

Independent Auditor's Report

To the Members of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED (the "Company"), which comprise the balance sheet as at 31 March 2023, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.



Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- For the other branches included in the financial statements, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books other than the matter specified in the other matters paragraph above.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account and with the audited returns received from the branches not visited by us.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2023 and 01 April 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) There are no pending litigations which would impact its financial position in its financial statements as at 31.03.2023.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



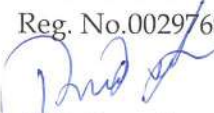
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has not declared/paid any dividend declared during the year.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

The provision of Section 197 of the Act are applicable only to public company. Accordingly, the matter to be included in the Auditors' Report under Section 197(16) is not applicable to the Company.

Place: Hyderabad
Date: 18-05-2023

UDIN : 23026548BGTYQA4477

For Rambabu & Co.,
Chartered Accountants
Reg. No. 002976S


GVL Prasad
Partner
M.No. 026548

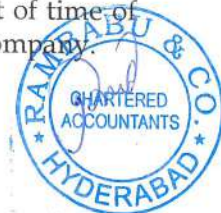


Annexure "A" to the Independent Auditors' report on the financial statement of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED for the year ended 31 March 2023

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

The Annexure A referred to in the Independent Auditors' Report of even date, on the Financial Statements, to the Members of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED ('the Company') for the year ended 31 March 2023. We report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company has no intangible assets. Hence, the reporting under this clause is not applicable.
- (b) According to the information and explanations given to us the company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of Five Crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.



- iii. The company has not made any investments, provided guarantee or security, secured or unsecured to companies, firms, limited liability partnerships or any other parties during the year. The Company has not granted loans and advances in the nature of loans, secured or unsecured, to other parties. Hence, other sub clauses under this clause are not applicable.
- iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Act ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the Public are not applicable.
- vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products sold and services rendered by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, duty of Customs, duty of Excise, Cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As informed to us, the Company did not have any dues on account of duty of Excise.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ("GST"), Provident fund, Employees' State Insurance, Income-Tax, duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable. As informed to us, the Company did not have any dues on account of duty of Excise.



- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any funds on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has no subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on pledge of securities held in its securities held in its Subsidiaries, Joint ventures or Associate Companies and hence reporting on clause 3(ix)(f) of the Order is not applicable.



- x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or material fraud on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) Based on the information and explanations provided to us, the Company is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a),(b) and(c) of the Order is not applicable.
- xiii. The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has no internal audit system commensurate with the size and nature of its business.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.



- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a)& (b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (c) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

Place: Hyderabad
Date: 18-05-2023

UDIN : 23026548BGTYQA4477

For Rambabu & Co.,
Chartered Accountants
Reg. No. 002976S

GVL Prasad
Partner
M.No.026548



Annexure B to the Independent Auditors' report on the financial statements of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ENERTECH PENNAR DEFENSE AND ENGINEERING SYSTEMS PRIVATE LIMITED ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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



Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

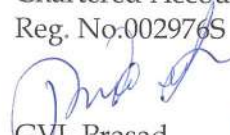
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Hyderabad
Date: 18-05-2023

UDIN: 23026548BGTYQA4477

For Rambabu & Co.,
Chartered Accountants
Reg. No:002976S


GVL Prasad
Partner
M.No.026548



Eneritech Pennar Defense and Engineering Systems Private Limited

Balance Sheet as at March 31, 2023

(All amounts is Rs. lakhs, except EPS)

