proceedings from sale of fixed assets	-	-
	Purchase of Current Investments	-	-
	In Margin Money Deposits	3693,86,301	(4571,00,000)
	Interest Received	76,11,502	62,67,722
	Dividend Received	-	-
	Increase in other Non current assets	(346,27,174)	(138,33,150)
	Rent Received	-	-
	Net cash used in investing activities " B "	2043,77,131	(18255,16,132)
C	Cash Flows from Financing activities :		
	Repayment of Equity share capital	-	4953,92,210
	Repayment of preference share capital	-	-
	Proceeds from issue of Equity Share Capital	-	-
	Proceeds from Long Term Borrowings	3847,90,640	-
	Repayment of Long Term Borrowings	-	-
	Net increase/(decrease) of working capital borrowings	-	-
	Proceeds from short-term borrowings	529,19,724	4831,72,507
	Finance Cost	(1113,57,834)	(1,57,557)
	Net Cash used in financing activities " C "	3263,52,531	9784,07,160
	Net (Decrease) / Increase in Cash and Cash Equivalents (A+B+C)	171,25,414	30,53,760
	Cash and Cash Equivalents at the beginning #	32,27,840	1,74,080
	Cash and Cash Equivalents at the end	203,53,254	32,27,840

In terms of our report attached.

For RAMBABU & Co.,

Chartered Accountants
Firm Reg No: 002976S

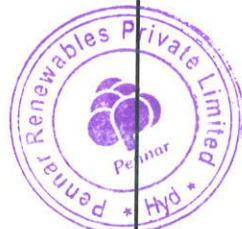

Ravi Rambabu
Partner
Membership.No:018541



For Pennar Renewables Private Limited


Aditya Rao
Director
DIN No. 01307343


Srinivasa Krishna Prasad
Jammalamadaka
Director
DIN No. 07581392



Place : Hyderabad
Date :12/05/2017

1 Corporate information

New Era Enviro Ventures (Karimnagar) Private Limited, changed to Pennar Renewabales Private Limited with effect from 16th May, 2016. The company 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.

2 Significant accounting policies and practices

2.1 Basis of accounting and preparation of financial statements

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.

2.2 Use of estimates

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.

2.3 Inventories and Services

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.

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.

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.

2.4 Depreciation and amortisation

Depreciation on Tangible and Intangible assets including additions has been provided on written down value (SLM) method at the rates specified in schedule II of the companies Act,2013.

2.5 Revenue recognition

Sale of goods

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.

Income from services

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.

Interest income

Inteest income is recognised on time proportionate bais.

2.6 Tangible fixed assets

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.

2.7 Intangible assets

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.

2.8 Foreign currency Translation

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.9 Employee benefits

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.

2.10 Earnings per share

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.

2.11 Taxes on income

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.

2.12 Impairment of assets

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.

2.13 Provisions and contingencies

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.

