



AUDITOR'S REPORT - AUDIT

To M S K A & Associates
From Ramasamy Koteswara Rao and Co LLP
Subject Audit of Pennar Global Inc, for the year ending 31 March 2023

INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS

Opinion

We have audited the special purpose financial statements of Pennar Global Inc (the Company), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated income statement, consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements of the Company for the year ended 31 March 2023 are prepared in all material respects, in accordance with the Indian accounting standard 34 "Interim Financial Reporting" ("IND AS 34"), prescribed under Section 133 of the companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our report is intended solely for the use of consolidation and should not be distributed to or used by any other parties. BDO India LLP shall not be liable to the company or to any other concern for any clients, liabilities, or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.



Responsibilities of Management and Those charged with Governance for the Special Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements that give a true and fair view in accordance with the financial reporting provisions of accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act and for such internal control as management determines is necessary to enable the preparation of the special purpose financial statements that are free from material misstatement, whether due to fraud or error.

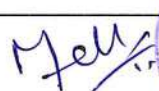

In preparing the Special purpose financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate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

Those Charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

We give in “Annexure A” a detailed description of Auditor’s responsibilities for Audit of the Special purpose financial statements.

Component engagement partner’s name	Murali Krishna Reddy Telluri
Component engagement partner’s signature	 
Component auditor’s firm and address	Ramasamy Koteswara Rao and Co LLP Chartered Accountants Sri Ramachandra Archade, 8-2-293/82/JIII/573/M/1 st Floor, Road No. 82, Jubilee Hills, Hyderabad – 500096.
Date	22 May 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF PENNAR GLOBAL INC.

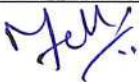
Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Component engagement partner's name	Murali Krishna Reddy Telluri
Component engagement partner's signature	
Component auditor's firm and address	Ramasamy Koteswara Rao and Co LLP Sri Ramachandra Archade, 8-2-293/82/JIII/573/M/1 st Floor, Road No. 82, Jubilee Hills, Hyderabad – 500096.
Date	22 May 2023



Pennar Global Inc
Consolidated Balance Sheet as at March 31, 2023
 (All amounts are in USD unless otherwise stated)

Particulars	Note	As at	As at
		March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	1	54,79,845	54,74,087
Capital work-in-progress	1	9,97,841	21,276
Right-of-use Assets	2	44,82,102	46,40,294
Other intangibles	1	57,273	93,446
Other Non-current Asset	7	10,08,945	
Financial Asset			
Other financial Asset	6	9,00,000	6,50,000
Total Non-current assets		1,29,26,006	1,08,79,103
Current assets			
Inventories	3	40,11,240	73,14,847
Financial assets			
(a) Trade receivables	4	61,89,237	79,79,517
(b) Cash and cash equivalents	5	1,41,39,067	24,13,209
Other current assets	7	3,59,617	10,44,798
Total Current assets		2,46,99,161	1,87,52,371
Total Assets		3,76,25,167	2,96,31,474
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	40	40
Other equity	9	66,22,012	29,08,895
Total equity		66,22,052	29,08,935
Non Current Liabilities			
Financial liabilities			
(a) Borrowings	3	1,18,71,921	1,03,71,921
(b) Lease Liability	2	15,40,691	21,29,697
Total Non-current Liabilities		1,34,12,612	1,25,01,618
Current Liabilities			
Financial liabilities			
(a) Borrowings	11	90,308	26,118
(b) Trade payables	12	72,35,742	1,01,91,665
(c) Lease Liabilities	2	6,00,521	6,49,288
(c) Other financial liabilities	13	58,13,565	15,39,917
Other current Liabilities	14	25,95,823	14,87,163
Income tax liabilities (net)	15	12,54,544	3,26,770
Total Current liabilities		1,75,90,503	1,42,20,921
Total Liabilities		3,10,03,115	2,67,22,539
Total Equity and Liabilities		3,76,25,167	2,96,31,474

In terms of our report attached

For Ramasamy Koteswara Rao and Co LLP
 Chartered Accountants
 FRN.No.010396S/S200084

