



## AUDITOR'S REPORT - AUDIT

To M S K A & Associates  
From Ramasamy Koteswara Rao and Co LLP  
Subject Audit of Pennar Gmbh, 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 Gmbh (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 March 31<sup>st</sup>, 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 the Rules there under 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 concerned for any claims, 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.

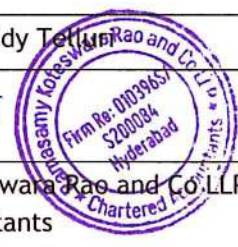
Those Charged with governance are responsible for overseeing the Company’s financial reporting process.

**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 Tella
Component engagement partner’s signature	
Component auditor’s firm and address	Ramaswamy Koteswara Rao and Co.LLP Chartered Accountants Sri Ramachandra Arcade, 8-2- 293/82/JIII/573/M/1 st floor, Road.No.82, Jubilee Hills , Hyderabad - 500096.
Date	22 May 2023



**NNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF PENNAR G.**

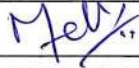
**Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

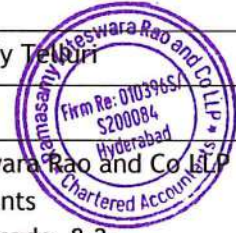
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 T
Component engagement partner's signature	
Component auditor's firm and address	Ramaswamy Koteswara Rao and Co LLP Chartered Accountants Sri Ramachandra Arcade, 8-2- 293/82/JIII/573/M/1 st floor, Road.No.82, Jubilee Hills , Hyderabad - 500096.
Date	22 May 2023



**Pennar GmbH****Consolidated Balance Sheet as at 31 March 2023**

(All amount are in EURO unless otherwise specified)

Particulars	Note	As at	As at
		March 31, 2023	March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	8,15,202	-
<b>Total non-current assets</b>		<b>8,15,202</b>	<b>-</b>
<b>Current assets</b>			
<b>Inventory</b>		2,49,144	-
<b>Financial assets</b>			
(a) Trade receivables	2	6,29,764	1,92,068
(b) Cash and cash equivalents	3	3,13,519	2,31,567
Other current asset	4	82,889	32,412
<b>Total current assets</b>		<b>12,75,316</b>	<b>4,56,047</b>
<b>Total assets</b>		<b>20,90,518</b>	<b>4,56,047</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	25,000	25,000
Other equity	6	2,24,358	1,63,459
<b>Total equity</b>		<b>2,49,358</b>	<b>1,88,459</b>
<b>Non Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	7	1,34,732	-
		<b>1,34,732</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	7	17,095	-
Trade Payables	8	14,59,788	2,25,235
Other financial liabilities	9	2,28,039	1,488
Income tax Liabilites (Net)	10	1,506	40,865
<b>Total current liabilities</b>		<b>17,06,428</b>	<b>2,67,588</b>
<b>Total Liabilities</b>		<b>18,41,160</b>	<b>2,67,588</b>
<b>Total equity and liabilities</b>		<b>20,90,518</b>	<b>4,56,047</b>

In terms of our report attached

**For Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants

FRN.No.010396S/S200084

*Melli***Murali Krishna Reddy Telturi**

Partner

Membership No: 223022

UDIN: 23223022BGQJMD8597

Place: Hyderabad

Date: 22-05-2023

**For and behalf of Pennar GmbH***Sumanth***Dr. Sumanth Veeraganta**

Director

**Pennar GmbH**  
**Consolidated Statement of Financials Result for period ended 31 March 2023**  
(All amount are in EURO unless otherwise specified)

