



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 2024

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 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.

Pennar Global metals LLC (Foreign Subsidiary)

Ascent Buildings LLC (Foreign Subsidiary)

Pennar Global Investments LLC (Foreign Subsidiary)

The Financial information of 3 Subsidiaries included in the Consolidated audited financial information of the entities included in the Group, whose information reflects total revenues of \$ 27,03,046, \$ 7,80,23,893, nil and total net profit after tax of \$ 1,46,668, \$ 53,22,381, nil for the year ended March 31st, 2024, as considered in the respective Consolidated audited financial information of the entities included in the Group.



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 Arcade, 8-2-293/82/JIII/573/M/1st Floor, Road No. 82, Jubilee Hills, Hyderabad - 500096. |
| Date | 17 May 2024 |



UDIN

24223022BKARML7414

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

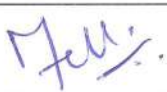
Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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 Arcade, 8-2-293/82/JIII/573/M/1st Floor, Road No. 82, Jubilee Hills, Hyderabad - 500096. |
| Date | 17 May 2024 |



UDIN

24223022BKARML7414

Pennar Global Inc
Consolidated Balance Sheet as at March 31, 2024
(All amounts are in USD unless otherwise stated)

| Particulars | Note | As at | As at |
|--------------------------------------|------|-------------------|-------------------|
| | | March 31, 2024 | March 31, 2023 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 | 5,575,748 | 5,479,845 |
| Capital work-in-progress | 1 | 4,431,670 | 997,841 |
| Right-of-use Assets | 2 | 4,353,439 | 4,482,102 |
| Other intangibles | 1 | 21,101 | 57,273 |
| Other Non-current Asset | 7 | - | 1,008,945 |
| Financial Asset | | | |
| Other financial Asset | 6 | 750,000 | 900,000 |
| Total Non-current assets | | 15,131,958 | 12,926,006 |
| Current assets | | | |
| Inventories | 3 | 2,389,100 | 4,011,240 |
| Financial assets | | | |
| (a) Trade receivables | 4 | 12,232,004 | 6,189,237 |
| (b) Cash and cash equivalents | 5 | 9,795,912 | 14,139,067 |
| (c) Other financial assets | 6 | - | - |
| Other current assets | 7 | 418,581 | 359,617 |
| Total Current assets | | 24,835,597 | 24,699,161 |
| Total Assets | | 39,967,555 | 37,625,167 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 8 | 50 | 40 |
| Other equity | 9 | 19,822,686 | 6,622,012 |
| Total equity | | 19,822,736 | 6,622,052 |
| Non Current Liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 10 | - | 11,871,921 |
| (b) Lease Liability | 2 | 717,497 | 1,540,691 |
| Total Non-current Liabilities | | 717,497 | 13,412,612 |
| Current Liabilities | | | |
| Financial liabilities | | | |
| (a) Borrowings | 11 | 3,546,282 | 90,308 |
| (b) Trade payables | 12 | 10,203,394 | 7,235,742 |
| (c) Lease Liabilities | 2 | 755,402 | 600,521 |
| (c) Other financial liabilities | 13 | 3,133,795 | 5,813,565 |
| Other current Liabilities | 14 | 826,969 | 2,595,823 |
| Income tax liabilities (net) | 15 | 961,480 | 1,254,544 |
| Total Current liabilities | | 19,427,322 | 17,590,503 |
| Total Liabilities | | 20,144,819 | 31,003,115 |
| Total Equity and Liabilities | | 39,967,555 | 37,625,167 |

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 Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 17-05-2024

For and behalf of Pennar Global Inc

Shrikant Bhakkad

Shrikant Bhakkad
Director



Pennar Global Inc**Consolidated Statement of financial statement for period ended 31 March 2024**