Particulars	Note	As at	As at
		March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.50	1.15
Financial Assets			
(a) Other financial assets	4	117.83	125.53
Income tax Assets (net)	12.3	21.35	19.24
Total non-current assets		139.68	145.92
Current assets			
Inventories	5	1,274.19	1,360.15
Financial assets			
(a) Trade receivables	6	692.52	614.61
(b) Cash and cash equivalents	7	83.13	151.92
(c) Other Financial Assets	8	13.70	7.89
Other current assets	9	572.98	560.14
Total current assets		2,636.52	2,694.71
Total assets		2,776.20	2,840.63
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	1.00	1.00
Other equity	11	196.06	194.47
Total equity		197.06	195.47
Non-current liabilities			
Deferred tax liabilities (net)	12.2	-	0.05
Total non-current liabilities		-	0.05
Current Liabilities			
Financial liabilities			
(a) Borrowings	13	-	30.00
(b) Trade payables	14		
Total outstanding dues to micro and small enterprises		-	-
Total outstanding dues of other than micro and small enterprises		1,675.48	1,486.91
(c) Other Financial Liabilities	15	5.36	5.72
Other Current Liabilities	16	898.30	1,122.48
Income tax liabilities (net)	12.3	-	-
Total current liabilities		2,579.14	2,645.11
Total Liabilities		2,579.14	2,645.16
Total equity and liabilities		2,776.20	2,840.63
Corporate information and significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Rambabu & Co.,

Chartered Accountants

Firm Reg.No:002976S



G V L Prasad

Partner

M.No.026548

Place : Hyderabad

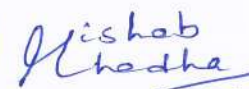
Date : 18.05.2023




Aditya Narsing Rao

Director

DIN No.01307343



Rishab Chadha

Director

DIN No.00809985

Enertech Pennar Defense and Engineering Systems Private Limited
Statement Of Profit and Loss for the year ended March 31, 2023

(All amounts is Rs. lakhs, except EPS)

Particulars	Note	For the year ended March 31 2023	For the year ended March 31 2022
INCOME			
Revenue from operations	17	903.99	1,369.24
Other income	18	10.66	13.40
Total income		914.65	1,382.64
EXPENSES			
Employee benefits expense	19	38.13	42.96
Cost of materials consumed	20	738.48	1,980.53
Change in Inventories of WIP	21	85.96	(750.26)
Finance costs	22	3.07	25.28
Depreciation and amortisation expense	3	0.65	0.65
Other expenses	23	46.05	57.98
Total expenses		912.34	1,357.14
Profit before tax		2.31	25.50
Tax expense			
Current tax	12.1	0.77	7.02
Deferred tax	12.1	(0.05)	(0.00)
Total tax expense		0.72	7.02
Profit for the year after tax		1.59	18.48
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
(a) Remeasurement of defined benefit obligation	-	-	-
(b) Deferred tax relating to the above items	-	-	-
Items that will be reclassified subsequently to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations	-	-	-
(b) Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge	-	-	-
(c) Others (specify nature)	-	-	-
Total other comprehensive income		-	-
Total comprehensive income for the year		1.59	18.48
Paid-up equity share capital (Face value Rs. 10 each fully paid)			
Earning per share**		10.000	10.000
Basic & Diluted		15.95	184.86
Corporate information and significant accounting policies	1&2		
See accompanying notes forming part of the financial statements			

In terms of our report attached.

For Rambabu & Co.,
Chartered Accountants
Firm Reg.No:002976S

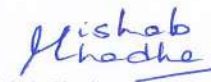


G V L Prasad
Partner
M.No.026548





Aditya Narsing Rao
Director
DIN No.01307343



Rishab Chadha
Director
DIN No.00809985

Place: Hyderabad
Date: 18.05.2023

1. Corporate Information

Enertech Pennar Defense and Engineering Systems Private Limited, is a company engaged in the business of civil, mechanical, electrical and consulting engineers in the field of Pre-Engineering, Prefab Building Construction for Residential, Industrial & Commercial purposes. The company's Registered Office is situated at 3rd Floor, DHFLVC Silicon Towers, Madhapur Road, Kothaguda, Kondapur, Hyderabad, Telangana 500084. The company is a subsidiary of Pennar Industries Limited.

Statement of Compliance and Recent Pronouncements

1.1 Statement of Compliance

The Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") with effect from 10th April 2018 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements.

These are the Company's first Ind AS Standalone Financial Statements and the date of transition to Ind AS as required has been considered to be April 10, 2018.

