

Deloitte Haskins & Sells

Chartered Accountants
1-8-384 & 385
3rd Floor, Gowra Grand
S. P. Road, Begumpet
Secunderabad - 500 003
India

Tel: +91 (40) 6603 2600
Fax: +91 (40) 6603 2714

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENNAR ENGINEERED BUILDING SYSTEMS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PENNAR ENGINEERED BUILDING SYSTEMS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 prescribed under section 133 of the Act, as applicable.

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 thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the 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 financial statements are free from material misstatement.



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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 31 March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



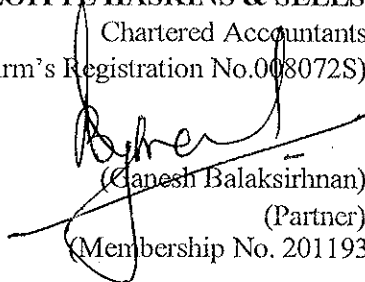
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- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No.008072S)



(Ganesh Balaksirhan)
(Partner)
(Membership No. 201193)

SECUNDERABAD, May 16, 2016

Deloitte Haskins & Sells

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 ENGINEERED BUILDING SYSTEMS LIMITED ("the Company") as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

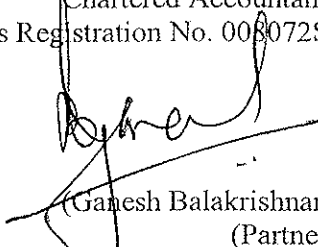
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on 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.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm's Registration No. 008072S)



(Ganesh Balakrishnan)
(Partner)
(Membership No. 201193)

Place: SECUNDERABAD

Date: May 16, 2016

PENNNAR ENGINEERED BUILDING SYSTEMS LIMITED
Balance Sheet As at 31 March, 2016

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
		₹ in lakhs	₹ in lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,427	3,071
(b) Reserves and surplus	4	17,787	9,885
		21,214	12,956
2 Non-current liabilities			
(a) Long-term borrowings	5	37	11
(b) Deferred tax liabilities (net)	32	384	414
(c) Other long-term liabilities	6	354	357
(d) Long-term provisions	7	173	210
		948	992
3 Current liabilities			
(a) Short-term borrowings	8	5,431	4,042
(b) Trade payables	9		
- Dues of micro enterprises and small enterprises		263	87
- Dues of creditors other than micro enterprises and small enterprises		15,061	11,171
(c) Other current liabilities	10	4,031	2,182
(d) Short-term provisions	11	1,627	422
		26,413	17,904
TOTAL		48,575	31,852
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12 A	6,298	6,179
(ii) Intangible assets	12 B	384	351
		6,682	6,530
(b) Long-term loans and advances	13	202	219
(c) Other non-current assets	14	831	-
		7,715	6,749
2 Current assets			
(a) Current investments	15	3,315	2,603
(b) Inventories	16	8,895	6,741
(c) Trade receivables	17	14,020	12,700
(d) Cash and bank balances	18	6,669	583
(e) Short-term loans and advances	19	5,386	1,275
(f) Other current assets	20	2,575	1,201
		40,860	25,103
TOTAL		48,575	31,852
Corporate information and significant accounting policies.	1 & 2		

See accompanying notes forming part of the financial statements

In terms of our report attached,
For Deloitte Haskins & Sells
Chartered Accountants

Ganesh Balakrishnan
Partner



Place : Secunderabad
Date : 16 May, 2016

For and on behalf of the Board of Directors

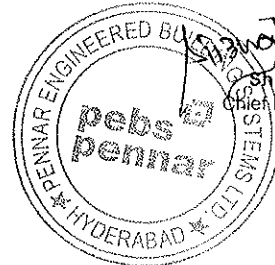
PV Rao
Managing Director

Subhash Kishan K
Company Secretary

Place : Hyderabad
Date : 16 May, 2016

Adityan Rao

Aditya N Rao
Vice Chairman



Shrikant Bhakkad
Chief Financial Officer

PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Statement of Profit and Loss for the year ended 31 March, 2016

Particulars	Note No.	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
		₹ in lakhs	₹ in lakhs
1 Revenue from operations (gross)	21	49,121	48,558
Less: Excise duty		4,429	4,043
Revenue from operations (net)		44,692	44,515
2 Other operating revenue	22	31	406
3 Other income	23	155	207
4 Total Revenue (1+2+3)		44,878	45,128
5 Expenses			
(a) Cost of materials consumed	24 A	23,750	27,008
(b) Changes in inventories of finished goods and work-in-progress	24 C	(1,058)	(239)
(c) Employee benefits expense	25	3,223	2,691
(d) Finance costs	26	1,109	967
(e) Depreciation and amortisation expense	12 C	612	585
(f) Other expenses	27	12,304	10,790
Total Expenses		39,940	41,802
6 Profit before tax (4-5)		4,938	3,326
7 Tax expense:			
(a) Current tax		1,767	988
(b) Tax pertaining to earlier years	36	185	-
(b) Deferred tax	32	(30)	147
		1,922	1,135
8 Profit for the year (6-7)		3,016	2,191
9 Earnings per equity share (nominal value of share ₹ 10 each):	28		
(a) Basic		9.47	8.57
(b) Diluted		9.47	7.19
Corporate information and significant accounting policies	1 & 2		

See accompanying notes forming part of the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells
Chartered Accountants

Ganesh Balakrishnan
Partner



Place : Secunderabad
Date : 16 May, 2016

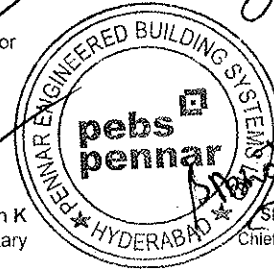
For and on behalf of the Board of Directors

PV Rao
Managing Director

Aditya N Rao
Vice Chairman

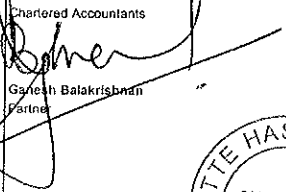

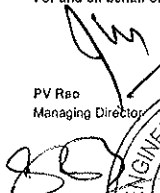
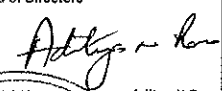
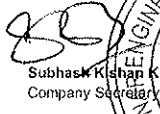
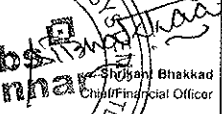
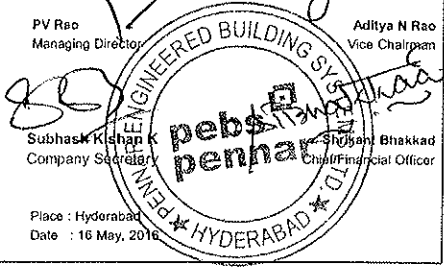
Subhash Kishan K
Company Secretary

Shrikant Bhakkad
Chief Financial Officer

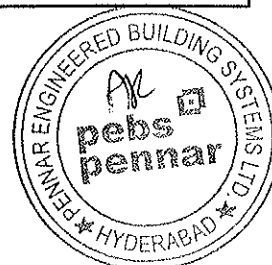


Place : Hyderabad
Date : 16 May, 2016

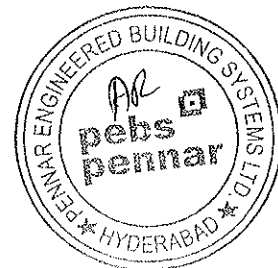
PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
Cash Flow Statement for the year ended 31 March, 2016

