

M/s. ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PVT LTD
3rd Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad - 500 084

Balance Sheet as at 31 March, 2019

(Amount in Rupees)

S.No	Particulars	Note	As at 31.03.2019
I	ASSETS		
1	Non-current assets		
	a) Fixed assets		
	(i) Tangible assets		-
	(ii) Intangible assets		-
2	Financial assets		
	(a) Trade receivables	3	13,109,289
	(b) Cash and cash equivalents	4	6,344,032
	(c) Other bank balances	5	3,326,400
	(d) Other current assets	6	10,000,000
			32,779,721
	TOTAL		32,779,721
II	EQUITY AND LIABILITIES		
1	Shareholders' funds		
	(a) Share capital	7	100,000
	(b) Other equity	8	4,332,904
			4,432,904
2	Current liabilities		
	(a) Short term borrowings	9	10,000,000
	(b) Trade payables	10	
	Total outstanding dues to micro and small enterprises		
	Total outstanding dues to other than micro and small enterprises		15,349,648
	(c) Income tax liabilities	11	1,522,372
	(d) Other current liabilities	12	1,474,797
			28,346,817
	TOTAL		32,779,721

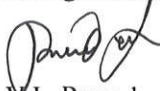
See accompanying notes forming part of the financial statements 1 to 24

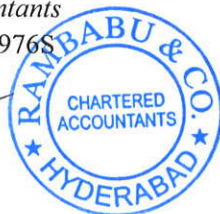
In terms of our report attached.

For Rambabu & Co.,

Chartered Accountants

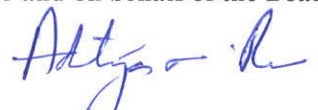
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 G V L Prasad
 Partner
 M.No.026548



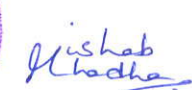
Place : Hyderabad
 Date : 22-05-2019

For and on behalf of the Board



Aditya Narsing Rao
 Director
 DIN No.01307343




 Rishab Chadha
 Director
 DIN No.00809985

M/s. ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PVT LTD

3rd Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad - 500 084

Statement of Profit and Loss for the period ended 31 March, 2019

S.No.	Particulars	Note.	For the period ended 31.03.2019
1	Revenue from operations	13	56,954,280
	Total revenue		56,954,280
2	Expenses		
	(a) Cost of consumption	14	49,334,998
	(b) Employee benefits expense	15	804,135
	(c) Finance costs	16	676,691
	(d) Other expenses	17	283,182
	Total		51,099,005
3	Profit before Tax		5,855,275
4	Tax expense		
	(a) Current year tax		1,522,372
	(b)Deffered tax (Assets) / Liabilitiy		-
	Other comprehensive income for the period (net of tax)		-
	Total comprehensive income for the period (net of tax)		-
5	Net profit after Tax		4,332,904
	Earning per share (Nominal Value of 10/- each):		
	Basic and diluted earning per share	18	433.29

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached.

For Rambabu & Co.,

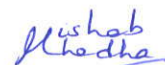
Chartered Accountants

Firm Reg.No:002976S


GVL PrasadPartner
M.No.026548

Place : Hyderabad

Date : 22-05-2019

**For and on behalf of the Board**Aditya Narsing Rao
Director
DIN No.01307343Rishab Chadha
Director
DIN No.00809985

1. Corporate Information

Enertech Pennar Defense and Engineering Systems Private Limited, is a company engaged in the business of civil, mechanical, electrical and consulting engineers in the field of Pre-Engineering, Prefab Building Construction for Residential, Industrial & Commercial purposes. The company's Registered Office is situated at 3rd Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad, Telangana 500084. The company is a subsidiary 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 10th April 2018 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 10, 2018.

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.

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.

(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.

2.2 Equity Share Capital

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

2.3 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.

2.4 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.

2.5 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.

2.6 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.