PENNAR RENEWABLES PRIVATE LIMITED

Notes to financial statements for the year ended 31st March 2017

3 Share capital		As at 31st March 2017		As at 31st March, 2016	
Particulars					
Authorised Share Capital.					
54,00,000 Equity Shares of Rs.10/- each (previous year:20,000 Equity Shares of Rs.10/- each)		54,000,000		54,000,000	
		<u>54,000,000</u>		<u>54,000,000</u>	
Issued, subscribed and fully paid up					
50,00,000 Equity Shares of Rs.10/- each (previous year: 50,00,000 Equity Shares of Rs.10/- each)		50,000,000		50,000,000	
Total		50,000,000		50,000,000	
3.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting year					
		As at 31st March 2017		As at 31st March, 2016	
Equity shares		Number	Amount	Number	Amount
At the commencement of the year		5,000,000	50,000,000	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	5,000,000	50,000,000
3.1.1 All Equity shares issued by the Company carry equal voting and participatory rights.					
3.1.2 Particulars of shareholders holding more than 5% shares of a class of shares					
		As at 31st March 2017		As at 31st March, 2016	
Name of Shareholder		No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares					
Pennar Industries Limited		4,034,546	80.69%	4,980,392	99.61%
Sharp Ventures Private Limited		945,846	18.92%	-	-
4 Reserves and Surplus					
		As at 31st March 2017		As at 31st March, 2016	
(a) Securities Premium:					
Opening Balance		456,460,770		10,872,480	
During the Year Received		-		445,588,290	
Closing Balance		456,460,770		456,460,770	
(b) Statement of Profit and loss account					
Opening Balance		907,093		167,268	
Add: Profit for the year		35,578,199		739,825	
Closing Balance		36,485,292		907,093	
(c) Miscellaneous expenditure to the extent not written off/adjusted					
Preliminary & Pre operative expenditure - Note 4 (1)		495,600		619,500	
Less:Written off during the year		123,900		123,900	
		<u>371,700</u>		<u>495,600</u>	
Total		492,574,362		456,872,263	
4.1 Preliminary & pre-operative expenses will be written off over a period of five years commencing from the financial year 2015-2016.					
5 Long Term Borrowings					
		As at 31st March 2017		As at 31st March, 2015	
(a)Secured and Unsecured Loans					
(i) From Directors		-		34,570	
(ii) From Others		-		330,470,730	
(a)Secured Loans:					
From Banks:					
Secured Loan from State Bank of India - (Note 5.1)		134,790,640		-	
Secured Loan from IFCI Limited - (Note - 5.2)		250,000,000		-	
Total		384,790,640		-	
5.1 During the current financial year 2016-2017, State Bank of India has sanctioned Term Loan for an amount of Rs. 78,00,00,000/- at an interest rate 11.00% p.a., The term loan is repayable in 110 equal monthly installments of Rs. 70,90,000/- each starting from September 2016. - The loan is secured by exclusive charge (Exclusive Mortgage and Hypothecation) on entire fixed assets of the company including Exclusive Mortgage on Lease hold rights and further guaranteed by holding company.					
5.2 During the current financial year 2016-2017, IFCI has sanctioned Term Loan for an amount of Rs. 25,00,00,000/- at an interest rate 12.40% p.a., The term loan is repayable in 32 Structured Quarterly Installments starting from July 2018. - The loan is secured by exclusive charge on project assets and lease hold rights and further secured by corporate guarantee by holding company.					
6 Deferred Tax Liability		As at 31st March 2017		As at 31st March, 2016	
Opening Deferred tax Liability		-		-	
Deferred Tax Liability Recognised During the year on account of Depreciation		365,049,666		-	
Closing Balance		365,049,666		-	
Deferred Tax Asset					
Opening Deferred tax Asset		-		-	
On Account of unabsorbed deprecial loss		347,384,781		-	
Closing Balance		347,384,781		-	
Net Deferred tax		17,664,885		-	
7 Trade Payables					
		As at 31st March 2017		As at 31st March, 2016	
(a) Creditors for Capital Equipment		137,265,345		888,083,231	
(b) Creditors for Services		1,683,175		1,509,775	
Total		138,948,520		889,593,006	

8 Short Term Borrowings			
		As at 31st March 2017	As at 31st March, 2016
(a)Secured and Unsecured Loans			
(i) From Directors		-	34,570
(ii) From Banks		-	330,470,730
(b) LC Buyers Credit from SBI - (Note 8.1)		536,478,200	153,101,777
Total		536,478,200	483,607,077
State Bank of India, Industrial Finance Branch has sanctioned Buyers Credit in Foreign Currency through Sydney for an amount of USD vide.			
8.1	1.USD 22,50,000 interest @ 2.26145% p.a. yearly rests period of 1080 days		
	2.USD 3,12,253.24 interest @ 2.352% p.a. yearly rests period of 1075 days.		
	3.USD 14,78,746.50 interest @ 2.25455% p.a. yearly rests period of 1080 days.		
	4. USD 34,05,294 interest @ 2.1851% p.a. yerly rests period of 358 days.		
	The Said Buyers Credit is Repayable at the end of the period and secured through Lien by way of Fixed Deposits.		
9 Other Current Liabilities			
		As at 31st March 2017	As at 31st March, 2016
Current Maturities of Long Term Debt:			
From Banks- Secured			
State Bank of India (Note 7.1)		85,080,000	-
Statutory Remittances			
(a)Service Tax Payable		1,345	9,198
(b)Professional Tax Payable		400	150
(c) Tax Deducted at Source Payable		852,176	3,955,999
Total		85,933,921	3,965,347
10 Short Term Provisions			
		As at 31st March 2017	As at 31st March, 2016
Provision for Tax (Net of Prepaid Tax Rs.48,50,421/-)		5,916,262	-
Total		5,916,262	-
12 Long Term Loans & Advances			
		As at 31st March 2017	As at 31st March, 2016
New Era Enviro Ventures Pvt Ltd		2,900,000	-
Premier Solar Power Tech Private Limited		336,421	-
SVC Ventures Private Limited		15,000,000	-
Cenvat Credit - Service tax		304,179	304,179
Vat Input Credit		13,844,766	12,035,187
TDS Receivable(net of provision for income tax)		-	721,558
MAT Credit Entitlement		11,052,409	196,677
Total		43,437,775	13,257,601
13 Other Non Current Assets			
		As at 31st March 2017	As at 31st March, 2016
Rent Deposit		5,145,250	698,250
Total		5,145,250	698,250