PARTICULARS	For the year ended	For the year ended
	31 March, 2016	31 March, 2015
	₹ In lakhs	₹ In lakhs
A. Cash flow from operating activities:		
Profit before tax	4,937	3,326
<i>Adjustments for:</i>		
Depreciation and amortisation expense	612	585
Finance costs	1,109	967
Loss on sale of assets	17	2
Provision for doubtful trade receivables	100	159
Dividend income	(40)	(73)
Net gain on sale of current investments	(3)	-
Interest income	(33)	(42)
Liabilities no longer required written back	(81)	-
Operating profit before working capital changes	6,618	4,924
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(1,406)	(5,930)
Inventories	(2,154)	(237)
Short-term loans and advances	(2,761)	482
Long-term loans and advances	(17)	(2)
Other current assets	(1,374)	(291)
Other non current assets	(831)	-
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	4,133	3,010
Other current liabilities	1,757	(623)
Short-term provisions	38	33
Other long-term liabilities	(3)	128
Long-term provisions	(37)	58
Cash generated from operations	3,963	1,552
Net income tax (paid)	(750)	(1,200)
Net cash flow from operating activities " A "	3,213	352
B. Cash from Investing activities:		
Purchase of fixed assets, including capital work-in-progress and capital advances	(793)	(237)
Proceeds from sale of fixed assets	15	5
Bank balances not considered as cash and cash equivalents		
- Placed	-	(880)
- Matured	-	913
Dividend received	40	73
Interest received	33	43
Net gain on sale of current investments	3	-
Current Investments		
- Purchased	(14,986)	(7,790)
- Proceeds from sale	14,274	7,737
Inter corporate deposit placed	(1,350)	-
Inter corporate deposit matured	-	100
Net cash flow (used in) investing activities " B "	(2,764)	(36)
C. Cash Flow from financing activities:		
Proceeds from issue of equity shares (net of expenses)	5,242	-
Proceeds from long-term borrowings	48	-
Repayment of long term borrowings	(19)	(4)
Net increase in working capital borrowings	2,889	96
Proceeds of other short-term borrowings	10,900	500
Repayment of other short-term borrowings	(12,400)	-
Finance costs	(1,023)	(906)
Net cash flow from / (used in) financing activities " C "	5,637	(314)
Net increase in Cash and cash equivalents (A+B+C)	6,086	2
Cash and cash equivalents at the beginning of the year	203	201
Cash and cash equivalents at the end of the year	6,289	203
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents (Refer Note 18)	6,669	583
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements:		
(i) in earmarked accounts		
Balances held as margin money towards bank guarantees and letter of credits	380	380
Cash and cash equivalents at the end of the year*	6,289	203
* Comprises:		
(a) Balances with banks		
(i) In current accounts	489	203
(ii) In deposit accounts	5,800	-
Cash and cash equivalents at the end of the year	6,289	203
Note:		
a. Balance with scheduled banks include ₹ 380 lakhs (31 March, 2015 - ₹ 380 lakhs) representing margin money for letters of credit and bank guarantees issued.		
b. Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard 3 on Cash Flow Statements.		
See accompanying notes forming part of the financial statements		
In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants		
 Gajesh Balakrishnan Partner		
		
Place: Secunderabad Date : 16 May, 2016		
For and on behalf of the Board of Directors		
 PV Rao Managing Director		
 Aditya N Rao Vice Chairman		
 Subhas Kishan Company Secretary		
 Shoban Bhakkar Chief Financial Officer		
		
Place: Hyderabad Date : 16 May, 2016		

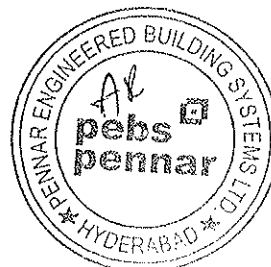
Note	
1	<p>Corporate information</p> <p>Penmar Engineered Building Systems Limited is into design, manufacture, supply, service and installation of pre engineered steel buildings, building components and erection for industries, warehouses, commercial centres, multi storied buildings, aircraft hangars, defence installations, many others.</p> <p>The company's registered office is at Hyderabad and manufacturing plant is located at Sadashivpet, Medak district of Telangana.</p> <p>The Company made an Initial Public Offer during the year and shares of the Company were listed on the Bombay Stock Exchange and the National Stock Exchange of India on 10 September, 2015.</p>
2	<p>Significant accounting policies</p>
2.1	<p>Basis of accounting and preparation of financial statements</p> <p>The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
2.2	<p>Use of estimates</p> <p>The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the years in which the results are known / materialise.</p>
2.3	<p>Inventories</p> <p>Raw materials, Finished goods, Work-in-progress, Stores & Spares and scrap are valued at the lower of cost (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. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty. Materials in transit are valued at cost.</p>
2.4	<p>Cash and cash equivalents (for purposes of Cash Flow Statement)</p> <p>Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.</p>
2.5	<p>Cash flow statement</p> <p>Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.</p>
2.6	<p>Depreciation and amortisation</p> <p>Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.</p> <p>Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following</p> <p>Leasehold improvements are amortised over the duration of the lease</p> <p>Intangible assets are amortised over their estimated useful life as follows:</p> <ul style="list-style-type: none">License fees, over the duration of license or 10 years whichever is lessSoftware over the duration of 10 years <p>Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation</p>



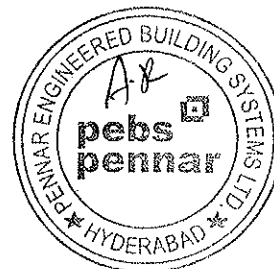
Note	
2.7	<p>Revenue recognition</p> <p><u>Sale of goods and income from services</u> Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.</p> <p>Revenue from services is recognised as per the terms of the contract with the customer using the proportionate completion method. Percentage of completion is determined as a proportion of the costs incurred upto the reporting date to the total estimated costs. Foreseeable losses on contracts are recognised when probable.</p> <p>Sales include excise duty but exclude sales tax and value added tax.</p> <p>When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The percentage of completion of a contract is determined considering the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs.</p> <p>When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.</p>
2.8	<p>Other Income</p> <p>Interest income is accounted on accrual basis. Dividend income is accounted for when the right to received is established.</p>
2.9	<p>Tangible fixed assets</p> <p>Fixed assets are carried at cost net of CENVAT and VAT less accumulated depreciation. The cost of fixed assets includes all the financial costs and other incidental expenses upto the date of commissioning. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.</p> <p>Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.</p> <p><u>Capital work-in-progress:</u> Projects under which tangible fixed assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.</p>
2.10	<p>Intangible assets</p> <p>Intangible assets are carried at cost less accumulated amortisation. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.</p>
2.11	<p>Foreign currency transactions and translations</p> <p><u>Initial recognition</u> Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.</p> <p><u>Measurement at the balance sheet date</u> Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.</p> <p>Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.</p> <p><u>Accounting of forward contracts</u> Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.</p>
2.12	<p>Government grants, subsidies and export incentives</p> <p>Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.</p> <p>Income from sales tax and power incentives are recognised on accrual basis, when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.</p>