2. Significant Accounting Policies

2.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period and certain class of Property, Plant and Equipment i.e. freehold land and building and Investment in Associates which as on the date of transition have been fair valued to be considered as deemed cost.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

As the operating cycle cannot be identified in normal course, the same has been assumed to have duration of 12 months. All Assets and Liabilities have been classified as current or non-current as per the operating cycle and other criteria set out in Ind AS 1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements are presented in Indian Rupees.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

Level 1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3 : Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly review significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

(I) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

(II) Investments are being carried at deemed cost/at cost.

2.2 Equity Share Capital

All equity shares is recorded at par value and carry equal voting rights.

2.3 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Contingent liabilities are not recognized and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

2.4 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund etc, is being made in accordance with statute and are recognised as and when incurred.

Contribution to defined benefit plans consisting of contribution to gratuity are determined at close of the year at present value of the amount payable using actuarial valuation techniques. Actuarial gain and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gain/loss are recognised in the Statement of profit and loss.

Contribution to Superannuation fund, a defined contribution plan is made in accordance with the company's policy and is recognised in the Statement of profit and loss.

2.5 Revenue

Sale of goods and services

Revenue is recognized at the fair value of consideration received or receivable when the significant risk and rewards of goods ownership of goods have been transferred and the amount thereof can be measured reliably. This represents the net invoice value of goods supplied after deducting discounts, rebates and taxes and duties collected on behalf of third parties and is inclusive of GST and other duties which the company pays as principal.

Revenue on account of services is recognised on achievement of mile stone as per the contract. Unbilled service revenue is recognised based on calculations on accrual basis at the year end.

2.6 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

2.7 Earnings Per Share

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Enertech Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

3. Property, plant and equipment

(All amounts is Rs. lakhs, except EPS)

Particulars	As at	
	March 31, 2023	March 31, 2022
Carrying amount of:		
Computers	0.50	1.15
Total	0.50	1.15

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

Description of assets	Computers	Total
I. Cost		
Balance as at April 01, 2022	2.17	2.17
Additions	-	-
Disposals	-	-
Balance as at March 31 2023	2.17	2.17
II. Accumulated depreciation		
Balance as at April 01, 2022	1.01	1.01
Depreciation for the year	0.65	0.65
Balance as at March 31 2023	1.66	1.66
III. Carrying Amounts (I-II)		
Balance as at March 31 2022	1.15	1.15
Balance as at March 31 2023	0.50	0.50



Energetch Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

4. Other Non current financial assets (All amounts is Rs. Lakhs, Except EPS)

Particulars	As at	
	March 31, 2023	March 31, 2022
Non Current		
Earnest money Deposit	117.83	125.53
Total other Non current financial assets	117.83	125.53

5. Inventories

Particulars	As at	
	March 31, 2023	March 31, 2022
Work -in -Progress	1,274.19	1,360.15
Total	1,274.19	1,360.15

6. Trade Receivables

Particulars	As at	
	March 31, 2023	March 31, 2022
Trade receivables		
Unsecured, considered good	692.52	614.61
Total	692.52	614.61

Trade Receivables Ageing Schedule (FY 22-23)

Particulars	Outstanding for the follwing 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	117.92	436.23	110.07	28.31		692.52
Undisputed trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-

Trade Receivables Ageing Schedule (FY 21-22)

Particulars	Outstanding for the follwing 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	466.23	120.07	28.31	-		614.61

7. Cash and cash equivalents

Particulars	As at	
	March 31, 2023	March 31, 2022
Cash on hand	1.25	0.99
Balances with banks		
in current accounts	14.88	141.39
in deposit accounts	67.00	9.54
Total	83.13	151.92

8. Other Financial Assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Accrued interest on Fixed deposits	12.62	7.65
Rental deposit	1.08	0.24
Total	13.70	7.89

9. Other Current Assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Current (unsecured):		
Advance to suppliers	453.19	379.97
Balances with government authorities	119.79	180.17
Total	572.98	560.14