2.7 Earnings Per Share

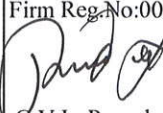
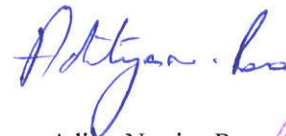
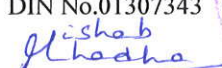
Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the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

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TRADE RECEIVABLES (Unsecured, considered good)		
Particulars		As at 31.03.2019
		Rs.
Outstanding for a period exceeding six months		-
Other Trader Receivables		13,109,289
Total		13,109,289
CASH AND BANK BALANCES		
Particulars		As at 31.03.2019
		Rs.
i) Cash and Cash Equivalents		
(a) Balances with banks		
(i) In Current Accounts		6,269,032
(b) Cash on hand		75,000
Total		6,344,032
OTHER BANK BALANCES		
Particulars		As at 31.03.2019
		Rs.
Other Bank Balances		
(a) Fixed Deposits with bank		3,326,400
Total		3,326,400
5.1	Fixed Deposits having the maturity period of more than 3 months is Rs.33,26,400/-	
6 OTHER CURRENT ASSETS		
Particulars		As at 31.03.2019
		Rs.
Loan and Advances		10,000,000
Total		10,000,000
6.1	The company has given an advance of Rs.1,00,00,000/- to others carrying interest @14% PA. The said loan is repayable on demand.	
7 SHARE CAPITAL		
Particulars		As at 31.03.2019
		Rs.
Authorised Share Capital		
10,000 Equity shares of Rs.10 each with voting rights (Previous year 10,000 Equity shares of Rs. 10 each with voting rights)		100,000
7.1	Issued, Subscribed and fully paid up	
	10,000 Equity shares of Rs.10 each with voting rights	
	100,000	
7.1.1	All Equity shares issued by the Company carry equal voting and participatory rights.	
7.1.2	The reconciliation of the no. of shares outstanding is set out below	
Particulars		As at 31.03.2019
		Rs.
Equity shares at the beginning of the year		-
Equity shares at the end of the year		10,000
7.1.3	The details of share holders holding more than 5% shares	
Name of the share holder		As at 31.03.2019
		No of shares % held
Pennar Industries Limited		5,100 51.00
Enertech Engineering Private Limited		4,900 49.00

8	OTHER EQUITY		
		Particulars	As at 31.03.2019
			Rs.
	(a) Statement Profit and Loss		
	Opening balance		-
	Add: Profit for the year		4,332,904
	Closing balance		4,332,904
	Total		4,332,904
9	SHORT TERM BORROWINGS		
		Particulars	As at 31.03.2019
			Rs.
	Loan from related parties		10,000,000
	Total		10,000,000
9.1	During the year, company has received un secured loan from Pennar Industries Limited, holding company carrying interest at 14%. Out of the loan amount of Rs. 1,00,00,000/- an amount of Rs.50,00,000/- is repayable in 180 days and the balance of Rs.50,00,000/- is repayable in 240 days. The said loan is not due for repayment as at 31st March 2019.		
10	TRADE PAYABLES		
		Particulars	As at 31.03.2019
			Rs.
	Creditors for Materials		3,246,727
	Creditors for Services		12,102,921
	Total		15,349,648
10.1	Creditors for materials includes Rs.16,67,333/- payable to Pennar Industries Limited, holding company and Rs.8,17,648/- payable to Pennar Engineered Building Systems Limited a fellow subsidiary company.		
11	INCOME TAX LIABILITIES		
		Particulars	As at 31.03.2019
			Rs.
	Provision for taxes		1,522,372
	Total		1,522,372
12	OTHER CURRENT LIABILITIES		
		Particulars	As at 31.03.2019
			Rs.
	<i>a) Statutory remittances</i>		
	i)TDS Payable		187,190
	ii)Professional Tax Payable		1,400
	iii)GST Payable		1,286,207
	Total		1,474,797

13	REVENUE FROM OPERATIONS	
	Particulars	For the period ended 31.03.2019
		Rs.
	Sale of Goods	66,671,627
	Less: GST	9,717,347
	Net Revenue from Operations	56,954,280
14	COST OF CONSUMPTION	
	Particulars	For the period ended 31.03.2019
		Rs.
	a)Material consumed:	
	Opening stock of Raw Materials	-
	Add: Purchases during the year	26,858,638
		26,858,638
	Less: Closing stock	-
	b) Other operating expenses	
	Erection, Testing and Commissioning Charges	22,476,360
	Cost of material consumed	49,334,998
15	EMPLOYEE BENEFITS EXPENSE	
	Particulars	For the period ended 31.03.2019
		Rs.
	Salaries and wages	804,135
	Total	804,135
16	FINANCE COST	
	Particulars	For the period ended 31.03.2019
		Rs.
	Interest on Loans	671,616
	Interest on TDS Payments	5,075
	Total	676,691
17	OTHER EXPENSES	
	Particulars	For the period ended 31.03.2019
		Rs.
	Rates and Taxes	12,000
	Bank Charges	923
	GST Late Filing Charges	3,130
	Travelling Expenses	67,128
	Payments to Auditors	200,000
	Total	283,182
17.1	Payments to the auditors comprises (Excluding GST)	
	Audit Fee	150,000
	Tax Audit Fee	50,000
	Total	200,000