14 Trade Receivables			
	Particulars	As at 31st March 2017	As at 31st March, 2016
	Trade Receivables outstanding for a period exceeding six months from the date they were due for payment secured, considered good. Unsecured, considered good.	-	-
	Other trade receivables secured, considered good Unsecured, considered good.	49,151,550	-
	Total	49,151,550	-
15 Cash and Bank Balances			
		As at 31st March 2017	As at 31st March, 2016
	Cash and cash equivalents		
	- Cash on hand	100,889	3,786
	- Balance with banks		
	In current accounts	20,252,366	3,224,054
		20,353,255	3,227,840
	In Other Bank Balances		
	- Fixed Deposit with Discom and Others	3,000,000	13,000,000
	- Buyers Credit Margin Money Deposits	34,100,000	34,100,000
	- LC Margin Money Deposits	60,613,699	420,000,000
	Total	118,066,954	470,327,840
15.1	Out of the above cash and cash equivalents which meet the definition of cash flow statement is Rs.2,03,53,254/- (previous years balances Rs.32,27,840)		
16 Short Term Loans & Advances			
		As at 31st March 2017	As at 31st March, 2016
	Advance to Others	231,519	362,000
	Advances for services	441,246	140,000
	Advance to Suppliers - Note 16.1	47,266,209	27,910,844
	Total	47,938,974	28,412,844
16.1	Advance to Suppliers includes an amount of Rs.1,03,39,442/- to M/s. Pennar Industries Limited , Holding Company.		
17 Other Current Assets			
		As at 31st March 2017	As at 31st March, 2016
	Interest Receivable on Deposits	5,246,325	2,313,806
	Interest Receivable from Others	1,234,110	
	Prepaid Expenses	12,649,649	8,176,647
	Total	19,130,083	10,490,453

PENNAR RENEWABLES PRIVATE LIMITED

SLM - Companies Act 2013

11 Fixed Assets

	Gross block						Depreciation			Net block	
	As at 1st April, 2016	Additions	Disposals	As at 31st March 2017	As at 1st April, 2016	Depreciation charge for the Period	Deductions	As at 31st March 2017	As at March 2017	As at 01st April 2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Tangible Assets											
Leasehold Land Development	8,696,489	-	-	8,696,489	-	411,951	-	411,951	8,284,538	8,696,489	
Buildings	-	16,102,463	-	16,102,463	-	450,970	-	450,970	15,651,493	-	
Plant & Machinery	1,352,137,015	121,789,287	-	1,473,926,302	-	68,526,848	-	68,526,848	1,405,399,454	1,352,137,015	
Computers	17,200	101,748	-	118,948	-	18,228	-	18,228	100,720	17,200	
(A)	1,360,850,704	137,993,498	-	1,498,844,202	-	69,407,997	-	69,407,997	1,429,436,205	1,360,850,704	
Intangible Assets											
Computer software	-	-	-	-	-	-	-	-	-	-	
(B)	-	-	-	-	-	-	-	-	-	-	
Total (A+B)	1,360,850,704	137,993,498	-	1,498,844,202	-	69,407,997	-	69,407,997	1,429,436,205	1,360,850,704	
Previous year	-	1,360,850,704	-	1,360,850,704	-	-	-	-	1,360,850,704	-	

PENNAR RENEWABLES PRIVATE LIMITED

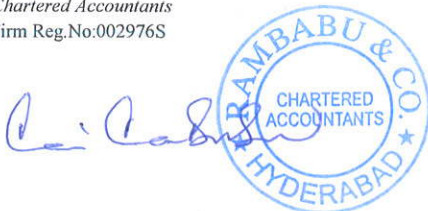
Notes to financial statements for the year ended 31st March 2017