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Murali Krishna Reddy Tellur
 Partner

Membership No: 223022

UDIN: 23223022BGQJMC8048

Place: Hyderabad

Date: 22-05-2023



For and behalf of Pennar Global Inc

Shrikant Bhalkad

Shrikant Bhalkad
 Director



Pennar Global Inc**Consolidated Statement of financial statement for period ended 31 March 2023**

(All amounts are in USD unless otherwise stated)

Particulars	Note	For the Year 31-Mar-23	For the Year 31-Mar-22
INCOME			
Revenue from operations	16	8,74,40,074	5,16,75,372
Other income	17	3,86,854	61,807
Total income		8,78,26,928	5,17,37,179
EXPENSES			
Cost of material consumed	18	3,53,07,144	2,10,43,860
Purchase of traded goods	19	1,09,75,384	1,62,00,902
Change in inventories of finished goods, Stock-in-trade	20	17,46,729	(31,24,395)
Employee benefits expense	21	1,91,45,121	76,90,664
Finance Cost	22	10,95,231	6,96,357
Depreciation and amortisation expense	23	10,92,976	4,87,594
Other expenses	24	1,38,22,946	72,31,925
Total expenses		8,31,85,531	5,02,26,906
Profit before tax		46,41,397	15,10,273
Tax expense			
Current tax	15	9,28,279	3,02,055
Deferred tax		-	-
Total tax expense		9,28,279	3,02,055
Profit for the year after tax		37,13,118	12,08,218
Paid-up equity share capital (Face value \$0.01 each fully paid)			
Number of equity shares		4,000	4,000
Basic & Diluted		928	302

In terms of our report attached

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

FRN.No.010396S/S200084

Murali Krishna Reddy Telluri

Partner

Membership No: 223022

UDIN: 23223022BQQTME8048

Place: Hyderabad

Date: 22-05-2023



For and behalf of Pennar Global Inc

Shrikant Bhakkad
Director

Pennar Global Inc
Consolidated Statement of Cash Flow for the year ended 31 March 2023
(All the amounts in USD except share and per share data and where otherwise stated)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before tax	46,41,397	15,10,273
<u>Adjustments for :</u>		
Property plant and Equipment written off	-	-
Finance cost	10,95,231	6,96,357
Depreciation	10,92,976	4,87,594
Operating profits before working capital charges	68,29,605	26,94,224
<u>Changes in operating assets and liabilities:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	17,90,280	(60,73,983)
Inventories	33,03,607	(56,31,747)
Other financial Asset	(2,50,000)	(2,29,712)
Other current asset	6,85,181	3,30,713
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	(29,55,924)	66,98,574
Other financial liabilities	35,38,113	12,13,051
Other Current Liabilities	11,08,660	(29,02,167)
Lease Liability		
Cash generated from operations	1,40,49,522	(39,01,046)
Income taxes paid	(505)	(13,789)
Net cash flow generated in operating activities (A)	1,40,49,017	(39,14,835)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(28,89,879)	(30,79,858)
Net cash used in investing activities (B)	(28,89,879)	(30,79,858)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of share	-	-
Proceeds from borrowings	15,64,190	93,71,921
Payment of Interest on borrowings	(1,97,471)	-
Repayment of shortterm borrowing		17,646
Payment of Lease liability	(8,00,000)	(16,00,000)
Net Cash flow generated financing activities (C)	5,66,720	77,89,567
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,17,25,858	7,94,874
Cash and cash equivalents at the beginning of the year	24,13,209	16,18,335
Cash and cash equivalents at the end of the year	1,41,39,067	24,13,209
Cash and cash equivalents comprises of: (Refer Note 5)		
Cash on hand	-	-
Balances with Banks		
- in current accounts	1,41,39,067	24,13,209
	1,41,39,067	24,13,209