Note	
2.13	<p>Investments</p> <p>Long-term investments, are carried individually at cost less provision for diminution, other than temporary. Cost of investments include acquisition charges such as brokerage, fees and duties.</p> <p><u>Current investment</u> Current investments are carried individually, at the lower of cost and fair value.</p>
2.14	<p>Employee benefits</p> <p>Employee benefits include provident fund, gratuity fund and compensated absences.</p> <p><u>Defined contribution plans</u> The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.</p> <p><u>Defined benefit plans</u> For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the year in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.</p> <p><u>Short-term employee benefits</u> The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the year in which the employee renders the related service. The cost of such compensated absences is accounted as under : (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (b) in case of non-accumulating compensated absences, when the absences occur.</p> <p><u>Long-term employee benefits</u> Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.</p>
2.15	<p>Leases</p> <p>Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.</p>
2.16	<p>Earnings per share</p> <p>Basic earnings per share is computed by dividing the profit after tax as adjusted for preference dividend by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax, 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. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.</p>
2.17	<p>Taxes on Income</p> <p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.</p> <p>Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.</p> <p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>



Nota	
2.18	<p>Impairment of assets</p> <p>The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:</p> <p>(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.</p> <p>If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount. In which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.</p> <p>The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.</p> <p>When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.</p>
2.19	<p>Provisions and contingencies</p> <p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.</p>
2.20	<p>Share issue expenses</p> <p>Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.</p>
2.21	<p>Insurance claims</p> <p>Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.</p>
2.22	<p>Service tax input credit</p> <p>Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.</p>
2.23	<p>Operating Cycle</p> <p>Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.</p>



Note 3 Share capital

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(a) Authorised - Refer note (a) below				
Equity shares of ₹ 10 each	36,000,000	3,600	36,000,000	3,600
Compulsorily convertible preference shares of ₹ 10 each	6,000,000	600	6,000,000	600
Total Authorised share capital	42,000,000	4,200	42,000,000	4,200
(b) Issued, Subscribed and fully paid up				
Equity shares of ₹ 10 each	34,274,911	3,427	27,672,491	2,767
Compulsorily convertible preference shares of ₹ 10 each	-	-	3,039,560	304
Total issued, subscribed and fully paid up share capital	34,274,911	3,427	30,712,051	3,071

Notes:

i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year :

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity Shares				
Opening balance	27,672,491	2,767	25,000,000	2,500
Add: Movement during the year- Refer note (b), (c), (d) below	6,602,420	660	2,672,491	267
Closing balance	34,274,911	3,427	27,672,491	2,767
Compulsorily convertible preference shares				
Opening balance	3,039,560	304	5,468,750	547
Add/(Less): Movement during the year - Refer note (c) & (d) below	(3,039,560)	(304)	(2,429,190)	(243)
Closing balance	-	-	3,039,560	304

(ii) Details of shares held by the holding company :

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Number of shares	Number of shares
Equity shares		
Pennar Industries Limited	18,500,000	18,500,000

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	% holding in that class of shares	Number of shares	% holding in that class of shares
Equity shares - Refer note (a) below				
Pennar Industries Limited	18,500,000	53.98%	18,500,000	66.65%
Zephyr Peacock India Fund III Limited	2,307,481	6.73%	3,461,291	12.51%
DSP Blackrock small and mid cap fund	1,824,558	5.32%	-	-
Birla sun life trustee company private limited	1,954,100	5.70%	-	-
IL&FS Trust Company Limited *	-	-	1,554,950	5.62%
Compulsorily convertible preference shares - Refer note (c) & (d) below				
Zephyr Peacock India Fund III Limited	-	-	2,097,348	69.00%
IL&FS Trust Company Limited *	-	-	942,212	31.00%

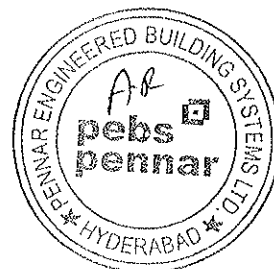
(*Representing Zephyr Peacock India III Fund, a scheme of Zephyr Peacock India Master Trust)

a) The authorised share capital of ₹ 3,750 lakhs divided into 31,500,000 Equity Shares and 6,000,000 Compulsorily Convertible Preference Shares (CCPS) was increased to ₹ 4,200 lakhs divided into 36,000,000 Equity Shares and 6,000,000 CCPS, pursuant to a extra ordinary general meeting held on 16 March, 2015.

b) The Company completed its Initial Public Offering (IPO) of 8,774,567 Equity Shares of ₹ 10 each consisting of a Fresh Issue of 3,258,426 Equity Shares and an offer for sale of 5,516,141 Equity Shares from selling share holders on 04 September, 2015. Out of the total proceeds from the IPO of ₹ 15,619 lakhs the Company's share is ₹ 5,800 lakhs on account of the said fresh issue. The fresh issue of 3,258,426 Equity Shares of face value ₹ 10 each was at a premium of ₹ 168 per share aggregating ₹ 5,474 lakhs. The said premium was recognised in securities premium account of the Company.

c) Pursuant to a resolution dated 16 March, 2015, 1,676,182 CCPS held by Zephyr Peacock India Fund III Limited were converted to 1,844,064 Equity Shares and 753,008 CCPS held by Zephyr Peacock India III Fund were converted into 828,427 Equity Shares respectively of face value ₹ 10 per share at a premium of ₹ 48.17 per share, resulting in a conversion ratio of 1:1.002. The net adjustment on such conversion was made to the securities premium account.

d) Pursuant to a Board resolution dated 21 July, 2015, 2,097,348 CCPS held by Zephyr Peacock India Fund III Limited were converted to 2,307,412 Equity Shares and 942,212 CCPS held by Zephyr Peacock India III Fund were converted into 1,036,582 Equity Shares respectively of face value ₹ 10 per share at a premium of ₹ 48.17 per share. The net adjustment on such conversion was made to the securities premium account.



(iv) Rights, preferences and restrictions attached to shares

a) Equity shares

The Company has one class of equity shares having a par value of ₹ 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

b) Conversion of Compulsorily convertible preference shares (CCPS)

The Company has converted all of its Compulsorily Convertible Preference Shares (CCPS) into Equity Shares of the Company. As on 31 March, 2016, the number of CCPS of the Company is NIL (as at March 31, 2015 the Company was having 3,039,560 CCPS, the said CCPS got converted fully to equity shares on 21 July, 2015)

c) Details of shares reserved for issue

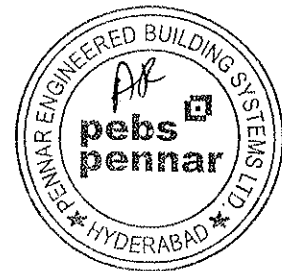
Shares aggregating 1,000,000 (31 March, 2015 1,000,000) is reserved for issue under Employee Stock Option Scheme 2014 (Refer Note 34)

Note 4 Reserves and surplus

Particulars	As at	As at
	31 March, 2016	31 March, 2015
	₹ in lakhs	₹ in lakhs
a) Surplus in Statement of Profit and Loss		
Opening balance	7,160	4,980
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	11
Add: Profit for the year	3,016	2,191
Net surplus in the Statement of Profit and Loss	10,176	7,160
b) Securities premium account		
Opening balance	2,725	2,750
Add: On account of premium on equity shares issued during the year (Refer Note 3(iii)(b))	5,474	-
Less: Adjustment on account of conversion of preference shares (Refer Note 3(iii)(c) & 3(iii)(d))	30	25
	8,169	2,725
Less: Utilised during the year (Refer Note below)	558	-
Closing Balance	7,611	2,725
Total	17,787	9,885

Note:

Share issue expenses comprise of expenses incurred in connection with issue of equity shares and their listing on stock exchanges. The total expenses in connection with the IPO were shared between the Company and the selling shareholders in the proportion of the amount received from the IPO proceeds. The Company's share of issue expenses were adjusted against securities premium account u/s 52(2)(c) of the Companies Act, 2013.



PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 5 Long-term borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Vehicle Loan From bank (Refer Note below)	37	11
Total	37	11

Note:

Car loan from ICICI Bank of ₹ 49 Lakhs (31 March, 2015 - ₹ 23 Lakhs from Kotak Mahindra Bank repaid in November, 2015) is secured by hypothecation of the vehicle financed through the loan arrangement. The loan is repayable in 60 monthly instalments of ₹ 1 Lakh each commencing from 10 November, 2015 and carries an interest of 9.35 % per annum. Current maturities of long term borrowings have been disclosed under the head Other Current Liabilities (Refer Note 10)

Note 6 Other long-term liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(i) Trade Payables - Others	274	277
(ii) Security deposits received	80	80
Total	354	357

Note 7 Long-term provisions

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Provision for employee benefits: (Refer Note 31.2 b)		
(i) Provision for compensated absences	83	72
(ii) Provision for gratuity	90	138
Total	173	210



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 8 Short-term borrowings

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Loans repayable on demand		
From banks - Secured - (Refer Note (i))	5,431	4,042
Total	5,431	4,042

Notes:

(i) Details of loan repayable on demand & other short term loans

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Loans repayable on demand and other short term loans from banks		
State Bank of India (Refer Note iii (a))	4,097	3,054
Axis Bank Limited (Refer Note iii (b))	84	988
Yes Bank (Refer Note iii (c))	1,250	-
Total - from banks	5,431	4,042

(ii) Details of short-term borrowings guaranteed by Directors and Holding Company :

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Directors	8,000	4,000
Holding Company	8,000	4,000

Note - iii (a)

Working Capital loan of ₹ 4,500 Lakhs from State Bank of India (SBI) is primarily secured by Pari passu first charge on present and future Current Assets of the Company along with Axis Bank and secured by second charge on fixed assets of the Company including Equitable Mortgage of Acre 32.07 1/2 guntas under Survey numbers 88 to 92 (part) of Ankanapally Village & Survey Numbers 144 to 145 (part) of Chandapur Village Sadasivapet Mandal, Medak District (the land on which the plant is located), on pari passu basis along with Axis Bank, and pledge of 24.60% of the total paid up equity capital (61,50,000 shares of ₹ 10 each) held by Pennar Industries Limited. Further secured by personal guarantee of Aditya N Rao and corporate guarantee of Pennar Industries Limited. The loan carries interest rate of 10.55% per annum (31 March, 2015 - 11.25% per annum).

Note - iii (b)

Working Capital loan of ₹ 1,000 Lakhs from Axis Bank Limited is primarily secured by Pari passu first charge on present and future Current Assets of the Company and pari passu secured by second charge on present and future fixed assets of the Company including Equitable Mortgage of Acre 32.07 1/2 guntas under Survey numbers 88 to 92 (part) of Ankanapally Village & Survey Numbers 144 to 145 (part) of Chandapur Village Sadasivapet Mandal, Medak District (the land on which the plant is located). Further secured by personal guarantee of promoter director Aditya Rao and Corporate guarantee of Pennar Industries Limited. The loan carries interest rate of 11.55% per annum (31 March, 2015 - 12.15% per annum).

Note - iii (c)

Working Capital loan of ₹ 2,500 Lakhs from Yes Bank Limited is exclusively secured by receivables. Further secured by personal guarantee of director Aditya N Rao and Corporate guarantee of Pennar Industries Limited. The loan carries interest rate of 10.25% per annum. (31 March, 2015 - Nil).



PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 9 Trade payables

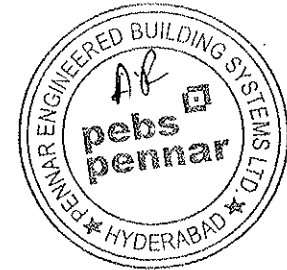
Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Trade payables:		
(a) Dues of micro enterprises and small enterprises		
- Acceptances	-	-
- Other than acceptances	263	87
(b) Dues of creditors other than micro enterprises and small enterprises		
- Acceptances	7,119	185
- Other than acceptances	7,942	10,986
Total	15,324	11,258

Note 10 Other current liabilities

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Current maturities of long-term borrowings		
From Banks - Secured		
Vehicle Loan	8	5
(b) Interest accrued and due on borrowings	178	15
(c) Statutory remittances (net)	522	480
(d) Payables on purchase of fixed assets	31	28
(e) Interest accrued on trade payables	64	141
(f) Advances from customers	3,228	1,513
Total	4,031	2,182

Note 11 Short-term provisions

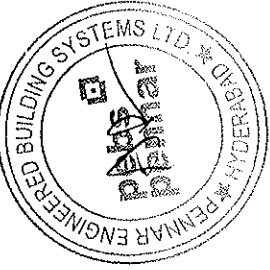
Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Provision for employee benefits:- Refer note 31.2 (b) & 31.2 (c)		
(i) Provision for compensated absences	64	39
(ii) Provision for gratuity	32	22
	96	61
(b) Provision - Others:		
(i) Provision for tax [net of advance tax ₹ 2,241 lakhs (As at 31 March, 2015 ₹ 1,854 lakhs)]	1,528	361
(ii) Provision for estimated loss on derivatives	3	-
Total	1,627	422



PENMAR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 12: Fixed assets

Particulars	Gross block		Accumulated depreciation and amortisation					Net book value	
	Balance as at 1 April, 2015	Balance as at 31 March 2016	Balance as at 1 April, 2015	Depreciation / amortisation expense for year	Other adjustments - Transfer Capital Expenditure Refer Note - 3A	Eliminated on disposal of assets	Other Adjustments Refer Note - 37	Balance as at 31 March, 2016	Balance as at 31 March, 2015
A. Intangible assets									
(a) Land / Tenure	195 (195)	195 (195)	-	-	-	-	-	195 (195)	195 (195)
(b) Buildings	3,754 (3,719)	458 (3,754)	458 (254)	126 (254)	-	-	542 (418)	3,335 (3,425)	3,335 (3,425)
(c) Plant and Equipment	3,164 (2,574)	3,207 (3,164)	88 (590)	790 (496)	1 (1)	14 (1)	1,113 (792)	2,094 (2,374)	2,074 (2,078)
(d) Electrical Equipments	127 (127)	128 (127)	1 (1)	17 (1)	-	-	45 (28)	83 (85)	99 (114)
(e) Furniture and Fixtures	173 (123)	135 (123)	12 (8)	14 (41)	-	14 (1)	65 (51)	70 (72)	72 (82)
(f) Vehicles	20 (20)	58 (29)	58 (1)	7 (3)	-	-	4 (7)	54 (22)	22 (26)
(g) Office equipment	90 (82)	93 (80)	13 (7)	80 (54)	-	10 (1)	76 (80)	75 (70)	10 (10)
(h) Leasehold improvements	62 (62)	66 (62)	36 (2)	48 (5)	-	-	4 (7)	54 (22)	22 (26)
(i) Computers	254 (230)	313 (254)	66 (25)	137 (136)	-	-	242 (111)	41 (57)	14 (195)
Total - Intangible assets	7,748 (7,173)	8,443 (7,798)	712 (661)	1,819 (839)	2 (1)	33 (4)	2,147 (1,696)	6,298 (6,179)	6,179 (6,081)
B. Intangible assets									
Licences	238 (211)	271 (238)	33 (27)	100 (76)	-	-	124 (100)	147 (138)	136 (134)
Computer Software	242 (198)	293 (242)	51 (204)	29 (15)	-	-	56 (20)	237 (213)	213 (201)
Total - Intangible assets	480 (409)	564 (480)	84 (231)	129 (91)	-				
Total	8,228 (7,582)	9,007 (8,278)	796 (892)	2,048 (930)	2 (1)	33 (4)	2,371 (1,707)	6,627 (6,530)	6,530 (6,281)
C. Capital work-in-progress									



Note 12: Fixed assets (contd.)