Particulars	Note	Quarter Ended				For the year ended 31st March 2022
		For the year ended 31st March 2023	March 31 2023	Dec 31 2022	March 31 2022	
<b>INCOME</b>						
Revenue from operations	11	19,13,336	5,48,229	5,83,668	2,39,914	5,70,826
Other income	12	4,000	4,000	-	-	-
<b>Total income</b>		<b>19,17,336</b>	<b>5,52,229</b>	<b>5,83,668</b>	<b>2,39,914</b>	<b>5,70,826</b>
<b>EXPENSES</b>						
Cost of material consumed	13	56,986	20,042	29,522	-	-
Changes in Inventory and finished goods	14	15,171	5,162	20,172	-	-
Project support charges	15	13,70,310	3,43,808	3,62,529	1,97,002	3,49,958
Employee benefits expense	16	2,72,515	1,14,959	1,06,265	8,362	27,087
Finance Cost	17	4,675	1,919	1,902	-	-
Depreciation and amortisation expense	1A	23,173	23,173	-	13	73
Other expenses	18	93,307	33,256	34,953	3,328	82,486
<b>Total expenses</b>		<b>18,36,137</b>	<b>5,42,318</b>	<b>5,55,343</b>	<b>2,08,705</b>	<b>4,59,604</b>
<b>Profit/ i(Loss) before tax</b>		<b>81,199</b>	<b>9,911</b>	<b>28,324</b>	<b>31,209</b>	<b>1,11,222</b>
<b>Tax expense</b>						
Current tax		20,300	3,450	7,081	6,242	22,244
Deferred tax		-	-	-	-	-
<b>Total tax expense</b>		<b>20,300</b>	<b>3,450</b>	<b>7,081</b>	<b>6,242</b>	<b>22,244</b>
<b>Other comprehensive income</b>						
<b>I. Items that will not be recycled to profit or loss</b>						
(a) Remeasurements of the defined benefit liabilities / (asset)		-	-	-	-	-
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-	-
<b>II. Items that may be reclassified to profit or loss</b>						
(a) Exchange differences in translating the financial statements of foreign operations		-	-	-	-	-
(b) Income tax on items that may be reclassified to profit or loss		-	-	-	-	-
<b>Total Comprehensive Income for the period</b>		<b>60,899</b>	<b>6,461</b>	<b>21,243</b>	<b>24,967</b>	<b>88,978</b>

In terms of our report attached

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

FRN.No.010396S/S200084

*Melly*



Murali Krishna Reddy Telluri

Partner

Membership No: 223022

UDIN: 23223022 B98JMD 8597

Date : 22-05-2023



For and behalf of Pennar GmbH

*Sumanth*

Dr. Sumanth Veeraganta

Director

**Pennar GmbH**  
**Cash Flow Statement for the year ended 31st March 2023**  
(All amount are in EURO unless otherwise specified)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
<b>Cash Flow from operating activities</b>		
Profit Before Tax	81,199	1,11,222
Finance Cost	4,675	
Depreciation & Amortisation	23,173	73
<b>Operating Profit Before working capital changes</b>	<b>1,09,047</b>	<b>1,11,295</b>
Adjustments for (increase)/decrease in operating assets		
Inventory	33,956	
Trade Receivables	(3,68,913)	(1,46,401)
Other current Asset	(17,684)	-32,412
Adjustments for (increase)/decrease in operating liabilities		
Other financial Liabilities	(3,279)	-5,542
Trade Payables	6,00,011	2,25,236
Short term provisions		
<b>Cash Generated from operating activities</b>	<b>3,53,138</b>	<b>1,52,176</b>
Less: Taxes paid	(59,658)	-
<b>Net Cash from operating activities (A)</b>	<b>2,93,480</b>	<b>1,52,176</b>
<b>Net Cash from Investing Activities</b>		
Purchase of fixed asset	-	-
Investment	(1,80,000)	
<b>Net cash from Investing Activities (B)</b>	<b>(1,80,000)</b>	<b>-</b>
<b>Cash Flow from financing Activities</b>		
Repayment of long term borrowings	(26,852)	
Interest repayment	(4,675)	
Share Capital	-	-
<b>Net Cashfrom (used) in financing activities (C)</b>	<b>(31,527)</b>	<b>-</b>
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	81,952	1,52,176
Cash and Cash equivalents at the beginning of the year	2,31,567	79,391
<b>Cash and Cash equivalents at the end of the year</b>	<b>3,13,519</b>	<b>2,31,567</b>
<b>Cash and cash equivalents comprises of: (refer note 3)</b>		
Cash on hand	-	-
Balances with Banks		
- in current accounts	2,43,519	2,31,567
- Deposit	70,000	
	<b>3,13,519</b>	<b>2,31,567</b>