In terms of our report attached

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
FRN.No.010396S/S200084

Mellu



Murali Krishna Reddy Telluri
Partner
Membership No: 223022

UDIN: 23223022B9QJME8048

Place: Hyderabad
Date: 22-05-2023

For and behalf of Pennar Global Inc

Shrikant Bhakkad
Shrikant Bhakkad
Director



Pennar Global Inc**Consolidated Statement of changes in equity for the peirod ended March 31 2023**

(All the amounts in USD except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	No of shares	Amount
Balance at April 01, 2021	4,000	40
Changes in equity share capital during the Year	-	-
Balance at March 31, 2022	4,000	40
Balance at April 01, 2022	4,000	40
Changes in equity share capital during the Year		
Balance at Mar 31, 2023	4,000	40

B. Other equity

Particulars	Securities premium	Retained earnings	Total
Balance at April 01, 2021	12,34,960	4,65,717	17,00,677
Profit for the period	-	12,08,218	12,08,218
Balance at March 31, 2022	12,34,960	16,73,935	29,08,895
Balance at April 01, 2022	12,34,960	16,73,935	29,08,895
Profit for the period	-	37,13,118	37,13,118
Balance at Mar 31, 2023	12,34,960	53,87,052	66,22,012



Movement in the carrying amount of property, plant and equipment is as below:

I. Property, plant and equipment

Particulars	As at	
	31-Mar-23	31-Mar-22
Carrying amounts of:		
Buildings	14,15,893	13,30,407
Plant and equipment	33,11,080	36,05,606
Computers	30,763	39,348
Office equipment	1,38,836	1,77,579
Furniture and fixtures	1,63,835	2,01,619
Vehicles	4,19,438	1,19,528
Total	54,79,845	54,74,087
Intangibles		
Software	57,273	93,446
	57,273	93,446
Capital works-in-progress	9,97,841	21,276
Total	9,97,841	21,276

Notes:

Movement in the carrying amounts of property, plant and equipment is as below:

Particulars	Buildings	Plant and	Computers	Office equipment	Furniture	Vehicle	Total PPE	Intangibles	Total
I. Cost									
Balance as at April 01, 2021	14,14,610	38,33,809	42,925	1,93,723	2,45,035	1,30,394	58,60,496	1,08,518	59,69,014
Additions									
Disposals/adjustments/write offs									
Balance as at March 31, 2022	14,14,610	38,33,809	42,925	1,93,723	2,45,035	1,30,394	58,60,496	1,08,518	59,69,014
Additions	3,17,939	2,62,537	-	-	-	3,43,145	9,23,621	-	9,23,621
Disposals/adjustments/write offs	-19,252	-	-	-	-	-	-19,252	-	-19,252
Other adjustments									
Balance as at Mar 31, 2023	17,13,297	40,96,346	42,925	1,93,723	2,45,035	4,73,539	67,64,865	1,08,518	68,73,383
II. Accumulated depreciation									
Balance as at April 01, 2021	84,203	2,28,203	3,577	16,144	43,416	10,866	3,86,409	15,072	4,01,481
Depreciation for the year									
Disposals/adjustments/write offs									
Balance as at March 31, 2022	84,203	2,28,203	3,577	16,144	43,416	10,866	3,86,409	15,072	4,01,481
Depreciation for the year	2,13,201	5,57,063	8,585	38,743	37,783	43,236	8,98,611	36,172	9,34,784
Other adjustments									
Balance as at Mar 31, 2023	2,97,404	7,85,266	12,162	54,887	81,200	54,102	12,85,021	51,244	13,36,265
III. Carrying value (I-II)									
Balance as at Mar 31, 2023	14,15,893	33,11,080	30,763	1,38,836	1,63,835	4,19,438	54,79,845	57,273	55,37,118
Balance as at Mar 31, 2022	13,30,408	36,05,607	39,349	1,77,580	2,01,620	1,19,529	54,74,088	93,446	55,67,533

Capital work-in-progress ageing schedule (2022-23)

Particulars	Amount in CWIP for the period of 22-23			Total
	Less than 1 Year	1-2 Years	More than 3 years	
Projects in progress	9,97,841	-	-	9,97,841
Projects temporarily suspended	-	-	-	-