(All amounts are in USD unless otherwise stated)

| Particulars | Note | For the Year Ended 31-Mar-24 | For the Year Ended 31-Mar-23 |
|--|------|---------------------------------|---------------------------------|
| INCOME | | | |
| Revenue from operations | 16 | 88,611,959 | 87,440,074 |
| Other income | 17 | 788,730 | 386,854 |
| Total income | | 89,400,689 | 87,826,928 |
| EXPENSES | | | |
| Cost of material consumed | 18 | 44,779,352 | 35,307,144 |
| Purchase of traded goods | 19 | 4,140,172 | 10,975,384 |
| Change in inventories of finished goods, Stock-in-trade | 20 | 1,850,510 | 1,746,729 |
| Employee benefits expense | 21 | 17,637,376 | 19,145,121 |
| Finance Cost | 22 | 651,218 | 1,095,231 |
| Depreciation and amortisation expense | 23 | 1,217,153 | 1,092,976 |
| Other expenses | 24 | 12,758,111 | 13,822,946 |
| Total expenses | | 83,033,892 | 83,185,530 |
| Profit before tax | | 6,366,797 | 4,641,397 |
| Tax expense | | | |
| Current tax | 15 | 1,538,034 | 928,279 |
| Deferred tax | | - | - |
| Total tax expense | | 1,538,034 | 928,279 |
| Profit for the year after tax | | 4,828,763 | 3,713,118 |
| Paid-up equity share capital (Face value \$0.01 each fully paid) | | | |
| Number of equity shares | | 5,000 | 4,000 |
| Basic & Diluted | 25 | 966 | 928 |

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 behalf of Pennar Global Inc



Shrikant Bhakkad

Director

Pennar Global Inc
Consolidated Statement of Cash Flow for the year ended 31 March 2024
(All amounts are in USD unless otherwise stated)

| Particulars | For the year ended March 31 2024 | For the year ended March 31 2023 |
|--|-------------------------------------|-------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net profit before tax | 6,366,797 | 4,641,397 |
| <u>Adjustments for :</u> | | |
| Property plant and Equipment written off | | |
| Finance cost | 651,218 | 1,095,231 |
| Depreciation | 1,088,488 | 1,092,976 |
| Operating profits before working capital charges | 8,106,503 | 6,829,605 |
| <u>Changes in operating assets and liabilities:</u> | | |
| <u>Adjustments for (increase) / decrease in operating assets:</u> | | |
| Trade receivables | (6,042,767) | 1,790,280 |
| Inventories | 1,622,141 | 3,303,607 |
| Other financial Asset | 150,000 | (250,000) |
| Other current asset | (58,964) | 685,181 |
| <u>Adjustments for increase / (decrease) in operating liabilities:</u> | | |
| Trade payables | 2,967,652 | (2,955,924) |
| Other financial liabilities | (2,847,234) | 3,538,113 |
| Other Current Liabilities | (1,768,853) | 1,108,660 |
| Lease Liability | | |
| Cash generated from operations | 2,128,478 | 14,049,522 |
| Income taxes paid | (1,831,098) | (505) |
| Net cash flow generated in operating activities (A) | 297,380 | 14,049,017 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets | (3,444,440) | (2,889,879) |
| Net cash used in investing activities (B) | (3,444,440) | (2,889,879) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from borrowings | - | 1,564,190 |
| Payment of Interest on borrowings | (352,071) | (197,471) |
| Repayment of shortterm borrowing | (44,026) | |
| Payment of Lease liability | (799,999) | (800,000) |
| Net Cash flow generated financing activities (C) | (1,196,096) | 566,720 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (4,343,156) | 11,725,858 |
| Cash and cash equivalents at the beginning of the year | 14,139,067 | 2,413,209 |
| Cash and cash equivalents at the end of the year | 9,795,912 | 14,139,067 |
| Cash and cash equivalents comprises of: (Refer Note 5) | | |
| Cash on hand | - | - |
| Balances with Banks | | |
| - in current accounts | 9,795,912 | 14,139,067 |
| | 9,795,912 | 14,139,067 |