In terms of our report attached

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

*MKR*

**Murali Krishna Reddy Telluri**

Partner

Membership No: 223022

UDIN: 23223022B99JMD8597

Place: Hyderabad

Date: 22-05-2023



For and behalf of Pennar GmbH

*Sumanth*

**Dr. Sumanth Veeraganta**

Director



**Pennar GmbH**  
**Consolidated Statement of changes in equity as at 31 March 2023**  
 (All amount are in EURO unless otherwise specified)

**A. Equity share capital**

Particulars	Total
Balance as at April 01, 2021	25,000
Changes in equity share capital during 2021-22	-
<b>Balance as at March 31, 2022</b>	<b>25,000</b>
Balance at April 01, 2022	25,000
Changes in equity share capital during 2022-23	-
<b>Balance as at March 31, 2023</b>	<b>25,000</b>

**B. Other equity**

Particulars	Retained earnings	Total
Balance at April 01, 2021	74,481	74,481
Profit for the year	88,978	88,978
<b>Balance at March 31, 2022</b>	<b>1,63,459</b>	<b>1,63,459</b>
Profit for the year	60,899	60,899
<b>Balance as at March 31, 2023</b>	<b>2,24,358</b>	<b>2,24,358</b>

In terms of our report attached

**For Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants

FRN.No.010396S/S200084

*M. Krishna Reddy*



**Murali Krishna Reddy Tellur**

Partner

Membership No: 223022

UDIN: 23223022B9QJMD8597

Place: Hyderabad

Date: 22-05-2023

**For and behalf of Pennar GmbH**

*Dr. Sumanth Veeraganta*



**Dr. Sumanth Veeraganta**

Director



Pennar GmbH  
Notes forming part of the financial statements  
(All amount are in EURO unless otherwise specified)

I. Property, plant and equipment	As at	
	March 31, 2023	March 31, 2022
	Particulars	
Carrying amount of:		
Land	2,25,416	-
Building	5,08,440	-
Plant and Machinery	80,825	-
Computers	521	-
Office Furniture	-	-
Total	8,15,202	-
Intangibles	-	-

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

Description of assets	Land	Building	Plant and Machinery	Computers	Office Furniture	Total	Intangibles	Total
<b>I. Cost</b>								
Balance as at April 01, 2022			3,01,617	25,878	16,920	3,44,415	90,827	4,35,242
Additions	2,25,416	5,25,972	84,609	-	-	8,35,997	-	8,35,997
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	2,25,416	5,25,972	3,86,226	25,878	16,920	11,80,412	90,827	12,71,239
<b>II. Accumulated depreciation</b>								
Balance as at April 01, 2022			2,99,760	25,357	16,920	3,42,037	90,827	4,32,864
Depreciation for the year		17,532	5,641	-	-	23,173	-	23,173
Balance as at March 31, 2023		17,532	3,05,401	25,357	16,920	3,65,210	90,827	4,56,037
<b>III. Carrying Amounts (I-II)</b>								
Balance as at March 31, 2022			1,857	521	-	2,378	-	2,378
Balance as at March 31, 2023	2,25,416	5,08,440	80,825	521	-	8,15,202	-	8,15,202

2. Inventory	As at	
	March 31, 2023	March 31, 2022
	Particulars	
Raw Material	2,13,971	-
WIP	35,173	-
Total	2,49,144	-

3. Trade Receivables	As at	
	March 31, 2023	March 31, 2022
	Particulars	
Trade receivables		
Unsecured, considered good	6,29,764	1,92,068
Doubtful	-	-
Less: Allowance for doubtful debts (expected credit loss allowance)	-	-
Total	6,29,764	1,92,068