Particulars	Depreciation and amortisation	
	For the year ended 31 March, 2016	For the year ended 31 March, 2015
On intangible assets as per Note 12 B	563	533
On intangible assets as per Note 12 B	51	46
Less: Expense incurred towards capital work-in-progress	614	585
Depreciation and amortisation	614	585



Note 13 Long-term loans and advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ In lakhs	₹ In lakhs
(a) Rental & Other Deposits		
Unsecured, considered good	193	176
(b) Advance Tax [Net of provision for tax ₹ 3,504 lakhs (as at 31 March, 2015 - ₹ 1,198 lakhs)]	9	43
Total	202	219

Note 14 Other non-current assets

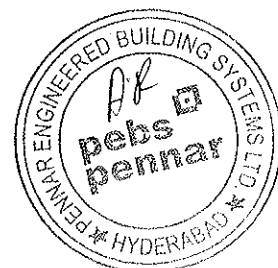
Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Long-term Trade receivables		
Unsecured, considered good	831	-
Total	831	-

Note 15 Current Investments

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ In lakhs	₹ in lakhs
Investment in mutual funds (Refer Note (I) below)	3,315	2,603
Total	3,315	2,603
Aggregate value of quoted investment	3,315	2,603
Aggregate market value of quoted investment	3,318	2,603
Aggregate value of un-quoted investment	-	-

Note: (I) Investment in mutual funds

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ In lakhs	₹ In lakhs
SBI Premier Liquid Fund	500	1,001
49,882.14 units of Premier Liquid - Daily Dividend face value of ₹ 1,003.2500 (31 March, 2015 - 99,806.084)		
Birla Sunlife Cash Plus Collection	250	-
249,674.86 units of Birla Dividend - daily reinvestment face value of ₹ 100.1950 (31 March, 2015 - Nil)		
ICICI Prudential Mutual Fund	250	-
249,984.037 units of ICICI Dividend - daily reinvestment face value of ₹ 100.0565 (31 March, 2015 - Nil)		
Reliance Liquid Fund- Treasury plan	250	250
1,6363.4610 units of Reliance Liquid - Daily Dividend face value of ₹ 1,528.74 (31 March, 2015 - 16,362.051)		
Axis Bank Liquid Fund Daily Dividend	500	951
49,999.408 units of Axis Liquid - Daily Dividend face value of ₹ 1,000.3420 (31 March, 2015 - 95,066.733)		
IDFC Cash Fund	250	200
24,990.91 units of IDFC Liquid - Daily Dividend face value of ₹ 1,000.6866 (31 March, 2015 - 20,032.723)		
Religare Invesco Liquidity Fund	250	-
24,992.447 units of Religare Invesco- Daily reinvestment face value of ₹ 1,000.79 (31 March, 2015 - Nil)		
Kotak Floater - Short Term - D	250	-
24,727.9961 units of Kotak Floater - Daily reinvestment face value of ₹ 1,011.62 (31 March, 2015 - Nil)		
HDFC RIF STF WP - UST	102	-
1,010,282.793 units of HDFC RIF STF Dividend daily reinvestment face value of ₹ 10.0809 (31 March, 2015 - Nil)		
Franklin India Ultra Short term Bond	204	-
2,029,830.08 units of Franklin India Dividend daily reinvestment face value of ₹ 10.0602 (31 March, 2015 - Nil)		
UTI-Treasury Advantage Fund-Ins	102	-
10,166.006 units of UTI Treasury dividend daily reinvestment face value of ₹ 1002.3540 (31 March, 2015 - Nil)		
Reliance Medium Term Fund -UST	102	-
595,406.404 units of Reliance medium term fund dividend daily reinvestment face value of ₹ 17.0959 (31 March, 2015 - Nil)		
ICICI Prudential -UST	100	-
658,791.91 units of ICICI Prudential - UST Growth plan face value of ₹ 15.1793 (31 March, 2015 - Nil)		
Birla Sun Life Savings Fund-US	205	-
203,136.421 units of Birla sun life savings dividend daily reinvestment face value of ₹ 100.2972 (31 March, 2015 - Nil)		
SBI Ultra Short Term Debt Fund	-	201
(31 March, 2015 - 19,956.267)		
Total	3,315	2,603



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 16 Inventories
(At lower of cost and net realisable value)

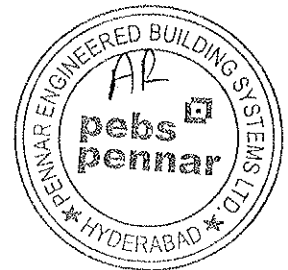
Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Raw materials	3,569	2,537
Goods-in-transit	347	273
(b) Work-in-progress	1,589	2,154
(c) Finished goods	3,020	1,428
(d) Stores and spares	264	316
Goods-in-transit	67	25
(e) Scrap	39	8
Total	8,895	6,741

Note 17 Trade receivables

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment (Refer Note below)		
Secured, considered good	69	-
Unsecured, considered good	5,793	3,881
Doubtful	441	355
	6,303	4,236
Less: Provision for doubtful trade receivables	441	355
	5,862	3,881
Other Trade receivables		
Secured, considered good	319	1,229
Unsecured, considered good	7,839	7,590
	8,158	8,819
Total	14,020	12,700

Considered good	14,020	12,700
Considered doubtful	441	355
Total	14,461	13,055

Note: Trade receivables includes retention money aggregating ₹ 3,031 lakhs (As at 31 March, 2015 ₹ 2,319 Lakhs)



Note 18: Cash and bank balances

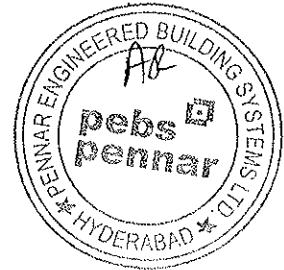
Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Balances with banks		
(i) In current accounts	489	203
(ii) In deposit accounts	5,800	-
(iii) In earmarked accounts		
- Balances held as margin money against guarantees and Letter of Credits	380	380
Total	6,669	583
Cash and cash equivalents as above meet the definition of Cash and cash equivalents as per AS 3 'Cash Flow Statements'	6,289	203