In terms of our report attached

For Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

FRN.No.010396S/S200084

Melli

Murali Krishna Reddy

Partner

Membership No: 223022

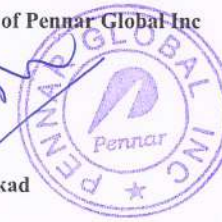


For and behalf of Pennar Global Inc

Shrikant Bhakkad

Shrikant Bhakkad

Director



Place: Hyderabad

Date: 17-05-2024

Pennar Global Inc
Consolidated Statement of changes in equity for the period ended March 31 2024
 (All amounts are in USD unless otherwise stated)

A. Equity share capital

| Particulars | No of shares | Amount |
|---|--------------|-----------|
| Balance at April 01, 2022 | 4,000 | 40 |
| Changes in equity share capital during the Year | - | - |
| Balance at March 31, 2023 | 4,000 | 40 |
| Balance at April 01, 2023 | 4,000 | 40 |
| Changes in equity share capital during the Year | 1,000 | 10 |
| Balance at March 31, 2024 | 5,000 | 50 |

B. Other equity

| Particulars | Securities premium | Retained earnings | Total |
|----------------------------------|--------------------|-------------------|-------------------|
| Balance at April 01, 2022 | 1,234,960 | 1,673,935 | 2,908,895 |
| Profit for the period | - | 3,713,117 | 3,713,117 |
| Balance at March 31, 2023 | 1,234,960 | 5,387,052 | 6,622,012 |
| Balance at April 01, 2023 | 1,234,960 | 5,387,052 | 6,622,012 |
| Profit for the period | 8,371,911 | 4,828,763 | 13,200,674 |
| Balance at March 31, 2024 | 9,606,871 | 10,215,815 | 19,822,686 |



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

| Particulars | As at | |
|----------------------------------|------------------|------------------|
| | 31-Mar-24 | 31-Mar-23 |
| Carrying amounts of: | | |
| Buildings | 1,792,429 | 1,415,893 |
| Plant and equipment | 3,206,470 | 3,311,080 |
| Computers | 22,178 | 30,763 |
| Office equipment | 100,090 | 138,836 |
| Furniture and fixtures | 129,851 | 163,835 |
| Vehicles | 324,730 | 419,438 |
| Total | 5,575,748 | 5,479,845 |
| Intangibles | | |
| Software | 21,101 | 57,273 |
| | 21,101 | 57,273 |
| Capital works-in-progress | | |
| | 4,431,670 | 997,841 |
| Total | 4,431,670 | 997,841 |

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

| Particulars | Buildings | Plant and equipment | Computers | Office equipment | Furniture and fixtures | Vehicle | Total PPE | Intangibles Software | Total |
|-------------------------------------|-----------|---------------------|-----------|------------------|------------------------|---------|-----------|----------------------|-----------|
| I. Cost | | | | | | | | | |
| Balance as at April 01, 2022 | 1,414,610 | 3,833,809 | 42,925 | 193,723 | 245,035 | 130,394 | 5,860,496 | 108,518 | 5,969,014 |
| Additions | 317,939 | 262,537 | - | - | - | 343,145 | 923,621 | - | 923,621 |
| Disposals/adjustments/write offs | (19,252) | - | - | - | - | - | (19,252) | - | (19,252) |
| Balance as at March 31, 2023 | 1,713,297 | 4,096,346 | 42,925 | 193,723 | 245,035 | 473,539 | 6,764,865 | 108,518 | 6,873,383 |
| Additions | 656,432 | 491,787 | - | - | - | - | 1,148,219 | - | 1,148,219 |
| Disposals/adjustments/write offs | - | - | - | - | - | - | - | - | - |
| Other adjustments | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2024 | 2,369,729 | 4,588,133 | 42,925 | 193,723 | 245,035 | 473,539 | 7,913,084 | 108,518 | 8,021,602 |
| II. Accumulated depreciation | | | | | | | | | |
| Balance as at April 01, 2022 | 84,203 | 228,203 | 3,577 | 16,144 | 43,416 | 10,866 | 386,409 | 15,072 | 401,481 |
| Depreciation for the year | 213,201 | 557,063 | 8,585 | 38,743 | 37,783 | 43,236 | 898,611 | 36,172 | 934,784 |
| Disposals/adjustments/write offs | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 297,404 | 785,266 | 12,162 | 54,887 | 81,200 | 54,102 | 1,285,020 | 51,244 | 1,336,265 |
| Depreciation for the year | 279,896 | 596,397 | 8,585 | 38,745 | 33,984 | 94,708 | 1,052,315 | 36,173 | 1,088,488 |
| Other adjustments | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2024 | 577,300 | 1,381,663 | 20,747 | 93,632 | 115,184 | 148,810 | 2,337,337 | 87,417 | 2,424,754 |
| III. Carrying value (I-II) | | | | | | | | | |
| Balance as at March 31, 2024 | 1,792,429 | 3,206,470 | 22,178 | 100,090 | 129,851 | 324,730 | 5,575,747 | 21,101 | 5,596,848 |
| Balance as at March 31, 2023 | 1,415,893 | 3,311,080 | 30,763 | 138,836 | 163,835 | 419,438 | 5,479,846 | 57,273 | 5,537,118 |