Trade Receivables Ageing Schedule (FY 2022-23)

Particulars	Outstanding for the following periods from the Due date of the payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	6,29,764	-	-	-	-	6,29,764

Trade Receivables Ageing Schedule (FY 2021-22)

Particulars	Outstanding for the following periods from the Due date of the payment					
	Less than 6 Months	6 Months to 1 year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	1,92,068	-	-	-	-	1,92,068

3. Cash and cash equivalents	As at	
	March 31, 2023	March 31, 2022
	Particulars	
Cash on hand	-	-
Balances with banks		
in current accounts	2,43,519	2,31,567
Deposit	70,000	-
Total	3,13,519	2,31,567

4. Other Current Asset	As at	
	March 31, 2023	March 31, 2022
	Particulars	
Advance to employees & Vendors	33,912	32,412
Other	48,977	-
Total	82,889	32,412



**Pennar GmbH****Notes forming part of the financial statements**

(All amount are in EURO unless otherwise specified)

**5. Equity share capital**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Authorised share capital:</b> 25000 fully paid up equity shares of Euro 1 each (March 31st 2022 : 25000)	25,000	25,000
<b>Issued and subscribed capital:</b> 25000 fully paid up equity shares of Euro 1 each (March 31st 2022 : 25000)	25,000	25,000
<b>Total</b>	<b>25,000</b>	<b>25,000</b>

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

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Opening balance	25,000	25,000
Add: Movement during the year	-	-
Balance	<b>25,000</b>	<b>25,000</b>

**b. Details of shares held by each Promoter**

The details of Promoter shareholdings	As at March 31 2023	As at March 31 2022
<b>Name of the share holder</b>		
Pennar Industries Limited (100 % holding)	25,000	25,000

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

The Company has issued only one class of equity shares having a par value of Euro 1 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.

**6. Other equity**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>(a) Retained earnings</b>		
(i) Opening balance	1,63,459	74,481
(ii) Profit for the year	60,899	88,978
<b>Total</b>	<b>2,24,358</b>	<b>1,63,459</b>



**Pennar GmbH**  
**Notes forming part of the financial statements**  
 (All amount are in EURO unless otherwise specified)

**7. Borrowings**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
<b>Non Current</b>		
Term Loan from banks	1,34,732	-
	<b>1,34,732</b>	
<b>Current</b>		
Term Loan from banks	17,095	-
<b>Total</b>	<b>17,095</b>	<b>-</b>

**(a) Summary of borrowings arrangements**

Particulars	Term of Repayments	Borrowings availed	Outstanding as at	Rate of Interest
			March 31, 2023	
<b>From Banks:</b>				
<b>Credit Agricole</b>	84 equal monthly instalments of €637.49 Euros each commencing from July 2018	50,000	16,825	2%
<b>Credit Agricole</b>	84 equal monthly instalments of €371.92 Euros each commencing from May 2020	30,000	17,750	1.27%
<b>Credit Agricole</b>	Loan Guaranteed by the State (PGE) for an amount of €20,000 over a period of 72 months, including a delay of twelve months. whose monthly installments amount to Euro €9.17 for the first twelve months, then Euros 421.36, will be definitively repaid on May 15, 2026.	20,000	15,870	0.55%
<b>Bank Populaire</b>	Loan Guaranteed by the State (PGE) for an amount of 100,000 over a period of 72 months, whose monthly installments amount to the sum of Euro 42.92 for the first three months, then Euro 139.04 for the following twelve months and finally Euro 2,197.87 for the remainder to run, wi	1,00,000	81,382	0.73%
<b>Auvergne Rhône Alpes Region</b>	Repayable advance as support companies affected by consequences of the covid 19 Pandemic	20,000	20,000	