Note 19 Short-term loans and advances

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Security deposits		
Unsecured, considered good	441	25
(b) Prepaid expenses		
Unsecured, considered good	285	147
(c) Balances with government authorities		
Unsecured, considered good	118	347
(d) Inter-corporate deposits with related parties		
Unsecured, considered good	1,350	-
(e) Advances to Contractors, Suppliers and Others		
Unsecured, considered good	3,192	756
Considered doubtful	16	16
Less: Provision for doubtful advances	(16)	(16)
Total	5,386	1,275
Unsecured, considered good	5,386	1,275
Considered doubtful	16	16
Total	5,402	1,291

Note 20 Other current assets

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Unbilled revenue	1,387	158
(b) Incentive receivable	589	946
(c) Accruals		
Interest accrued on deposits	9	9
(d) Other receivables		
from related parties	524	33
from others	66	55
Total	2,575	1,201



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 21 Revenue from operations (Gross)

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Sale of products (Refer Note (i) below)	44,175	44,628
(b) Sale of service (Refer Note (ii) below)	4,369	3,114
(c) Sale of Scrap	577	816
Revenue from operations (Gross)	49,121	48,558
Less: Excise duty	(4,429)	(4,043)
Total	44,692	44,515

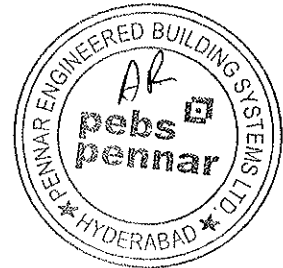
Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
(i)	<u>Sale of products comprises :</u>		
	Manufactured goods		
	Sale of Steel Structures & Pre Engineered Building Components	44,175	44,628
	Total - Sale of products	44,175	44,628
(ii)	<u>Sale of services comprises :</u>		
	Installation of Steel Structures & Pre engineered building components	3,868	2,769
	Engineering services	501	345
	Total - Sale of service	4,369	3,114

Note 22 Other operating revenue

Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
(i)	Incentives on Sales tax & Power (Refer Note 30.1)	31	406
	Total	31	406

Note 23 Other income

Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
(i)	Interest income comprises:		
	Interest from banks on deposit	33	40
	Other Interest received	-	2
	Total - Interest income	33	42
(ii)	Foreign exchange (loss) / gain	(25)	1
(iii)	Dividend income on mutual funds	40	73
(iv)	Net profit on sale of current investments	3	-
(v)	Other non-operating income comprises:		
	Liabilities / Provision no longer required written back	81	-
	Miscellaneous Income	23	91
	Total - Other non-operating income	122	165
	Total	155	207



PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 24A Cost of materials consumed - Refer Note : 24B

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
Opening stock	2,537	2,338
Add: Purchases	24,871	27,231
	27,408	29,569
Less: Expenses incurred towards capital projects	89	24
Less: Closing stock	3,569	2,537
Total	23,750	27,008

Note 24B Cost of materials consumed

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
HR Plates	8,810	9,191
GP Coils	3,349	2,732
Sheeting Coils	2,931	2,206
HR Sections	2,974	6,026
Bought outs	5,686	6,853
Total	23,750	27,008

Note 24C Changes in Inventories of finished goods and work-in-progress

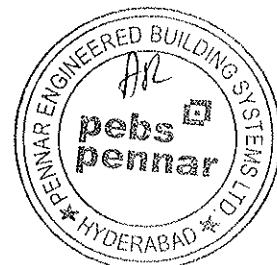
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
Inventories at the end of the year:		
Finished goods	3,020	1,428
Work-in-progress	1,589	2,154
Scrap	39	8
	4,648	3,590
Inventories at the beginning of the year:		
Finished goods	1,428	1,235
Work-in-progress	2,154	2,116
Scrap	8	-
	3,590	3,351
Net (Increase) in inventories	(1,058)	(239)

Note 25 Employee benefits expense

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
Salaries, Wages and bonus	2,915	2,388
Contributions to provident and other funds	139	123
Gratuity	50	50
Staff welfare expenses	123	131
	3,227	2,692
Less: Expenses incurred towards capital projects	4	1
Total	3,223	2,691

Note 26 Finance costs

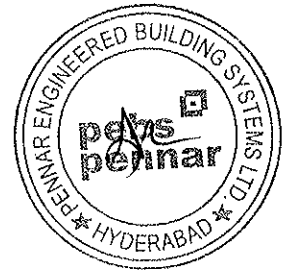
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
(a) Interest expense on:		
(i) Borrowings	396	305
(ii) Trade payables	22	32
(iii) Others	70	32
-Interest on delayed payment of income taxes		
(b) Other borrowing costs	621	598
Total	1,109	967



PENNR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 27 Other Expenses

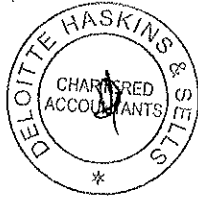
Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	₹ in lakhs	₹ in lakhs
Consumption of stores and spare parts	2,067	2,396
Increase / (decrease) of excise duty on inventory	175	24
Subcontract expenses	2,588	2,550
Erection expenses	3,906	2,361
Power and fuel	179	167
Other manufacturing cost	82	109
Rent including lease rentals (net)	296	190
Repairs and maintenance - Machinery	14	10
Repairs and maintenance - Others	4	3
Insurance	51	43
Rates and taxes	17	14
Communication	68	47
Travelling and conveyance	459	442
Printing and stationery	34	34
Freight and forwarding	1,498	1,434
Marketing and Selling expenses	312	418
Office Maintenance	117	119
Security Charges	37	28
Donations and contributions	2	5
Expenditure on Corporate Social Responsibility	19	8
Legal and professional	182	187
Auditors remuneration (Refer Note below)	26	13
Provision for doubtful trade receivables	100	159
Loss on fixed assets sold / scrapped / written off	17	2
Miscellaneous expenses	70	33
	12,320	10,796
Less: Expenses incurred towards capital projects	16	6
Total	12,304	10,790
Note		
Auditors' remuneration (net of Service Tax) comprises of:		
For Statutory Audit	24	13
For other services	1	-
Reimbursement of expenses	1	-
Total	26	13



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

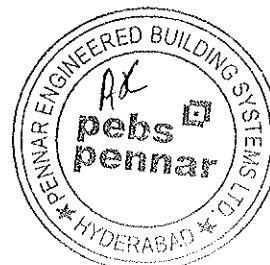
Note 28 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
28	Earnings per share		
	<u>Basic</u>		
	Net profit for the year (₹ in lakhs)	3,016	2,191
	Less: Preference dividend and tax thereon (₹ in lakhs)	-	38
	Net profit for the year attributable to the equity shareholders (₹ in lakhs)	3,016	2,153
	Weighted average number of equity shares	31,853,872	25,117,150
	Par value per share (₹)	10	10
	Earnings per share - Basic (₹)	9.47	8.57
	<u>Diluted</u>		
	Net profit for the year (₹ in lakhs)	3,016	2,191
	Weighted average number of equity shares - for diluted EPS	31,853,872	30,479,415
	Par value per share (₹)	10	10
	Earnings per share - Diluted (₹)	9.47	7.19