Capital work-in-progress ageing schedule (2023-24)

| Particulars | Amount in CWIP for the period of 23-24 | | | | Total |
|--------------------------------|--|-----------|-----------|-------------------|-----------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| Projects in progress | 4,431,670 | - | - | - | 4,431,670 |
| Projects temporarily suspended | - | - | - | - | - |

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 | 2-3 years | More than 3 years | |
| Projects in progress | 997,841 | - | - | - | 997,841 |
| Projects temporarily suspended | - | - | - | - | - |

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

2. ROU

| Particulars | As at | |
|-------------------------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Carring Value of Asset | | |
| Buildings | 4,021,236 | 4,149,899 |
| Land | 332,203 | 332,203 |
| Total | 4,353,439 | 4,482,102 |

Details of Right to Use Asset

| Particulars | Land | Building | Total |
|--|----------------|------------------|------------------|
| Gross Carring Value of Asset | | | |
| Cost as at April 2022 | 332,203 | 4,413,552 | 4,745,755 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance as at 31st March 2023 | 332,203 | 4,413,552 | 4,745,755 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Balance as at 31st March 2024 | 332,203 | 4,413,552 | 4,745,755 |
| Accumulated Amortisation | | | |
| Accumulated Amortisation March 31 2022 | | | |
| Amortisation | - | 263,653 | 263,653 |
| Disposals | - | - | - |
| Balance as at 31st March 2023 | - | 263,653 | 263,653 |
| Amortisation | - | 128,663 | 128,663 |
| Disposals | - | - | - |
| Balance as at 31st March 2024 | - | 392,316 | 392,316 |
| Net Carrying amount as at March 31 2024 | 332,203 | 4,021,236 | 4,353,439 |
| Net Carrying amount as at March 31 2023 | 332,203 | 4,149,899 | 4,482,102 |

2. Lease Liabilities

| Particulars | As at | |
|--------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Non Current | 717,497 | 1,540,691 |
| Current | 755,402 | 600,521 |
| Total | 1,472,899 | 2,141,212 |



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, 2024 | March 31, 2023 |
| Inventories (Lower of Cost or NRV) | | |
| Raw Material | 1,178,845 | 950,474 |
| Stock of Traded Goods | 994,236 | 2,295,146 |
| Finished Goods | 216,019 | 765,620 |
| Total | 2,389,100 | 4,011,240 |

4. Trade Receivables

| Particulars | As at | |
|------------------------------------|-------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Trade receivables | | |
| Unsecured, considered good | 12,232,004 | 6,189,237 |
| Doubtful | - | - |
| Less: Allowance for doubtful debts | - | - |
| Total | 12,232,004 | 6,189,237 |

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 |
|---|--------------------|--------------------|---------------|-----------|-------------------|-------------------|
| Undisputed trade receivables considered good | 12,097,317 | 26,638 | 28,304 | - | 79,744 | 12,232,004 |
| Undisputed trade receivables-Which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed trade receivables- Credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total | 12,097,317 | 26,638 | 28,304 | - | 79,744 | 12,232,004 |