Enertech Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

10. Equity share capital

(All amounts is Rs. lakhs, except EPS)

Particulars	As at	
	March 31, 2023	March 31, 2022
Authorised share capital: 10000 fully paid up equity shares of 10 each (March 31st 2022 : 10000)	1.00	1.00
Issued and subscribed capital: 10000 fully paid up equity shares of 10 each (March 31st 2022- : 10000)	1.00	1.00
Total	1.00	1.00

Notes:

a. Reconciliation of the number of shares outstanding:

Particulars	As at	
	March 31, 2023	March 31, 2022
Opening balance	1.00	1.00
Add: Movement during the year	-	-
Balance	1.00	1.00

b. Details of shares held by the promoters

The details of promoters and their shareholdings.	As at March 31 2023		As at March 31 2022	
	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Name of the promoter				
Pennar Industries Limited	5,100	51%	5,100	51%
Epizon Infra and Engineering Private Ltd	4,900	49%	4,900	49%

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

The Company has issued only one class of equity shares having a par value of ₹ 10 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.

11. Other equity

Particulars	Retained earnings	Total
Balance at April 01, 2021	175.98	175.98
Profit for the year	18.48	18.48
Balance as at 31 March 2022	194.46	194.46

Particulars	Retained earnings	Total
Balance at April 01, 2022	194.47	194.47
Profit for the year	1.59	1.59
Balance as at 31 March 2023	196.06	196.06



Enertech Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

12. Income taxes

(All amounts is Rs. Lakhs, Except EPS)

12.1 - Tax Expense

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

Particulars	Year ended	
	March 31, 2023	March 31, 2022
Current tax		
In respect of the current year	0.77	7.02
Deffered Tax		
In respect of the current year	(0.05)	(0.00)
Total	0.72	7.02

12.2. Deferred tax assets and liabilities

A. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at	
	March 31, 2023	March 31, 2022
Deferred tax liabilities	-	0.05
Deferred tax liabilities, net	-	0.05

12.3. Income tax assets and Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Income tax liabilities (Net of advance tax)	-	-
Income tax assets (Net of provision)	21.35	19.24
Total	21.35	19.24



Eneritech Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

13. Current borrowings

(All amounts is Rs. Lakhs, Except EPS)

Particulars	As at	
	March 31, 2023	March 31, 2022
Unsecured		
Loans from related parties	-	30.00
Total	-	30.00

14. Trade Payables

Particulars	As at	
	March 31, 2023	March 31, 2022
Dues to micro enterprises and small enterprises	-	-
Dues to others (Refer Note 14.1)	1,675.48	1,486.91
Total	1,675.48	1,486.91

Note: 14.1- Trade payables includes Rs.1489.22 Lakhs payable to Pennar Industries Limited , Holding Company.

Trade Payables Ageing Schedule (FY 22-23)

Particulars	Outstanding for the following periods from the due date of the payment				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade payables	197.37	771.92	598.27	107.92	1,675.48

Trade Payables Ageing Schedule (FY 21-22)

Particulars	Outstanding for the following periods from the due date of the payment				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade payables	776.94	602.06	107.91	-	1,486.91

15 Other Financial Current Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Statutory Dues		
TDS Payable	1.72	2.31
Professional tax	0.02	0.11
Employees payable	3.62	3.29
Total	5.36	5.72

16 Other Current Liabilities

Particulars	As at	
	March 31, 2023	March 31, 2022
Advance from Customers (Refer Note 16.1)	898.30	1,122.48
Total	898.30	1,122.48

Note 16.1- Advance from customers includes Rs.650.51 Lakhs received from Pennar Industries Limited , Holding Company.