Capital work-in-progress ageing schedule (2021-22)

Particulars	Amount in CWIP for the period of 21-22			Total
	Less than 1 Year	1-2 Years	More than 3 years	
Projects in progress	21,276	-	-	21,276
Projects temporarily suspended	-	-	-	-



Pennar Global Inc**Notes forming part of the financial statements**

(All the amounts in USD except share and per share data and where otherwise stated)

2. Right-of-use assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Carring Value of Asset		
Buildings	44,82,102	46,40,294
Total	44,82,102	46,40,294

Details of Right to Use Asset

Particulars	As at	
	March 31, 2023	March 31, 2022
Gross Carring Value of Asset		
Buildings	47,45,755	47,45,755
Additions		
Disposals	-	-
Balance as at 31 March 2023	47,45,755	47,45,755
Accumulated Amortisation		
Amortisation	(2,63,653)	(1,05,461)
Disposals		
Balance as at 31 March 2023	(2,63,653)	(1,05,461)

Lease Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Non Current	15,40,691	21,29,697
Current	6,00,521	6,49,288
Total	21,41,212	27,78,985



Pennar Global Inc
Notes forming part of the financial statements
(All amounts are in USD unless otherwise stated)

3. Inventories

Particulars	As at	
	March 31, 2023	March 31, 2022
Inventories (Lower of Cost or NRV)		
Raw Matetial	9,50,474	25,07,352
Stock of Traded Goods	22,95,146	37,34,623
Finished Goods	7,65,620	10,72,872
Total	40,11,240	73,14,847

4. Trade Receivables

Particulars	As at	
	March 31, 2023	March 31, 2022
Trade receivables		
Unsecured, considered good	61,89,237	79,79,517
Doubtful	-	-
Less: Allowance for doubtful debts	-	-
Total	61,89,237	79,79,517

Outstanding for the following periods from the Due date of the payment

Particulars	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	Total

Outstanding for the following periods from the Due date of the payment

Particulars	Less than 6 Months	6 Months to 1 year	1-2 years	2-3 years	More than 3 years	Total

5. Cash and Cash Equivalents

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash on hand		
Balances with banks in current accounts	1,41,39,067	24,13,209
Total	1,41,39,067	24,13,209

6. Other Financial assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Non Current		
Surety Bond collateral	9,00,000	6,50,000
Total	9,00,000	6,50,000

7. Other assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Non Current		
Capital Advances	10,08,945	-
	10,08,945	-
Current (unsecured):		
Prepaid Expenses	-	16,243
Advance to vendor	3,59,617	8,35,200
Preoperative expenses	-	1,93,355
Total other current assets	3,59,617	10,44,798
Total other assets	3,59,617	10,44,798



Pennar Global Inc**Notes forming part of the financial statements**

(All the amounts in USD except share and per share data and where otherwise stated)

8. Equity share capital

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised share capital: 5000 fully paid up equity shares of 0.01\$ (Marc 31, 2022 : 5000)	50	50
Issued and subscribed capital: 4000 fully paid up equity shares of 0.01\$ (Marc 31, 2022 : 4000)	40	40
Total	40	40

Notes:**a. Reconciliation of the number of shares outstanding:**

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening balance	4,000	4,000
Add: Movement during the year	-	-
Balance	4,000	4,000

b. Details of shares held by Promoter.

The details of Promoter shareholdings	As at		As at	
	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Pennar Industries Limited	4,000	100%	4,000	100%

c. Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of \$ 0.01 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to 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.

9. Other equity

Particulars	As at	
	March 31, 2023	March 31, 2022
A. Securities Premium		
Total	12,34,960	12,34,960
B. Retained earnings		
(i) Opening balance	16,73,935	4,65,717
(ii) Profit for the year	37,13,118	12,08,218
Total	53,87,052	16,73,935
Total Reserves	66,22,012	29,08,895



Pennar Global Inc**Notes forming part of the financial statements**

(All the amounts in USD except share and per share data and where otherwise stated)

10. Non Current Borrowings

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured		
Loan from realted party (refere Note below)	1,18,71,921	1,03,71,921
Total	1,18,71,921	1,03,71,921

The company has received Loan from holding company Pennar Industries Limited . The said loan shall carry interest of monthly SOFR plus 500 Basis points.