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 |
|---|--------------------|--------------------|------------|-----------|-------------------|------------------|
| Undisputed trade receivables considered good | 6,086,268 | 23,576 | 521 | - | 78,872 | 6,189,237 |
| Undisputed trade receivables-Which have significant increase in credit risk | - | - | - | - | - | - |
| Undisputed trade receivables- Credit impaired | - | - | - | - | - | - |
| Disputed Trade Receivables- considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed Trade Receivables – credit impaired | - | - | - | - | - | - |
| Total | 6,086,268 | 23,576 | 521 | - | 78,872 | 6,189,237 |

5. Cash and Cash Equivalents

| Particulars | As at | |
|---------------------|------------------|-------------------|
| | March 31, 2024 | March 31, 2023 |
| Cash on hand | | |
| Balances with banks | | |
| in current accounts | 9,795,912 | 14,139,067 |
| Total | 9,795,912 | 14,139,067 |

| Particulars | As at | |
|------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Non Current | | |
| Surety Bond collateral | 750,000 | 900,000 |
| Total | 750,000 | 900,000 |

7. Other assets

| Particulars | As at | |
|-----------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Non Current | | |
| | - | 1,008,945 |
| Prepaid Expenses | 112,676 | - |
| Advance to vendor | 305,906 | 359,617 |
| Total other current assets | 418,582 | 359,617 |
| Total other assets | 418,582 | 359,617 |



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

8. Equity share capital

| Particulars | As at | |
|---|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Authorised share capital: 6000 fully paid up equity shares of 0.01\$ (Marc 31, 2023 : 5000) | 60 | 50 |
| Issued and subscribed capital: 5000 fully paid up equity shares of 0.01\$ (Marc 31, 2023 : 5000) | 50 | 40 |
| Total | 50 | 40 |

Notes:

a. Reconciliation of the number of shares outstanding:

| Particulars | As at | |
|-------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Opening balance | 4,000 | 4,000 |
| Add: Movement during the year | 1,000 | - |
| Balance | 5,000 | 4,000 |

b. Details of shares held by Promoter.

| The details of Promoter shareholdings | As at March 31, 2024 | | As at March 31, 2023 | |
|---------------------------------------|----------------------|----------------------------|----------------------|----------------------------|
| | No of shares held | % holding of equity shares | No of shares held | % holding of equity shares |
| Pennar Industries Limited | 5,000 | 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, 2024 | March 31, 2023 |
| A. Securities Premium | | |
| Opening balance | 1,234,960 | 1,234,960 |
| Issued during the year | 8,371,911 | - |
| Total | 9,606,871 | 1,234,960 |
| B. Retained earnings | | |
| (i) Opening balance | 5,387,052 | 1,673,935 |
| (ii) Profit for the year | 4,828,763 | 3,713,117 |
| Total | 10,215,815 | 5,387,052 |
| Total Reserves | 19,822,686 | 6,622,012 |



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

10. Non Current Borrowings

| Particulars | As at | |
|--|----------------|-------------------|
| | March 31, 2024 | March 31, 2023 |
| Unsecured | | |
| Loan from realted party (refere Note below) | - | 11,871,921 |
| Total | - | 11,871,921 |

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, 2024 | March 31, 2023 |
| Unsecured | | |
| Loan from realted party (refere Note below) | 3,500,000 | - |
| from banks (Credit Card) | 46,282 | 90,308 |
| Total | 3,546,282 | 90,308 |

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

12. Trade Payables

| Particulars | As at | |
|---|-------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Dues to micro enterprises and small enterprises | | |
| Dues to others | 10,203,394 | 7,235,742 |
| Total | 10,203,394 | 7,235,742 |

Trade Payables Ageing Schedule (FY 23-24)

| 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 | 8,159,514 | 2,043,880 | - | 10,203,394 |
| (ii) Others | - | - | - | - |
| (iii) Disputed dues - MSME | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - |
| Total | 8,159,514 | 2,043,880 | - | 10,203,394 |

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 | - | - | - | - |
| (ii) Others | 5,663,382 | 1,572,360 | - | 7,235,742 |
| (iii) Disputed dues - MSME | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - |
| Total | 5,663,382 | 1,572,360 | - | 7,235,742 |

