Independent Auditor's Report on the Consolidated Special Purpose Financial Statements of Pennar FZCO (United Arab Emirates)

To

The Board of Directors of **Pennar FZCO (United Arab Emirates)**

Opinion

We have audited the accompanying Consolidated Special Purpose Financial Statements of **Pennar FZCO (United Arab Emirates)** which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss including, the Cash Flow Statement for the year ended March 31,2026 and a summary of the material accounting policies and other explanatory information (together hereinafter referred to as "consolidated Special Purpose Financial Statements").

The Consolidated Special Purpose Financial Statements is prepared by the management in accordance with Indian Accounting Standards ("Ind AS") issued by the Institute of chartered Accountants of India ("the ICAI") to enable its Indian Shareholder Pennar Industries Limited ultimate holding company to prepare Consolidated Financial Statements for the year ended March 31,2026.

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Special Purpose Financial Statements as at and for the year ended March 31, 2026 give information required in accordance with Indian Accounting Standards ("Ind AS") issued by the ICAI, as amended and are prepared in compliance of instructions received from group auditors instructions of Pennar Industries Limited and based on material accounting policies adopted by Pennar Industries Limited.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("the SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our other ethical responsibilities in accordance with the requirements and of the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Special Purpose Financial Statements.

Management's Responsibility for the Consolidated Special Purpose Financial Statements

Board of Directors including those charged with governance are responsible for preparation of these Consolidated Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgement 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 consolidated special purpose financial statement including adjustments to be made to comply with the requirements of Ind AS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Ramasamy Koteswara Rao and Co. LLP Chartered Accountants Firm Re. 010396S/S200084

In preparing the Consolidated Special Purpose Financial Statements, the Board of Directors and the Management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Consolidated Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 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 Consolidated 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 Consolidated 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.
- 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 Consolidated 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.

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.

Ramasamy Koteswara Rao and Co. LLP
Chartered Accountants
Firm Re. 010396S/ S200084

Other Reporting Requirements

We further 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 of the aforesaid Consolidated Special Purpose Financial Statements.

b) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Special Purpose Financial Statements.

Restriction on distribution and use

These Consolidated Special Purpose Financial Statements are not for general purpose financial statements. This report on the Consolidated Special Purpose Financial Statements has been issued solely for the limited purpose to enable its Indian Shareholder Pennar Industries Limited holding company to prepare Consolidated Financial Statements for the year ended March 31, 2026 and is intended solely for the information and use by the managements of the Company, and its Indian Shareholder Pennar Industries Limited ultimate holding company and the Group Auditors of Pennar Industries Limited. It should not be used for any other purpose or distributed to or used by other parties.

Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
FRN: 010396S/S200084

Ramasamy Koteswara Rao and Co. LLP
Chartered Accountants
Firm Re. 010396S/S200084

Murali Krishna Reddy Telluri
Partner
Membership No.223022
UDIN: 26223022XMLOFR3939

Place: Hyderabad
Date: 23-05-2026

Pennar FZCO

Consolidated Balance Sheet as at March 31, 2026

(All amounts are in AED except per share data)

Particulars	Notes	As at 31-Mar-26	As at 31-Mar-25
ASSETS			
Non- Current assets			
(a) Goodwill	1	4,49,056	-
		4,49,056	**-**
Current assets			
Financial assets			
(a) Sundary debtors	2	6,73,312	-
(b) Cash and cash equivalents	3	8,786	4,32,192
Other current assets	4	9,93,013	7,69,617
Total current assets		**16,75,111**	**12,01,809**
Total assets		**21,24,167**	**12,01,809**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	10,000	10,000
Other equity	6	55,530	(297)
Total equity		**65,530**	**9,703**
Liabilities			
Current Liabilities			
Financial liabilities			
(a) Borrowings	7	8,30,000	8,30,000
(b) Trade payable	8	8,27,625	-
(b) Other finance liability	9	61,475	-
Other Current Liabilites	10	3,39,537	3,62,106
Income tax liabilites (net)		-	-
Total current liabilities		**20,58,637**	**11,92,106**
Total Liabilities		20,58,637	11,92,106
Total equity and liabilities		**21,24,167**	**12,01,809**

In terms of our report attached

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

Ramasamy Koteswara Rao and Co. LLP Chartered Accountants Firm Re. 010396S/ S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 23-05-2026

For and On behalf of Pennar FZCO

Manoj Cherukuri
Director

PENNAR - FZCO

Pennar FZCO
Consolidated Statement Of Profit and Loss for the year for the Year ended 31st March 2026
(All amounts are in AED except per share data)