11. Current borrowings

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured		
from banks (Credit Card)	90,308	26,118
Total	90,308	26,118

12. Trade Payables

Particulars	As at	
	March 31, 2023	March 31, 2022
Dues to micro enterprises and small enterprises		
Dues to others	72,35,742	1,01,91,665
Total	72,35,742	1,01,91,665

Trade Payables Ageing Schedule (FY 22-23)

Particulars	Outstanding for the follwing periods from the Due date of the payment			
	Less than 1 Year	1-2 Years	More than 3 years	Total
(i) MSME	56,63,382	15,72,360	-	72,35,742
(ii) Others	-	-	-	-
(iii) Disputed dues - MSME	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-

Trade Payables Ageing Schedule (FY 21-22)

Particulars	Outstanding for the follwing periods from the Due date of the payment			
	Less than 1 Year	1-2 Years	More than 3 years	Total
(i) MSME	1,01,91,665	-	-	1,01,91,665
(ii) Others				
(iii) Disputed dues - MSME				
(iv) Disputed dues - Others				

13. Other financial liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Employee dues	32,73,409	3,90,739
Sales tax Liability	7,36,267	8,73,257
Others	8,05,229	12,794
Interest payable	9,98,660	2,63,127
Total	58,13,565	15,39,917

14. Other Current Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance from customers	25,95,823	14,87,163
Total	25,95,823	14,87,163



Pennar Global Inc

Notes forming part of the financial statements

(All the amounts in USD except share and per share data and where otherwise stated)

15. Income taxes

15 - Tax Expense

A. Income tax expense/(benefit) recognised in the statement of profit and loss

Particulars	March 31, 2023	March 31, 2022
Current tax		
In respect of the current year	9,28,279	3,02,055
Total	9,28,279	3,02,055

15. Income tax assets and liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Income tax Asset, net.		
Income tax Liabilities, net.	12,54,544	3,26,770
Total	12,54,544	3,26,770



Pennar Global Inc
Notes forming part of the financial statements
(All the amounts in USD except share and per share data and where otherwise stated)

16. Revenue from operations		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of services	49,26,815	37,13,585
Sale of products	8,25,13,259	4,79,61,787
Total	8,74,40,074	5,16,75,372
17. Other income		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Other non-operating income		
Miscellaneous income (net)	3,86,854	61,807
Total	3,86,854	61,807
18. Cost of Material Consumed		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of material consumed	3,53,07,144	2,10,43,860
	3,53,07,144	2,10,43,860
19. Purchases of Goods		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Add: Purchases	1,09,75,384	1,62,00,902
	1,09,75,384	1,62,00,902
20. Change in Inventories		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening stock		
Finished goods	10,72,872	
Stock of traded Goods	37,34,623	16,83,100
	48,07,495	16,83,100
Closing stock		
Finished goods	7,65,620	10,72,872
Stock of traded Goods	22,95,146	37,34,623
	30,60,766	48,07,495
Decrease/(increase) in inventories	17,46,729	(31,24,395)
21. Employee benefits expense		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries & wages	1,72,52,132	66,74,488
Staff Welfare	18,92,989	10,16,176
Total	1,91,45,121	76,90,664
22. Finance Cost		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest on borrowing	9,33,003	2,63,127
Interest on Leases	1,62,228	4,33,230
	10,95,231	6,96,357
23. Depreciation and amortisation expense		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation	8,98,611	3,67,061
Amortisation of intangibles	36,172	15,072
Amortisation of Right-of-use assets	1,58,193	1,05,461
Total	10,92,976	4,87,594
24. Other expenses		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Job work services	46,60,607	33,61,593
bad debt expense	69,286	
Data and Communication	77,124	54,831
Rent including lease rentals	3,48,431	2,42,035
Insurance	22,296	46,516
Advertising and Marketing	20,78,934	4,36,467
Rates and taxes	1,31,608	80,263
Legal & professional charges & Consultancy fees	10,52,913	5,64,952
Repairs and Maintenance	5,79,987	3,49,382
Office Supplies	15,44,563	6,65,314
Travelling and conveyance	4,17,705	2,52,230
Software charges	4,03,462	2,25,294
Utilities	3,09,440	1,59,601
Miscellaneous expenses	21,26,590	7,93,447
Total	1,38,22,946	72,31,925