13. Other financial liabilities

| Particulars | As at | |
|---------------------|------------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Employee dues | 505,926 | 3,273,409 |
| Sales tax Liability | 498,991 | 736,267 |
| Others | 962,757 | 805,229 |
| Interest payable | 1,166,121 | 998,660 |
| Total | 3,133,795 | 5,813,565 |

14. Other Current Liabilities

| Particulars | As at | |
|------------------------|----------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Advance from customers | 826,969 | 2,595,823 |
| Total | 826,969 | 2,595,823 |



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

(All amounts are in USD unless otherwise stated)

15. Income taxes**15 - Tax Expense****A. Income tax expense/(benefit) recognised in the statement of profit and loss**

| Particulars | March 31, 2024 | March 31, 2023 |
|--------------------------------|------------------|----------------|
| Current tax | | |
| In respect of the current year | 1,538,034 | 928,279 |
| Total | 1,538,034 | 928,279 |

15. Income tax assets and liabilities

| Particulars | As at | |
|------------------------------|----------------|------------------|
| | March 31, 2024 | March 31, 2023 |
| Income tax Asset, net. | | |
| Income tax Liabilities, net. | 961,480 | 1,254,544 |
| Total | 961,480 | 1,254,544 |



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

16. Revenue from operations

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|------------------|--------------------------------------|--------------------------------------|
| Sale of services | 4,701,077 | 4,926,815 |
| Sale of products | 83,910,882 | 82,513,259 |
| Total | 88,611,959 | 87,440,074 |

17. Other income

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Other non-operating income | | |
| Miscellaneous income (net) | 788,730 | 386,854 |
| Total | 788,730 | 386,854 |

18. Cost of Material Consumed

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---------------------------|--------------------------------------|--------------------------------------|
| Cost of material consumed | 44,779,352 | 35,307,144 |
| | 44,779,352 | 35,307,144 |

19. Purchases of Goods

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|----------------|--------------------------------------|--------------------------------------|
| Add: Purchases | 4,140,172 | 10,975,384 |
| | 4,140,172 | 10,975,384 |

20. Change in Inventories

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Opening stock | | |
| Finished goods | 765,620 | 1,072,872 |
| Stock of traded Goods | 2,295,146 | 3,734,623 |
| | 3,060,766 | 4,807,495 |
| Closing stock | | |
| Finished goods | 216,019 | 765,620 |
| Stock of traded Goods | 994,236 | 2,295,146 |
| | 1,210,255 | 3,060,766 |
| Decrease/(increase) in inventories | 1,850,510 | 1,746,729 |

21. Employee benefits expense

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|------------------|--------------------------------------|--------------------------------------|
| Salaries & wages | 15,661,575 | 17,252,132 |
| Staff Welfare | 1,975,801 | 1,892,989 |
| Total | 17,637,376 | 19,145,121 |

22 Finance Cost

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|-----------------------|--------------------------------------|--------------------------------------|
| Interest on borrowing | 519,532 | 933,003 |
| Interest on Leases | 131,686 | 162,228 |
| | 651,218 | 1,095,231 |

23. Depreciation and amortisation expense

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation | 1,052,315 | 898,611 |
| Amortisation of intangibles | 36,173 | 36,172 |
| Amortisation of Right-of-use assets | 128,665 | 158,193 |
| Total | 1,217,153 | 1,092,976 |

24. Other expenses

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|--------------------------------------|--------------------------------------|
| Job work services | 4,353,165 | 4,660,607 |
| Bad debt expense | 22,243 | 69,286 |
| Data and Communication | 95,993 | 77,124 |
| Rent including lease rentals | 268,457 | 348,431 |
| Insurance | 4,077 | 22,296 |
| Advertising and Marketing | 2,348,365 | 2,078,934 |
| Rates and taxes | 94,883 | 131,608 |
| Legal & professional charges & Consultancy fees | 1,614,553 | 1,052,913 |
| Repairs and Maintenance | 636,363 | 579,987 |
| Office Supplies | 1,544,562 | 1,544,563 |
| Travelling and conveyance | 464,592 | 417,705 |
| Software charges | 389,983 | 403,462 |
| Utilities | 338,865 | 309,440 |
| Miscellaneous expenses | 582,010 | 2,126,590 |
| Total | 12,758,111 | 13,822,946 |