**8. Trade Payables**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Dues to micro enterprises and small enterprises	-	-
Dues to others	14,59,788	2,25,235
<b>Total</b>	<b>14,59,788</b>	<b>2,25,235</b>

**Payable Ageing schedule (FY 22-23)**

Particulars	Outstanding for the following Periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
ii) Others	8,84,973	-	5,74,815	-	14,59,788

**Payable Ageing schedule (FY 21-22)**

Particulars	Outstanding for the following Periods from due date of Payment				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
ii) Others	2,25,235	-	-	-	2,25,235

**9. Other financial liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Others	2,17,404	-
Employee dues	6,572	1,425
Audit fees	4,063	63
<b>Total</b>	<b>2,28,039</b>	<b>1,488</b>

**10. Income tax Liabilities**

Particulars	As at	As at
	March 31, 2023	March 31, 2022
Income tax Liabilities ( Net)	1,506	40,865
<b>Total</b>	<b>1,506</b>	<b>40,865</b>



**Pennar GmbH**

Notes forming part of the financial  
(All amount are in EURO unless otherwise

**11. Revenue from operations**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Sale of services	16,19,333	4,24,176	4,54,263	2,39,914	5,70,826
Sale of products	2,94,003	1,24,053	1,29,405	-	-
<b>Total</b>	<b>19,13,336</b>	<b>5,48,229</b>	<b>5,83,668</b>	<b>2,39,914</b>	<b>5,70,826</b>

**12. Other income**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Other Income	4,000	4,000	-	-	-
<b>Total</b>	<b>4,000</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

**13. Cost of material consumed**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Cost of material consumed	56,986	20,042	29,522	-	-
<b>Total</b>	<b>56,986</b>	<b>20,042</b>	<b>29,522</b>	<b>-</b>	<b>-</b>

**14. Changes in inventories**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Opening stock of inventories					
Work in progress	50,344	40,335	60,507		
	50,344	40,335	60,507	-	-
Closing stock of inventories					
Work in progress	35,173	35,173	40,335		
	35,173	35,173	40,335		
Decrease/(increase) in inventories	15,171	5,162	20,172	-	-

**15. Project Support services**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Project Support Charges	13,70,310	3,43,808	3,62,529	1,97,002	3,49,958
<b>Total</b>	<b>13,70,310</b>	<b>3,43,808</b>	<b>3,62,529</b>	<b>1,97,002</b>	<b>3,49,958</b>

**16. Employee benefits expense**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Salaries and wages, including bonus	2,72,515	1,14,959	1,06,265	8,362	27,087
<b>Total</b>	<b>2,72,515</b>	<b>1,14,959</b>	<b>1,06,265</b>	<b>8,362</b>	<b>27,087</b>

**17. Finance cost**

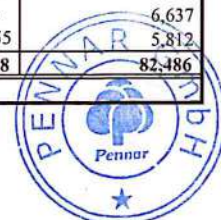
Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Interest cost	4,675	1,919	1,902	8,225	
<b>Total</b>	<b>4,675</b>	<b>1,919</b>	<b>1,902</b>	<b>8,225</b>	<b>-</b>

**1A. Depreciation and amortisation expense**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Depreciation of property, plant and equipment	23,173	23,173	-	13	73
<b>Total</b>	<b>23,173</b>	<b>23,173</b>	<b>-</b>	<b>13</b>	<b>73</b>

**18. Other expenses**

Particulars	For the Year ended 31 March 2023	Three Months period ended 31 March 2023	Three Months period ended 31 Dec 2022	Three Months period ended 31 March 2022	For the Year ended 31 March 2022
Rent	15,708	13,328	340	300	1,700
Bank Charges	3,474	1,376	789	117	213
Professional and legal expenses	14,664	4,000	3,904	2,856	68,124
Travelling	8,108	(0)	7,783	-	-
Rates & taxes	18,524	11,229	(2,985)	-	6,637
Miscellaneous expenses	32,829	3,321	25,122	55	5,812
<b>Total</b>	<b>93,307</b>	<b>33,256</b>	<b>34,953</b>	<b>3,328</b>	<b>82,486</b>