18 Revenue from Operations	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Particulars		
Sale of Power	259,861,730	-
Total	259,861,730	-
19 Other Income		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Accrued Interest from Fixed Deposits	10,773,070	7,539,912
Accrued Interest from Others	1,234,110	-
Interest from Income Tax refund	21,620	-
Total	12,028,800	7,539,912
20 Employee benefits expense		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salaries & wages	883,091	1,811,281
Total	883,091	1,811,281
21 Finance Cost		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on LC Buyers Credit	15,751,071	101,776
Forward Contract Charges	22,776,911	-
Interest on IFCI Loan	21,272,259	-
Interest on SBI Term Loan	21,604,608	-
LOU Charges	8,371,525	-
Bank Charges	35,499	42,095
Interest On Loans	21,169,794	4,581
Interest on TDS	376,166	9,105
Total	111,357,834	157,557
22 Other expenses		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Communication Expenses	31,004	10,570
Consultancy Charges	3,000,040	3,163,790
Rent	3,355,833	444,038
O&M Charges	18,950,437	-
Travel Expenses	1,127,307	557,573
Rates & Taxes	35,800	48,443
Printing & Stationery	11,043	58,540
Postage & Courier	3,280	1,725
Preliminary and Pre Operative Expenses Written off	123,900	123,900
Loan Processing Charges	1,198,254	-
Share Pledge Agreement Charges	201,400	-
Site maintenance charges	955,716	136,420
Service Tax RCM	23,725	-
Insurance	2,716,603	-
Discom Charges	1,540,491	-
Pre Payment Charges	2,598,616	-
Commission	200,000	-
Internet Charges	249,482	-
Security Charges	215,594	-
Auditors Remuneration (Refer Note 22.1)	460,000	286,250
Total	36,998,525	4,831,249
22.1 Auditor's Remuneration		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Statutory Audit Fee	400,000	250,000
Service Tax	60,000	36,250
Total	460,000	286,250
23 Earning Per Share		
Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Profit / (Loss) after Tax	35,578,199	739,825
Weighted average number of equity shares outstanding during the year	5,000,000	509,181
Earning Per Share - Par Value of Rs.10/-	7.12	1.45

24	CONTINGENT LIABILITIES- NIL		
25	RELATED PARTY DISCLOSURES		
	Key Management Personnel		
	Aditya Rao - Director (KMP)		
	K Lavanya Kumar Rao - Director		
	P. Karthik - Director		
	Pennar Industries Limited - Holding Company		
	Pennar Engineered Building Systems Ltd - Fellow Subsidiary		
	Pennar Enviro Ltd - Fellow Subsidiary		
25.1	Aggregate Related Party Transactions		
	Particulars	Holding Company	Fellow Subsidiaries
	Purchases Made during the year	17,16,639	238,32,916
	Advances paid	7910,64,500	1679,63,326
	Advance Received	3398,63,258	2500,00,000
	Interest Paid	81,19,288	109,33,525
	Balances	103,39,442	(937,58,184)
26	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. There are no dues to micro, small and medium enterprises as on 31 March 2017.		
27	Operating leases		
	Particulars	As at 31st March 2017	As at 31st March 2016
	The Company is obligated under non-cancellable operating lease arrangements in respect of land at Kowdipally, Medak District, Manakondur and Ellanthakunta, Karimnagar District for a lease period of 18 years as on 31 March, 2017.		
	Total rental expenses under non-cancellable operating leases was Rs.33,55,833/- (Previous year: Rs.3,49,125/-) and has been charged to the profit and loss account.		
	The total future minimum lease payments under this non-cancellable lease are as follows:		
	not later than 1 year	23,32,343	33,55,833
	later than 1 year and not later than 5 years	104,75,450	99,94,267
	Total	128,07,793	133,50,100
28	Details of Specified Bank Notes(SBN) held and transacted during the period 8th November 2016 to 30th December 2016.		
	Particulars	SBN's	Other Denomination
	Closing Cash in Hand as on 08.11.2016	3,00,000	-
	(+) Permitted receipts - Cash		
	(+) Permitted receipts - Cash Withdrawals	80,000	-
	(-) Permitted Payments		
	(-) Amount deposited in Banks	3,00,000	-
	Closing Cash in Hand as on 30.12.2016	80,000	-
			3,00,000
29	Conformations are not received in respect of the amounts relating to trade receivable, trade payables, loans & advances.		
30	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

Place : Hyderabad
Date: 12/05/2017

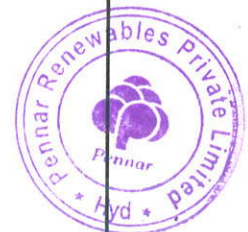
For and on behalf of the Board
For PENNAR RENEWABLES PVT.LTD.

Aditya Rao

Aditya Rao
Director
DIN No. 01307343

Srinivasa Krishna Prasad

Srinivasa Krishna Prasad
Jammalamadaka
Director
DIN No. 07581392



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, 2017, 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, 2017, 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 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.
 - iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 28 to the financial statements.

Place: Hyderabad
Date: 12-05-2017



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, 2017:

- 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, 2017 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.

Place: Hyderabad
Date: 12-05-2017



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

RAVI RAMBABU
Partner
M.No.018541

"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, 2017 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 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 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.

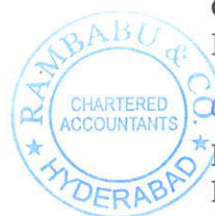
Inherent Limitations of Internal Financial Controls over Financial Reporting

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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 12-05-2017



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

Ravi Rambabu
RAVI RAMBABU
Partner
M.No.018541