Eneritech Pennar Defense and Engineering Systems Private Limited		
Notes forming part of the financial statements		
17. Revenue from operations (All amounts is Rs. Lakhs, Except EPS)		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Sale of services	903.99	1,369.24
Net Revenue from Operations	903.99	1,369.24
18. Other income		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest income	10.66	8.72
Other Income	-	4.68
Total	10.66	13.40
19. Employee benefits expense		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Salaries and wages	38.13	42.96
Total	38.13	42.96
20. Cost of Material consumed		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Cost of material consumed	738.48	1,980.53
	738.48	1,980.53
21. Changes in inventories of work-in-progress		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Opening work-in-progress		
Work in progress	1,360.15	609.89
	1,360.15	609.89
Closing Stock:		
Work in progress	(1,274.19)	(1,360.15)
Decrease / (Increase) in work-in-progress	85.96	(750.26)
22. Finance costs		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Interest expense		
Interest on borrowings	3.01	23.14
Other interest expense	0.06	2.14
Total	3.07	25.28
3. Depreciation and amortisation expense		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Depreciation of property, plant and equipment	0.65	0.65
Total	0.65	0.65
23. Other expenses		
Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022
Professional & Consultancy charges	12.49	6.69
Travelling and conveyance	11.07	12.40
Rent	7.05	4.83
Audit Fees	2.00	2.05
Rates & taxes	3.73	0.44
Miscellaneous expenses	9.71	31.57
Total	46.05	57.98



Enertech Pennar Defense and Engineering Systems Private Limited
Notes forming part of the financial statements

(All amounts is Rs. Lakhs, Except EPS)

24	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	159,463	1,848,582
	No of Equity Shares	10,000	10,000
	Basic and diluted Earning per Share	15.95	184.86

25. 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.

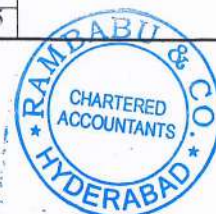
Particulars	31-Mar-23	31-Mar-22
Equity share capital	1.00	1.00
Other equity	196.06	194.47
Total Equity (A)	197.06	195.47
Non-current borrowings		
Short term borrowings	-	30.00
Current maturities of long-term borrowings		
Gross Debt	-	30.00
Less: Cash and cash equivalents	-83.13	-151.92
Net debt (B)	-83.13	-121.92
Net debt to equity (B/A)	-0.42	-0.62
Interest Coverage Ratio	2.33	1.99

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

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

b. Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2023	March 31, 2022
Financial assets		
Measured at amortised cost		
Other financial assets	131.53	133.42
Trade receivables	692.52	614.61
Cash and cash equivalents	83.13	151.92
Total financial assets measured at amortised cost (A)	907.18	899.95
Total Financial Assets (A)	907.18	899.95



Financial Liabilities		
Measured at amortised cost		
Short-term borrowings	-	30.00
Trade payables	1,675.48	1,486.91
Other financial liabilities	5.36	5.72
Total financial liabilities carried at amortised cost(A)	1,680.84	1,522.63
Total Financial Liabilities	1,680.84	1,522.63

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

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.



Ratios					
The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022					
Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance
Current Ratio	Current Assets	Current Liabilities	1.02	1.02	0.3%
Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	-	0.15	-100.0%
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	0.18	0.29	-37.8%
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	0.81%	9.45%	-91.4%
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	0.7	1.4	-50.6%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	1.4	3.2	-57.2%
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	0.47	1.60	-70.9%
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	0.17	0.26	-32.4%
Net Profit Ratio	Net Profit	Revenue from Operations	0%	1%	-86.9%
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	0.03	0.23	-87.9%