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

| 25 | EARNING PER SHARE | | |
|----|---|--------------------------------------|--------------------------------------|
| | Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
| | Net profit attributable to equity Share holders | 4,828,763 | 3,713,118 |
| | No of Equity Shares | 5,000 | 4,000 |
| | Basic and diluted Earning per Share | 966 | 928 |

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-24 | 31-Mar-23 |
|---------------------------------|--------------------|--------------------|
| Equity share capital | 50 | 40 |
| Other equity | 19,822,686 | 6,622,012 |
| Total Equity (A) | 19,822,736 | 6,622,052 |
| Non-current borrowings | - | 11,871,921 |
| Short term borrowings | 3,546,282 | 90,308 |
| Gross Debt | 3,546,282 | 11,962,229 |
| Less: Cash and cash equivalents | (9,795,912) | (14,139,067) |
| Net debt (B) | (6,249,630) | (2,176,839) |
| Net debt to equity (B/A) | (0.32) | (0.33) |
| 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, 2024 | March 31, 2023 |
| Financial assets | | |
| Measured at amortised cost | | |
| Trade receivables | 12,232,004 | 6,189,237 |
| Other financial assets | 750,000 | 900,000 |
| Cash and cash equivalents | 9,795,912 | 14,139,067 |
| Total financial assets measured at amortised cost (A) | 22,777,916 | 21,228,304 |
| Total Financial Assets (A) | 22,777,916 | 21,228,304 |
| Financial Liabilities | | |
| Measured at amortised cost | | |
| Long-term borrowings | - | 11,871,921 |
| Short-term borrowings | 3,546,282 | 90,308 |
| Trade payables | 10,203,394 | 7,235,742 |
| Other financial liabilities | 3,133,795 | 5,813,565 |
| Total financial liabilities carried at amortised cost(A) | 16,883,471 | 25,011,535 |
| Measured at fair value through profit and loss | | |
| Lease Liabilities | 1,472,899 | 2,141,212 |
| Financial liabilities at fair value through Profit and Loss (B) | 1,472,899 | 2,141,212 |
| Total Financial Liabilities (A+B) | 18,356,370 | 27,152,747 |

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

| S.No | Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % Variance |
|------|-----------------------------------|---|------------------------------|----------------|----------------|------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.28 | 1.40 | -9.0% |
| 2 | Debt-Equity Ratio | Total Debt (1) | Shareholder's Equity | 0.18 | 1.81 | -90.1% |
| 3 | Debt Service Coverage Ratio | Earnings available for debt service (2) | Debt service (3) | 1.61 | 0.45 | 256.7% |
| 4 | Return on Equity (ROE) | Net profit after taxes | Average Shareholder's Equity | 37% | 78% | -53.1% |
| 5 | Inventory Turnover Ratio | Revenue from Operations | Average Inventory | 27.7 | 15.4 | 79.3% |
| 6 | Trade Receivables Turnover Ratio | Revenue from Operations | Average Receivables | 9.6 | 12.3 | -22.1% |
| 7 | Trade Payables Turnover Ratio | Purchases | Average Trade Payables | 5.82 | 5.51 | 5.7% |
| 8 | Net Capital Turnover Ratio | Revenue from Operations | Working Capital (4) | 16.38 | 12.30 | 33.2% |
| 9 | Net Profit Ratio | Net Profit | Revenue from Operations | 5% | 4% | 28.3% |
| 10 | Return on Capital Employed (ROCE) | Earnings Before Interest and Taxes (EBIT) | Capital Employed (5) | 0.30 | 0.31 | -2.7% |