Note 29 Additional information to the financial statements

Note	Particulars		
		As at 31 March, 2016	As at 31 March, 2015
		₹ in lakhs	₹ in lakhs
29.1(i)	Contingent Liabilities		
a	Dividend on Compulsorily convertible preference shares (Refer note 3 (iv))	-	69
b	Disputed excise duty liability for which the Company has preferred an appeal	-	-
Note	Particulars		
29.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
		As at 31 March, 2016	As at 31 March, 2015
		₹ in lakhs	₹ in lakhs
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	263	87
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv)	The amount of interest due and payable for the year	22	32
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	64	42
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
Note	Particulars		
29.3	Value of imports calculated on CIF basis	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
	Raw materials	2,103	59
	Spare parts & components	5	7
	Capital goods	25	10
		2,133	76
29.4	Expenditure in foreign currency	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
	Royalty	8	10
	Professional charges	-	18
	Travel expenditure	5	6
		13	34
29.5	Details of consumption of Imported and Indigenous Items	For the year ended 31 March, 2016	
		₹ in lakhs	%
	Imported		
	Raw materials	2,314 (86)	9.74% (0.33%)
	Stores & Spares	9 (6)	0.44% (0.25%)
	Indigenous		
	Raw materials	21,436 (26,920)	90.26% (99.67%)
	Stores & spares	2,058 (2,390)	99.56% (99.75%)
	Total	25,817 (29,404)	100% 100%
	Note: Figures / percentages in brackets relates to the previous year		
29.6	Earnings In foreign exchange : (FOB basis)	For the year ended 31 March, 2016	For the year ended 31 March, 2015
		₹ in lakhs	₹ in lakhs
	Export of services	501	143
	Others	96	-
29.7	The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:	As at 31 March, 2016	
		USD	₹ in lakhs
	Receivables	110,398 (43,012)	73 (27)
	Note: Figures in brackets relates to the previous year		



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

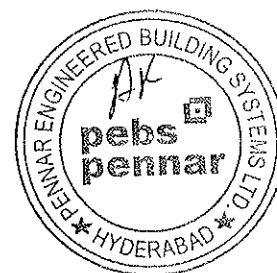
Note 30 Disclosures under Accounting Standards

Note	Particulars	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
		₹ in lakhs	₹ in lakhs
30.1	Details of government grants		
	Government grants accounted by the Company during the year towards		
	- Incentives		
	- Sales tax and power (recognised under other Operating Revenue)	31	406
	Total	31	406



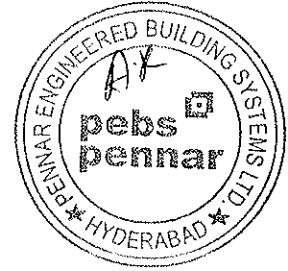
Note 31 Disclosures under Accounting Standards (contd.)

Note	Particulars						
31.1	Employee benefit plans						
31.2.a	<p><u>Defined contribution plans</u> The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 139 lakhs (Year ended 31 March, 2015 ₹ 123 lakhs) for Provident Fund contributions and ₹ 12 lakhs (Year ended 31 March, 2015 ₹ 13 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.</p>						
31.2.b	<p><u>Defined benefit plans</u> The Company offers the following employee benefit schemes to its employees: i. Gratuity ii. Compensated Absences The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial statements:</p>						
		For the year ended 31 March, 2016			For the year ended 31 March, 2015		
	Particulars	Gratuity	Compensated Absences-SL	Compensated Absences-PL	Gratuity	Compensated Absences-SL	Compensated Absences-PL
	Components of employer expense						
	Current service cost	42	18	35	44	6	57
	Interest cost	12	1	5	10	1	4
	Actuarial losses/(gains)	(4)	1	(17)	(4)	(3)	0
	Total expense recognised in the Statement of Profit and Loss	50	20	23	50	4	61
	Actual contribution and benefit payments for year						
	Actual benefit payments	1	-	-	-	-	-
	Actual contributions	96	-	-	-	-	-
	Net liability recognised in the Balance Sheet						
	Present value of defined benefit obligation	160	17	92	113	13	52
	Fair value of plan assets	(87)	-	-	-	-	-
	Expenses as above	50	20	23	50	4	61
	Settlements made	(1)	-	(10)	(3)	-	(21)
		122	37	105	160	17	92
	Classification of Net liability recognised in the Balance Sheet						
	Long term provision	90	20	63	138	17	55
	Short term provision	32	17	42	22	-	37
		122	37	105	160	17	92



Note 31 Disclosures under Accounting Standards (contd.)

Note	Particulars	₹ in lakhs					
		For the year ended 31 March, 2016			For the year ended 31 March, 2015		
		Gratuity	Compensated Absences-SL	Compensated Absences-PL	Gratuity	Compensated Absences-SL	Compensated Absences-PL
	Change In defined benefit obligations (DBO) during the year						
	Present value of DBO at beginning of the year	160	17	92	113	13	52
	Current service cost	42	18	35	44	6	57
	Interest cost	12	1	5	10	1	4
	Actuarial (gains) / losses	(4)	1	(17)	(4)	(3)	-
	Fair value of plan assets	(87)	-	-	-	-	-
	Benefits paid	(1)	-	(10)	(3)	-	(21)
	Present value of DBO at the end of the year	122	37	105	169	17	92
	Actuarial assumptions						
	Discount rate	7.46%	7.46%	7.46%	7.77%	7.77%	7.77%
	Expected return on plan assets *	7.65%	-	-	-	-	-
	Salary escalation	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
	Attrition	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
	Mortality tables	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
	Experience adjustments						
		₹ in lakhs					
	Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	
	Gratuity						
	Present value of DBO	122	160	113	78	39	
	Funded status (Surplus / (Deficit))	(122)	-	-	-	-	
	Experience gain / (loss) adjustments on plan liabilities	(7)	-	-	-	-	
	Experience gain / (loss) adjustments on plan assets	(1)	-	-	-	-	
	Compensated Absences						
	Present value of DBO	142	109	65	42	3	
	Fair value of plan assets	-	-	-	-	-	
	Funded status (Surplus / (Deficit))	-	-	-	-	-	
	Experience gain / (loss) adjustments on plan liabilities	-	-	-	-	-	
	Experience gain / (loss) adjustments on plan assets	-	-	-	-	-	
	The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors, such as supply and demand factors in the employment market						
31.2.c	Short Term Employee Benefit						
	The Company offers compensated absences in the nature of casual leaves to the employees which are fully considered as short-term employee benefits. The amount charged to Statement of Profit and Loss for the year was ₹ 3 lakhs (year ended 31 March, 2015 - ₹ 10 lakhs) and Short term compensated balances as at 31 March, 2016 was ₹ 5 lakhs (As at 31 March, 2015 - ₹ 2 lakhs)						



PENNA ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 31 Disclosures under Accounting Standards (contd.)

Note	Particulars			
31.3 (a)	The Company is engaged in manufacture and erection of steel products, i.e., pre engineered buildings, which in the context of Accounting Standard -17 issued by the Company's Accounting (Standard) Rules, 2006 is a single business segment.			
31.3 (b)	The geographic segments individually contributing 10 per cent or more of the Company's revenues and segment assets are shown separately:			
	Geographic Segment	Revenues For the year ended 31 March, 2016	Segment assets As at 31 March, 2016	Capital expenditure incurred during the year ended 31 March, 2016
		₹ in lakhs	₹ in lakhs	₹ in lakhs
	India	48,485 (48,415)	48,502 (31,818)	796 (276)
	Others	636 (143)	73 (33)	- (-)
	Note: Figures in bracket relates to the previous year / as at 31 March, 2015			



PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
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Note 31 Disclosures under Accounting Standards (contd.)