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

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

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

(4) Current assets - current liabilities

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

26	CONTINGENT LIABILITIES: Nil		
27	Related Party Disclosures		
27.1	Relationship	Name	
	Holding Company	Pennar Industries Ltd	
	Fellow Subsidiary Company	Pennar Global Inc Pennar GMBH Pennar Global Metal LLC Pennar Global Investments LLC Cadnum SARL Ascent Buildings LLC	
	Key Management Personnel	Aditya Narsing Rao Rishab Chadha	
27.2	Aggregate Related Party Transactions :		
	Particulars	Holding Company	Holding Company
	Particulars	31.03.2023	31.03.2022
a	Sales Made during the year	386.72	377.71
b	Services Received during the year	-	-
c	Purchases Made during the year	-	663.92
d	Interest paid during the year	3.01	23.14
e	Inter Corporate Deposit Received during the year	-	-
f	Inter Corporate Deposit Paid during the year	30.00	150.00
27.3	Related Party Balances :		
a	Balances payable	1,489	1,307.20
b	Interest Payable	-	-
c	Advances	650.51	1,122.49
d	Borrowings	-	30.00
28	Dues to Micro,Small and Medium Enterprises		
	The identification of micro, small and medium enterprise suppliers as defined under the provisions of "Micro, small and medium enterprises Act, 2006" is based on Management's knowledge of their status. Disclosure of Sundry Creditors is based on the information available with the company regarding the status of suppliers as defined under the ' Micro, Small and Medium enterprises development (Act 2006)' and is relied upon by the Auditors.		

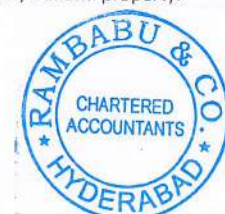
29. Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.



- (v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

30	Figures are rounded off to nearest rupee in lakhs
31	These financial statements were approved by the company's Board of Directors on May 18, 2023.


In terms of our report attached.

For and on behalf of the board

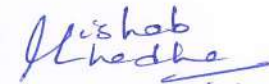
For Rambabu & Co.,
Chartered Accountants
Firm Reg.No:002976S




G V L Prasad
Partner
M.No.026548



Aditya Narsing Rao
Director
DIN No.01307343

Rishab Chadha
Director
DIN No.00809985

Place : Hyderabad
Date : 18.05.2023

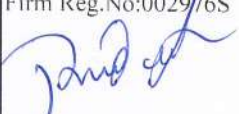
Enertech Pennar Defense and Engineering Systems Private Limited
Cash Flow Statement for the year ended March 31, 2023
 (All amounts in ₹)

(All amounts is Rs. lakhs, except EPS)

Particulars	For the year ended March 31 2023	For the year ended March 31 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2.31	25.50
<u>Adjustments for :</u>		
Depreciation and amortisation expense	0.65	0.65
Finance costs	3.07	25.28
Operating profit before working capital changes	6.03	51.43
<u>Changes in operating assets and liabilities:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	85.96	(750.26)
Trade receivables	(77.92)	(381.75)
Other non current assets	7.70	-
Other Financial assets	(5.81)	(6.90)
Other current asset	(12.84)	(281.10)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	188.58	505.38
Other financial liabilities	(0.36)	(5.77)
Other Current Liabilities	(224.18)	1,122.49
Cash generated from operations	(32.83)	253.53
Net income taxes paid	(2.89)	(33.37)
Net cash flow (used in) / generated by operating activities (A)	(35.72)	220.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards purchase of plant and equipment	-	(1.17)
Net cash flow used in investing activities (B)	-	(1.17)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short term borrowings	(30.00)	(150.00)
Interest paid on Borrowing	(3.07)	(25.28)
Net cash flow from / (used in) financing activities (C)	(33.07)	(175.28)
Net increase in cash and cash equivalents (A+B+C)	(68.79)	43.71
Cash and cash equivalents at the beginning of the year	151.92	108.20
Cash and cash equivalents at the end of the year	83.13	151.91
Cash and cash equivalents comprises of: (refer note 5)		
Cash on hand	1.25	0.99
Balances with Banks		
- in current accounts	14.88	141.39
- in deposit accounts	67.00	9.54
	83.13	151.91

In terms of our report attached.

For Rambabu & Co.,
 Chartered Accountants
 Firm Reg.No:002976S


G.V.L. Prasad
 Partner
 M.No.026548

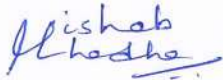


Place : Hyderabad
 Date : 18.05.2023



Aditya Narsing Rao
 Director
 DIN No.01307343





Rishab Chadha
 Director
 DIN No.00809985