18	EARNING PER SHARE		
	Particulars	For the period ended 31.03.2019	
	Net profit attributable to equity Share holders	4,332,904	
	No of Equity Shares	10,000	
	Basic and diluted Earning per Share	433.29	
19	CONTINGENT LIABILITIES: Not Acknowledged as debt		
20	Related Party Disclosures		
	Relationship	Name	
20.1	Key Management Personnel	Aditya Narsing Rao Rishab Chadha	
	Holding Compnay	Pennar Industries Ltd	
	Fellow Subsidiary Compnay	Pennar Engineered Building Systems Ltd Pennar Enviro Limited Pennar Global Inc	
20.2	Aggregate Related Party Transactions :		
SI No	Particulars	Holding Company	Fellow Subsidiary
	Particulars	31.03.2019	31.03.2019
1	Sales Made during the period	-	-
2	purchases Made during the period	5,748,224	5,317,648
3	Inter Corporate Deposit Received	10,000,000	-
4	Balances payable	11,667,333	817,648
21	Dues to Micro,Small and Medium Enterprises		
	2006" is based on Management's knowledge of their status. Disclosure of Sundry Creditors is based on the information available with the company regarding the status of suppliers as defined under the 'Micro, Small and Medium enterprises development (Act 2006)' and is relied upon by the Auditors.		
22	Confirmations are not received in respect of the amounts relating to trade receivable, trade payables.		
23	Figures are rounded off to nearest rupee		
24	The company was Incorporated on 10th April 2018, financial statements of the compnay have been prepared for the date of incorporation to 31st March 2019. Being the first year of the company operations, previous year figures were not provided for comparison.		
	terms of our report attached.	For and on behalf of the board	
	For Rambabu & Co., Chartered Accountants Firm Reg.No:002976S  G V L Prasad Partner M.No.026548 	 Aditya Narsing Rao Director DIN No.01307343  Rishab Chadha Director DIN No.00809985 	
	Place : Hyderabad		
	Date : 22-05-2019		

Enertech Pennar Defense and Engineering systems Private Limited

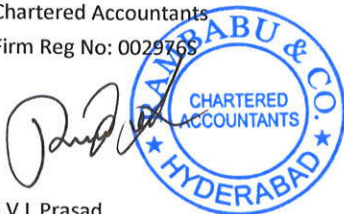
Cash Flow Statement for the year ended 31.03.2019

SI No	Particulars	Rs.
		31.03.2019
A	Cash Flow from operating activities	
	Profit Before Tax	5,855,275
	Depreciation & Amortisation	-
	Finance Costs	676,691
	Loss on sale of Assets	-
	Bad Debts written off	-
	Operating Profit Before working capital changes	6,531,966
	Adjustments for (increase)/decrease in operating assets	
	Trade Receivables	(13,109,289)
	Inventories	-
	Shrot Term Borrowings - Banks	-
	Short Term Loans & Advances	-
	Other Current Assets	(10,000,000)
	Adjustments for (increase)/decrease in operating liabilities	
	Other Current Liabilities	1,474,797
	Trade Payables	15,349,648
	Short term provisions	-
	Cash Generated from operating activities	247,121
	Less: Taxes paid	-
	Net Cash from operating activities (A)	247,121
B	Net Cash from Investing Activities	
	Short term borrowings	10,000,000
	Fixed Depsoits made	(3,326,400)
	Proceeds from Sale of Assets	-
	Increase In non Current Assets	-
	Net cash from Investing Activities (B)	6,673,600
C	Cash Flow from finacing Activities	
	Share Capital	100,000
	Repayment of long term borrowings	-
	Procceds from Long Term borrowings	-
	Finance Cost	(676,691)
	Net Cashfrom (used) in financing activities (C)	(576,691)
	Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	6,344,032
	Cash and Cash equivalents at the beginning of the year	-
	Cash and Cash equivalents at the end of the year	6,344,032

In terms of our report attached.

For and on behalf of the Board of Directors

For RAMBABU & Co.,
Chartered Accountants
Firm Reg No: 0029768



G V L Prasad
Partner
Membership.No:026548

Aditya Narsing Rao *Rishab Chadha*

Aditya Narsing Rao Rishab Chadha
Director Director

DIN 01307343 DIN 00809985



Place : Hyderabad
Date : 22-05-19