Note	Particulars
31.4	Related party transactions
31.4.a	Details of related parties:
	Description of relationship
	Holding Company
	Key Management Personnel (KMP)
	Relatives of KMP
	Fellow subsidiary
	Company in which KMP / Relatives of KMP have significant influence:
	Names of related parties
	Pennar Industries Limited
	Nrupender Rao - Chairman PV Rao - Managing Director Aditya N Rao - Vice Chairman Shrikant Bhakkad - Chief Financial Officer
	J Rajyalakshmi (Wife of Nrupender Rao) Avanti Rao & Aralhi Rao (Daughters of Nrupender Rao) Usha Ramani (Wife of PV Rao) D Sudeepta Rao (Wife of Aditya N Rao)
	Pennar Enviro Limited (formerly Pennar Chemical Limited) New Era Enviro Ventures (Karimnagar) Private Limited
	Thapati trading private limited (formerly Pennar Management Services Limited) Pennar Solar Limited Saven Technologies Limited
	Note: Related parties have been identified by the Management.

Details of related party transactions For the year ended 31 March, 2016 and balances outstanding As at 31 March, 2016:						
₹ In lakhs						
31.4.b	PARTICULARS	Holding Company	KMP	Pennar Enviro Limited	New Era Enviro Ventures (Karimnagar) Private Limited	Saven Technologies Limited
	Transaction during the year					
	Purchase of goods	2,814	-	-	-	-
		(3,649)	(-)	(-)	(-)	(-)
	Sale of goods	8	-	-	866	-
		(134)	(-)	(-)	(-)	(-)
	Purchase of fixed assets	-	-	-	-	-
	Rendering of services	(5)	(-)	(-)	(-)	(-)
		-	-	-	229	-
	Receipt of services	(1)	(-)	(-)	(-)	(-)
		104	-	-	-	10
	Reimbursement of Rent and other expenses	(60)	(-)	(-)	(-)	(1)
		122	-	-	-	-
	Rent deposit received	(154)	(-)	(-)	(-)	(-)
		-	-	-	-	-
	Intercorporate deposits given	(62)	(-)	(-)	(-)	(-)
		-	-	1,350	-	-
	Guarantees and collaterals	(-)	(-)	(-)	(-)	(-)
		33,500	28,500	-	-	-
		(21,568)	(21,568)	(-)	(-)	(-)
	Remuneration to KMP					
	P V Rao*	-	122	-	-	-
		(-)	(121)	(-)	(-)	(-)
	Aditya N Rao	-	15	-	-	-
		(-)	(19)	(-)	(-)	(-)
	Shrikant Bhakkad*	-	39	-	-	-
		(-)	(36)	(-)	(-)	(-)
	Balances outstanding as at					
	Trade and other receivables	79	-	-	-	-
		(89)	(-)	(3)	(-)	(-)
	Unbilled revenue receivable	-	-	-	229	-
		(-)	(-)	(-)	(-)	(-)
	Other receivables	445	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Loans and advances	1,910	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Intercorporate deposits given	(-)	(-)	1,350	-	-
		(-)	(-)	(-)	(-)	(-)
	Provision for doubtful advances	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
	Trade and other payables	67	-	-	-	4
		(136)	(3)	(-)	(-)	(-)
	Advance from customers	-	-	-	247	-
		(-)	(-)	(-)	(-)	(-)
	Rent deposit	76	-	4	-	-
		(76)	(-)	(4)	(-)	(-)
	Guarantees and collaterals	33,500	28,500	-	-	-
		(21,568)	(21,568)	(-)	(-)	(-)

Note: Figures in bracket relates to the previous year / as at 31 March, 2015
* Does not include provision for gratuity and compensated absences



PENNAR ENGINEERED BUILDING SYSTEMS LIMITED
Notes forming part of the financial statements

Note 31 Disclosures under Accounting Standards (contd.)

Note	Particulars	As at 31 March, 2016	As at 31 March, 2015
		₹ In lakhs	₹ In lakhs
31.5	Details of leasing arrangements		
a	As Lessor The Company has entered into operating lease arrangements for certain surplus facilities. The lease is non-cancellable for a period of 5 years from 01 May, 2013 and may be renewed for a further period of 5 years based on mutual agreement of the parties.		
b	As Lessee:		
	Future minimum lease payments		
	not later than one year	222	211
	later than one year and not later than five years	736	648
	later than five years	262	361
		1,220	1,220

Note

- a) Rent includes lease rental recognized in Statement of Profit and Loss for the year ₹ 84.14 lakhs (2014-15 ₹ 30.14 lakhs)
b) Aggregate operating lease income amounting to ₹ 68.74 lakhs (2014-15 ₹ 11.14 lakhs) has been net off with rent expense.

Note	Particulars	As at 31 March, 2016	As at 31 March, 2015
		₹ In lakhs	₹ In lakhs
32	Deferred tax (liability) / asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed assets	652	633
	Tax effect of items constituting deferred tax liability	652	633
	Tax effect of items constituting deferred tax assets		
	Provision for compensated absences and gratuity benefits	93	94
	Provision for doubtful debts / advances	152	123
	Straightline lease rent	23	2
	Tax effect of items constituting deferred tax assets	268	219
	Net deferred tax liability	(384)	(414)

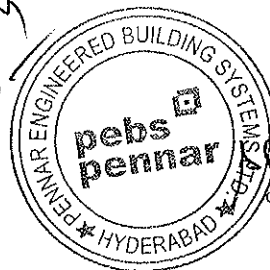
Note	Particulars	For the year ended	For the year ended
		31 March, 2016	31 March, 2015
		₹ In lakhs	₹ In lakhs
33	Capitalisation of expenditure Expenses disclosed under the respective notes are net of the following amounts capitalised by the Company under the buildings and plant and machinery blocks of fixed assets.		
	Cost of materials consumed	89	24
	Employee benefits expense	4	1
	Other expenses	16	6
	Depreciation and amortisation expense	2	
	Total	111	31
34	The Company approved the "Employee Stock Option Scheme 2014" for all eligible employees in pursuance of the special resolution approved by the share holders in Extra Ordinary General Meeting held on 11 November, 2014. Under the said scheme the number of options to be granted are 1,000,000 (March 31, 2015 - 1,000,000). The options are yet to be granted to eligible employees. Upon grant to the employees, vesting of shares, vesting period, exercise period and price will be computed. Each option holder entitled to apply for and be allotted one ordinary share of ₹10 each upon payment at the exercise price.		
35	In accordance with the requirements of component accounting of fixed assets as per Schedule II to the Companies Act, 2013, the Company has identified and accounted for the components of fixed assets during the current year. Consequently, the depreciation on such components aggregating ₹ 16 lakhs (March 31, 2015 - ₹ Nil) has been charged in the Statement of Profit and Loss.		
36	Tax expenses for the year ended March 31, 2016 includes tax for earlier years of ₹ 185 lakhs (March 31, 2015 - ₹ Nil).		
37	During the previous year, pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be ₹ nil as on April 1, 2014, and has adjusted an amount of ₹ 11 lakhs (net of deferred tax of ₹ 5.6 lakhs) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the previous year was higher by ₹ 118 lakhs consequent to the change in the useful life of the assets.		
38	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.		

For and on behalf of the Board of Directors



P V Rao
Managing Director

Subhash Kishan K
Company Secretary



Aditya N Rao
Vice Chairman

Shrikant Bhakkad
Chief Financial Officer

Place : Hyderabad
Date : 16 May, 2016