



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 2024

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 31st March 2024, 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 31st March 2024 are prepared in all material respects, in accordance with 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 Standards on Auditing (SAs). 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. M S K A & Associates 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 Standards on Auditing (SAs) 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 have audited the following subsidiaries.

Cadnum (Foreign Subsidiary)

The Financial information of Subsidiary included in the Consolidated audited financial information of the entities included in the Group, whose information reflects total revenues of \$ 4,79,452 total net profit after tax of \$ 39,780 for the year ended March 31st, 2023, as considered in the respective Consolidated audited financial information of the entities included in the Group. The interim financial information of these subsidiaries have been reviewed by us.



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 M.No.223022
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/1st Floor, Road No. 82, Jubilee Hills, Hyderabad - 500096.
Date	17 May 2024

UDIN

24223022BKARMP3436

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 SAs, 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 M.No: 223022
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/1st Floor, Road No. 82, Jubilee Hills, Hyderabad - 500096.
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24223022BKARMP3436

Pennar GmbH
Consolidated Balance Sheet as at 31 March 2024
(All amount are in EURO unless otherwise specified)

Particulars	Note	As at	As at
		March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	1	781,259	815,202
Intangibles	1	76,786	-
Deffered Tax	11	39,780	-
Total non-current assets		897,825	815,202
Current assets			
Inventory	2	233,319	249,144
Financial assets			
(a) Trade receivables	3	757,754	629,764
(b) Cash and cash equivalents	4	104,725	313,519
Other current asset	5	244,085	82,889
Income tax Assets (Net)	11	39,435	-
Total current assets		1,379,318	1,275,316
Total assets		2,277,143	2,090,518
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	25,000	25,000
Other equity	7	122,769	224,358
Total equity		147,769	249,358
Non Current Liabilities			
Financial liabilities			
Borrowings	8	95,528	134,732
		95,528	134,732
Current liabilities			
Financial liabilities			
Borrowings	8	17,123	17,095
Trade Payables	9	1,805,709	1,459,788
Other financial liabilities	10	209,579	228,039
Income tax Liabilites (Net)	11	1,435	1,506
Total current liabilities		2,033,846	1,706,428
Total Liabilities		2,129,374	1,841,160
Total equity and liabilities		2,277,143	2,090,518

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 Tella
Partner
Membership No: 223022

Place: Hyderabad
Date: 17-05-2024

For and On behalf of Pennar GmbH

Sumanth



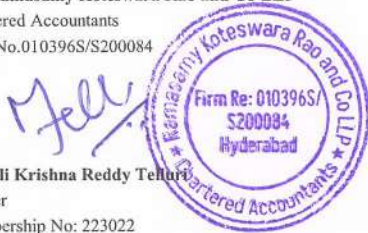
Dr. Sumanth Veeraganta
Director

Pennar GmbH
Consolidated Statement of Financials Result for period ended 31 March 2024
 (All amount are in EURO unless otherwise specified)

Particulars	Note	Quarter Ended				For the year ended 31st March 2023
		For the year ended 31st March	March 31 2024	Dec 31 2023	March 31 2023	
INCOME						
Revenue from operations	12	2,200,581	460,695	488,750	548,229	1,913,336
Other income	13	719	300	(6)	4,000	4,000
Total income		2,201,300	460,995	488,744	552,229	1,917,336
EXPENSES						
Cost of material consumed	14	112,740	31,236	14,255	20,042	56,986
Changes in Inventory and finished goods	15	13,704	2,514	5,412	5,162	15,171
Project support charges	16	1,418,859	230,000	318,577	343,808	1,370,310
Employee benefits expense	17	608,514	137,721	218,716	114,959	272,515
Finance Cost	18	2,410	133	128	1,919	4,675
Depreciation and amortisation expense	1A	34,759	8,690	8,690	23,173	23,173
Other expenses	19	134,173	31,628	31,088	33,254	93,307
Total expenses		2,325,159	441,922	596,866	542,317	1,836,137
Profit/ l(Loss) before tax		(123,859)	19,073	(108,122)	9,912	81,199
Tax expense						
Current tax	11	17,510	14,792	2,718	2,478	20,300
Deferred tax	11	(39,780)	4,927	(44,707)	-	-
Total tax expense		(22,270)	19,719	(41,989)	2,478	20,300
Profit for the year after tax		(101,589)	(646)	(66,133)	7,433	60,899
Paid-up equity share capital (Face value 1 Euro each fully paid)						
Number of equity shares		25,000	25,000	25,000	25,000	25,000
Basic & Diluted	21	(4.06)	(0.03)	(2.65)	0.30	2.44

In terms of our report attached

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



Murali Krishna Reddy
 Partner
 Membership No: 223022

Place: Hyderabad
 Date: 17-05-2024

For and On behalf of Pennar GmbH

Sumanth
 Dr. Sumanth Veeraganta
 Director

Pennar GmbH
Consolidated Cash Flow Statement for the year ended 31 March 2024
(All amount are in EURO unless otherwise specified)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Cash Flow from operating activities		
Profit Before Tax	(123,859)	81,199
Finance Cost	2,410	4,675
Depreciation & Amortisation	34,759	23,173
Operating Profit Before working capital changes	(86,690)	109,047
Adjustments for (increase)/decrease in operating assets		
Inventory	15,825	33,956
Trade Receivables	(127,990)	(368,913)
Other current Asset	(161,194)	-17,684
Adjustments for (increase)/decrease in operating liabilities		
Trade Payables	345,921	(3,279)
Other financial Liabilities	(18,462)	600,011
Short term provisions		
Cash Generated from operating activities	(32,590)	353,138
Less: Taxes paid	(57,016)	-59,658
Net Cash from operating activities (A)	(89,606)	293,480
Net Cash from Investing Activities		
Purchase of fixed asset	(77,602)	-
Investment	-	(180,000)
Net cash from Investing Activities (B)	(77,602)	(180,000)
Cash Flow from financing Activities		
Repayment of long term borrowings	(39,176)	(26,852)
Interest repayment	(2,410)	(4,675)
Share Capital	-	-
Net Cashfrom (used) in financing activities (C)	(41,586)	(31,527)
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	(208,794)	81,952
Cash and Cash equivalents at the beginning of the year	313,519	231,567
Cash and Cash equivalents at the end of the year	104,725	313,519
Cash and cash equivalents comprises of: (refer note 3)		
Cash on hand	-	-
Balances with Banks		
- in current accounts	104,725	243,519
- Deposit	-	70,000
	104,725	313,519

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 Telluri

Partner
Membership No: 223022

Place: Hyderabad
Date: 17-05-2024

For and behalf of Pennar GmbH

Sumanth



Dr. Sumanth Veeraganta
Director