(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 + Inter corporate 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 |
| | Pennar Metals Private Limited |
| Director | Eric Brown |
| Director | Shrikant Bhalkad |
| Director | Aditya N Rao |
| Director | Manoj Cherukuri |
| Director | Sameer Rentala |
| 28.2 Aggregate Related Party Transactions : | |
| Particulars | 31st March 2024 |
| Pennar Industries Limited | |
| a Sales Made during the year | 202,133 |
| b Services Received during the year | 4,345,841 |
| c Purchases Made during the year | 2,980,672 |
| d Interest Expense during the year | 519,532 |
| e Interest paid during the year | 352,071 |
| f Conversion of Loan to Equity share capital | 8,371,921 |
| 28.3 Related Party Balances : | |
| Pennar Industries Limited | |
| a Balances payable | 3,615,715 |
| b Inter corporate Loan | 3,500,000 |
| c Interest payable | 1,166,121 |
| d Balances receivable | 247,204 |

29 CONTINGENT LIABILITIES: Nil

30 Figures are rounded off to nearest \$



| Pennar Global Inc | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Notes forming part of the financial statements | | | | | |
| (All amounts are in USD unless otherwise stated) | | | | | |
| SEGMENT REPORTING : | | | | | |
| Particulars | Quarter Ended | | | Year Ended | Year Ended |
| | 31-Mar-24 | 31-Dec-23 | 31-Mar-23 | 31-Mar-24 | 31-Mar-23 |
| Segment revenue | | | | | |
| Diversified engineering | 1,489,986 | 1,771,155 | 2,306,552 | 6,225,148 | 13,413,547 |
| Custom designed building solutions & auxiliaries | 20,214,139 | 19,354,182 | 14,903,041 | 82,724,970 | 74,026,527 |
| Total | 21,704,125 | 21,125,337 | 17,287,023 | 88,950,118 | 87,440,074 |
| Less : Inter segment revenue | (103,846) | (87,884) | (77,430) | (338,159) | (366,119) |
| Revenue from operations | 21,807,971 | 21,213,221 | 17,209,593 | 88,611,959 | 87,073,955 |
| Segment results | | | | | |
| Diversified engineering | 260,236 | 301,096 | 397,572 | 784,066 | 998,685 |
| Custom designed building solutions & auxiliaries | 1,899,086 | 1,738,816 | 1,592,860 | 7,451,103 | 5,830,920 |
| Total | 2,159,322 | 2,039,912 | 1,990,432 | 8,235,169 | 6,829,605 |
| Less : Depreciation and amortisation expense | 304,213 | 311,551 | 302,481 | 1,217,153 | 1,092,976 |
| Finance costs | 120,970 | 127,325 | 313,663 | 651,219 | 1,095,231 |
| Profit before tax | 1,734,140 | 1,601,036 | 1,374,288 | 6,366,797 | 4,641,397 |
| Segment Assets & Liabilities | | | | As at | As at |
| | | | | 31-Mar-24 | 31-Mar-23 |
| Capital employed (Segment assets - Segment liabilities) (See notes below) | | | | | |
| Segment assets | | | | | |
| Diversified engineering | | | | 6,332,440 | 9,865,181 |
| Custom designed building solutions & auxiliaries | | | | 33,635,115 | 27,759,986 |
| Total Segment Assets | | | | 39,967,555 | 37,625,167 |
| Segment liabilities | | | | | |
| Diversified engineering | | | | 8,634,571 | 10,577,832 |
| Custom designed building solutions & auxiliaries | | | | 11,510,248 | 20,425,283 |
| Total Segment Liabilities | | | | 20,144,819 | 31,003,115 |
| 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. | | | | | |
| <p>For Ramasamy Koteswara Rao and Co LLP Chartered Accountants FRN.No.010396S/S200084</p> <p style="text-align: right;"><i>Murali</i></p> <p>Murali Krishna Reddy Tella Partner Membership No: 223022</p> <p style="text-align: right;">For and behalf of Pennar Global Inc</p> <p style="text-align: right;"><i>Shrikant</i> Shrikant Bhakkad Director</p> <p style="text-align: right;">Place: Hyderabad Date: 17-05-2023</p> | | | | | |