Pennar Global Inc
Notes forming part of the financial statements

25	EARNING PER SHARE		
	Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
	Net profit attributable to equity Share holders	37,13,118	12,08,218
	No of Equity Shares	4,000	4,000
	Basic and diluted Earning per Share	928	302

26. Financial Instruments

a. Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents,

The Company manages its capital to ensure that it will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances.

The capital structure of the company consists of net debt (borrowings as detailed in note 13 and offset by cash and bank balances) and total equity of the Company.

The company is not subject to any externally imposed capital requirements.

The Company's management reviews the capital structure of the company on monthly basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The table below summarises the total equity, net debt and net debt to equity ratio of the Company.

Particulars	31-Mar-23	31-Mar-22
Equity share capital	40	40
Other equity	66,22,012	29,08,895
Total Equity (A)	66,22,052	29,08,935
Non-current borrowings	1,18,71,921	1,03,71,921
Short term borrowings	90,308	26,118
Gross Debt	1,19,62,229	1,03,98,039
Less: Cash and cash equivalents	(1,41,39,067)	(24,13,209)
Net debt (B)	-21,76,839	79,84,830
Net debt to equity (B/A)	(0.33)	2.74
Interest Coverage Ratio		

(I) Equity includes all capital and reserves of the company, that are managed as capital

(II) Debt is defined as long and short term borrowings.

b. Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2023	March 31, 2022
Financial assets		
Measured at amortised cost		
Trade receivables	61,89,237	79,79,517
Other financial assets	9,00,000	6,50,000
Cash and cash equivalents	1,41,39,067	24,13,209
Total financial assets measured at amortised cost (A)	2,12,28,304	1,10,42,726
Total Financial Assets (A)	2,12,28,304	1,10,42,726
Financial Liabilities		
Measured at amortised cost		
Long-term borrowings	1,18,71,921	1,03,71,921
Short-term borrowings	90,308	26,118
Trade payables	72,35,742	1,01,91,665
Other financial liabilities	58,13,565	15,39,917
Total financial liabilities carried at amortised cost(A)	2,50,11,535	2,21,29,621
Measured at fair value through profit and loss		
Lease Liabilities	21,41,212	27,78,985
Financial liabilities at fair value through Profit and Loss (B)	21,41,212	27,78,985
Total Financial Liabilities (A+B)	2,71,52,747	2,49,08,605

The management assessed that fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced or a liquidation sale.

c. Financial risk management

The Board oversees the risk management frame work, develops and monitors the company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of the risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management frame work in relation to the risk faced by the Company.

The management policies aims to mitigate the following risks arising from the financial instruments

1. Market Risk
2. Credit Risk
3. Liquidity Risk

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in commodity prices and interest rates.



The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the management on a continuous basis. The company does not enter into or trade financial instruments, including derivatives for speculative purposes.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company generates sufficient cash flow for operations, which together with the available cash & cash equivalents and short term investments provide liquidity in the short term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short term, medium and long term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

27. Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance
Current Ratio	Current Assets	Current Liabilities	1.40	1.32	6.5%
Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	1.81	3.57	-49.5%
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	0.45	0.20	129.2%
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	78%	52%	48.6%
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	15.4	11.5	34.4%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	12.3	10.5	18.1%
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	5.51	3.92	40.8%
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	12.30	11.40	7.9%
Net Profit Ratio	Net Profit	Revenue from Operations	4%	2%	81.6%
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	0.31	0.17	86.1%

(1) Long Term borrowings + Short Term borrowings + Inter corporate loans + interest accrued

(2) Net profit after tax + Non-operating cash exp like depreciation + Interest + Other adjustments like loss on sale of fixed assets etc.