**Pennar GmbH**  
**Notes forming part of the financial statements**  
 (All amount are in EURO unless otherwise specified)

**19. Business Combination**

**A. Business combinations during the year 2022-23:**

Acquisition of Cadnum Sarl : On July 13, 2022, the Company acquired 100% of equity interest in Cadnum Sarl (CADNUM). Cadnum is engaged the company is to manufacture of tools for foundries and plastic injection, models and prototypes for industry, machining in general, reproduction of parts, modeling and design, digitization (CAD), programming of automatic machining (CAM) for various companies. The fair value of the purchase consideration comprises cash consideration of 1,80,000 Euros. The fair value of net assets acquired on the acquisition date amounted to 1,80,000 Euros. The Purchase price has been allocated based on Management's estimates and independent appraisal of fair values as follows:

Particulars	Acquiree's carrying value	Fair value adjustments	Purchase price allocated
Net Assets	(678.0)	858	180.0

**18 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	60,899	88,978
No of Equity Shares	10,000	10,000
Basic and diluted Earning per Share	6.09	8.90

**20. 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	25,000	25,000
Other equity	2,24,358	1,63,459
<b>Total Equity (A)</b>	<b>2,49,358</b>	<b>1,88,459</b>
Non-current borrowings		
Short term borrowings	1,51,827	-
Current maturities of long-term borrowings		
<b>Gross Debt</b>	<b>1,51,827</b>	<b>-</b>
Less: Cash and cash equivalents	(3,13,519)	(2,31,567)
<b>Net debt (B)</b>	<b>-1,61,692</b>	<b>-2,31,567</b>
<b>Net debt to equity (B/A)</b>	<b>(0.65)</b>	<b>(1.23)</b>
<b>Interest Coverage Ratio</b>	<b>18.37</b>	<b>6.16</b>

(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
<b>Financial assets</b>		
Measured at amortised cost		
Trade receivables	6,29,764	1,92,068
Other financial assets		
Cash and cash equivalents	3,13,519	2,31,567
<b>Total financial assets measured at amortised cost (A)</b>	<b>9,43,283</b>	<b>4,23,634</b>
<b>Total Financial Assets (A)</b>	<b>9,43,283</b>	<b>4,23,634</b>
<b>Financial Liabilities</b>		
Measured at amortised cost		
Borrowings	1,51,827	-
Trade payables	14,59,788	14,86,91,418
Other financial liabilities	2,28,039	5,71,902
<b>Total financial liabilities carried at amortised cost(A)</b>	<b>18,39,654</b>	<b>14,92,63,320</b>
<b>Total Financial Liabilities</b>	<b>18,39,654</b>	<b>14,92,63,320</b>

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 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.

21 CONTINGENT LIABILITIES: Nil

22 Related Party Disclosures

22.1 Relationship	Name
Holding Company	Pennar Industries Ltd
Fellow Subsidiary Company	Pennar Global Inc Enertech Pennar Defense and Engineering System Private Limited Pennar Global Metal LLC Pennar Global Investments LLC Ascent Buildings LLC
Key Management Personnel	Sumanth veeraganta
22.2 Aggregate Related Party Transactions :	
Particulars	31-03-2023
Services Received during the year	
a Pennar Industries Limited	13,70,310
23.3 Related Party Balances :	
Balances payable	
a Pennar Industries Limited	9,21,160

In terms of our report attached

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

*Melli*

Murall Krishna Reddy Telluri  
Partner

Membership No: 223022

UDIN: 23223022 B9@J

Place: Hyderabad

Date: 22-05-2023



For and behalf of Pennar GmbH

*Sumanth*

Dr. Sumanth Veeraganta  
Director