(3) Interest + Lease payments + Principal repayments + Intercorporate loan payments

(4) Current assets - current liabilities

(5) Tangible networth + total debt including interest accrued +deferred tax liability-deferred tax assets

28 Related Party Disclosures

28.1 Relationship		Name
	Holding Company	Pennar Industries Ltd
	Fellow Subsidiary Company	Pennar GMBH Enertech Pennar Defense and Engineering System Private Limited Cadnum SARL
	Key Management Personnel	Eric Brown
28.2 Aggregate Related Party Transactions :		
Particulars		31st March 2023
a	Pennar Industries Limited	
b	Sales Made during the year	1,57,258
c	Services Received during the year	46,60,607
d	Purchases Made during the year	87,21,191
e	Interest Expense during the year	9,33,003
f	Interest paid during the year	1,97,471
	Inter Corporate Deposit Received during the year	15,00,000
28.3 Related Party Balances :		
Pennar Industries Limited		
a	Balances payable	47,32,918
b	Inter corporate Loan	1,18,71,921
c	Interest payable	9,98,660
d	Balances receivable	88,049

27 CONTINGENT LIABILITIES: Nil

28 Figures are rounded off to nearest \$



Pennar Global Inc
Notes forming part of the financial statements
 (All the amounts in USD except share and per share data and where otherwise stated)

SEGMENT REPORTING :

Particulars	Quarter Ended			Year Ended	Year Ended
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-22	31-Mar-22
Segment revenue					
Diversified engineering	23,06,552	24,50,517	40,22,781	1,34,13,547	1,63,71,976
Custom designed building solutions & auxiliaries	1,49,80,471	1,90,50,216	1,44,92,937	7,40,26,527	3,53,03,395
Total	1,72,87,023	2,15,00,733	1,85,15,718	8,74,40,074	5,16,75,372
Less : Inter segment revenue	(77,430)	(1,08,401)	(68,447)	(3,66,119)	(68,447)
Revenue from operations	1,72,09,593	2,16,09,134	1,84,47,271	8,70,73,955	5,16,06,925
Segment results					
Diversified engineering	3,97,572	2,17,262	1,75,520	9,98,685	10,28,730
Custom designed building solutions & auxiliaries	15,92,860	18,48,362	11,03,853	58,30,920	16,65,494
Total	19,90,432	20,65,623	12,79,373	68,29,605	26,94,224
Less :					
Depreciation and amortisation expense	3,02,481	2,64,831	2,97,062	10,92,976	4,87,594
Finance costs	3,13,663	3,03,684	1,28,875	10,95,231	6,96,357
Profit before tax	13,74,288	14,97,108	8,53,436	46,41,397	15,10,273

Segment Assets & Liabilities

Capital employed (Segment assets - Segment liabilities) (See notes below)	As at	As at
	31-Mar-23	31-Mar-22
Segment assets		
Diversified engineering	98,65,181	1,32,90,064
Custom designed building solutions & auxiliaries	2,77,59,986	1,63,41,411
Total Segment Assets	3,76,25,167	2,96,31,474
Segment liabilities		
Diversified engineering	1,05,77,832	1,14,31,757
Custom designed building solutions & auxiliaries	2,04,25,283	1,52,90,782
Total Segment Liabilities	3,10,03,115	2,67,22,539

Notes:
 i. Segment information is presented for the "consolidated financial results" as permitted under the Ind AS 108 - 'Operating Segments'.
 ii. The Company is focused on two business segments: Diversified engineering and Custom designed building solutions & auxiliaries. Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Company's performance and allocation resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in individual segments.

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants
 FRN.No.010396S/S200084

Mell



Murali Krishna Reddy Telluri

Partner
 Membership No: 223022

UDIN: **23223022 B9 QJME 8048**

Place: Hyderabad
 Date: 22-05-2023



For and behalf of Pennar Global Inc

Shikant Bhakkad
 Shikant Bhakkad
 Director