Particulars	Note	For the Year ended 31 March 2026	For the period from 15th Novemeber 2024 (Date of Incorporation) to Mar 31, 2025
INCOME			
Revenue from operations	11	6,83,312	-
Total income (i)		**6,83,312**	**-**
EXPENSES			
Finance costs	12	61,475	-
Other expenses	13	5,66,010	297
Total expenses (ii)		**6,27,485**	**297**
Profit/(Loss) before tax [(iii)=(i)-(ii)]		55,827	(297)
Tax expense			
Current tax			-
Deferred tax		-	-
Total tax expense (iv)		-	-
Profit/(Loss) for the year after tax [(v) = (iii)-(iv)]		**55,827**	**(297)**
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 (vi)			-
Total comprehensive Profit/(Loss) for the year (vii)=(v+vi)		**55,827**	**(297)**
Earning per share (Face value Rs. 10 each fully paid)			
Basic & Diluted		5.58	(0.03)

In terms of our report attached

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

Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 23-05-2026

For and On behalf of Pennar FZCO

Manoj Cherukuri
Director

Pennar FZCO
Consoldiated Statement of cashflow for year ended 31st March 2026
(All amounts are in AED except per share data)

Particulars	For the year ended 31st March 2026	For the period from 15th Novemeber 2024 (Date of Incorporation) to Mar 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**55,827**	**(297)**
Adjustments for :		
Depreciation and amortisation expense	-	-
Finance costs	61,475	-
Operating profit before working capital changes	**1,17,302**	**(297)**
Changes in operating assets and liabilities:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(6,73,312)	-
Other current asset	(2,02,452)	(7,69,617)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	8,27,625	-
Other Financial Liabilities	-	3,62,106
Other Current Liabilities	(22,569)	
Cash generated from operations	**46,594**	**(4,07,808)**
Net income taxes paid		
Net cash flow (used in) / generated by operating activities (A)	**46,594**	**(4,07,808)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Subsidiary	(4,70,000)	-
Net cash flow used in investing activities (B)	**(4,70,000)**	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	10,000
Proceeds from browwings	-	8,30,000
Net cash flow from / (used in) financing activities (C)	-	**8,40,000**
Net increase in cash and cash equivalents (A+B+C)	**(4,23,406)**	**4,32,192**
Cash and cash equivalents at the beginning of the year	**4,32,192**	
Cash and cash equivalents at the end of the year	**8,786**	**4,32,192**
Cash and cash equivalents comprises of:		
Balances with Banks		
- in current accounts	8,786	4,32,192
	8,786	**4,32,192**

In terms of our report attached

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

Ramasamy Koteswara Rao and Co. LLP Chartered Accountants Firm Re. 010396S/ S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 23-05-2026

For and On behalf of Pennar FZCO

PENNAR - FZCO

Manoj Cherukuri
Director

Pennar FZCO

Statement of consolidated changes in equity for the year ended 31st March 2026

(All amounts are in AED except per share data)

A. Equity share capital

Particulars	No of shares	Amount
Balance at April 01, 2024		
Changes in equity share capital during the Year	1,000	10,000
Balance at March 31, 2025	**1,000**	**10,000**
Changes in equity share capital during the Year	-	
Balance at March 30, 2026	**1,000**	**10,000**

B. Other equity

Particulars	Retained earnings	Total
Balance at April 01, 2024		-
Profit for the period	(297)	(297)
Balance at March 31, 2025	**(297)**	**(297)**
Balance at April 01, 2025	(297)	(297)
Profit for the period	55,827	55,827
Balance at March 31, 2026	**55,530**	**55,530**

In terms of our report attached

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

Ramasamy Koteswara Rao and Co. LLP * Chartered Accountants Firm Re. 010396S/ S200084

Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 23-05-2026

For and On behalf of Pennar FZCO

PENNAR - FZCO *

Manoj Cherukuri
Director

Pennar- FZCO

Notes forming part of the financial statements

(All amounts are in AED except per share data)

1. Goodwill

Particulars	As at March 31, 2026	As at March 31, 2025
Goodwill (Refer Note below)	4,49,056	-
Total	**4,49,056**	-

Business Combination :-

Pursuant to the acquisition of Agile Traders by the Company on 17 December 2025, the transaction has been accounted for as a business combination in accordance with Indian Accounting Standards. The Company has applied provisional accounting for the business combination as the assessment of the fair values of certain identifiable assets acquired and liabilities assumed is still under evaluation at the reporting date. Accordingly, the purchase price allocation is provisional and subject to finalisation within the measurement period prescribed under Ind AS 103. Based on the provisional assessment performed by the management, the excess of consideration transferred over the provisional fair value of identifiable net assets acquired has been recognised as provisional goodwill amounting to AED 4,48,046. The Company may revise the provisional amounts recognised for assets acquired, liabilities assumed, and goodwill upon completion of the valuation exercise during the measurement period.

2. Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good	6,73,312.00	-
Total	**6,73,312.00**	-

Trade Receivables Ageing Schedule (FY 2025-26)

Particulars	Outstanding for the following periods					
	Less than 6 Months	6 Months to I year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	6,73,312					6,73,312
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	**6,73,312**	-	-	-	-	**6,73,312**

Trade Receivables Ageing Schedule (FY 2024-25)

Particulars	Outstanding for the follwing periods					
	Less than 6 Months	6 Months to I year	1-2 Years	2-3 years	More than 3 years	Total
Undisputed trade receivables considered good	-	-	-	-	-	-
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	-	-	-	-	-	-

3. Cash and cash equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
in current accounts	8,786	4,32,192
Total	**8,786**	**4,32,192**

4. Other current Asset

Particulars	As at March 31, 2026	As at March 31, 2025
Advance to vendors	9,93,013	7,69,617
Total	**9,93,013**	**7,69,617**

5. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
1000 fully paid up equity shares of 10 each	10,000	10,000
Issued and subscribed capital:		
1000 fully paid up equity shares of 10 each	10,000	10,000
Total	**10,000**	**10,000**

Notes:

a. Reconciliation of the number of shares outstanding:

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Add: Movement during the year	1,000	1,000
Balance	**1,000**	**1,000**

b. Details of shares held by the promoters

The details of promoters and their shareholdings.	As at March 31 2026		As at March 31 2025	
Name of the promoter	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Pennar Industries Limited	1000	100%	1000	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 AED 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.

6. Other equity

Particulars	Retained earnings	Total
Balance at April 01, 2024	-	-
Profit for the year	(297)	(297)
Balance as at March 31, 2025	**(297)**	**(297)**
Balance at April 01, 2025	**(297)**	**(297)**
Profit for the year	55,827	55,827
Balance as at March 31, 2026	**55,530**	**55,530**

Pennar- FZCO
Notes forming part of the financial statements
(All amounts are in AED except per share data)

7. Current borrowings	As at	As at
Particulars	March 31, 2026	March 31, 2025
Unsecured		
Loans from related parties (Refer Note below)	8,30,000.0	8,30,000
Total	8,30,000	8,30,000

The Loan has been received from Holding Company - Pennar Industries Limited. Loan carries interest rate of 6 months SOFR plus 300 bps points

8. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables	8,27,624.50	-
Total	8,27,624.50	-

Payable Ageing schedule (FY 25-26)

Particulars		Outstanding for the following Periods from due date of Payment				
	No Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME		-	-			-
i) Others	8,27,625					8,27,625

Payable Ageing schedule (FY 24-25)

Particulars		Outstanding for the following Periods from due date of Payment				
	No Due	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME		-	-			-
i) Others	-	-	-	-	-	-

9. Other Financial Liability

Particulars	As at March 31, 2026	As at March 31, 2025
Interest Payable	61,475	-
Total	61,475	-

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10. Other current liabilites

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customer	3,39,537	3,62,106
Gst Payable*		-
Total	3,39,537	3,62,106

11. Revenue

Particulars	For the year ended 31st March 2026	For the period from 15th Novemeber 2024 (Date of Incorporation) to Mar 31, 2025
Engineering services	6,83,312	-
Total	6,83,312	-

12. Finance Cost

Particulars	For the year ended 31st March 2026	For the period from 15th Novemeber 2024 (Date of Incorporation) to Mar 31, 2025
Interest on loan	61,475	-
Total	61,475	-

13. Other expenses

Particulars	For the year ended 31st March 2026	For the period from 15th Novemeber 2024 (Date of Incorporation) to Mar 31, 2025
Jobwork	5,21,845	-
Bank Charges	1,245	297
Other Expenses	42,921	-
Other Expenses		
Total	5,66,010.00	297

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Notes forming part of financials

(All amounts are in AED except per share data)

14	EARNING PER SHARE		
	Particulars	**For the Year ended March 31, 2026**	**For the Year ended March 31, 2025**
	Net profit attributable to equity Share holders	55,827.32	-297.00
	No of Equity Shares	10,000	10,000
	Basic and diluted Earning per Share	5.58	-0.03

15. 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-26**	**31-Mar-25**
Equity share capital	10,000.00	10,000.00
Other equity	55,530.32	-297.00
Total Equity (A)	**65,530.32**	**9,703.00**
Non-current borrowings	-	-
Short term borrowings	8,30,000	8,30,000
Current maturities of long-term borrowings	-	-
Gross Debt	8,30,000	8,30,000
Less: Cash and cash equivalents	8,786	4,32,192
Net debt (B)	8,21,214	3,97,808
Net debt to equity (B/A)	13	41
Interest Coverage Ratio	2	-

(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, 2026**	**Carrying value as at March 31, 2025**
Financial assets		
Measured at amortised cost		
Other financial assets	-	-
Trade receivables	6,73,312.00	-
Cash and cash equivalents	8,786.00	4,32,192.00
Total financial assets measured at amortised cost (A)	6,82,098.00	4,32,192.00
Total Financial Assets (A)	**6,82,098.00**	**4,32,192.00**

Financial Liabilities		
Measured at amortised cost		
Short-term borrowings	8,30,000.00	8,30,000.00
Trade payables	8,27,625.00	-
Other financial liabilities	61,475.00	-
Total financial liabilities carried at amortised cost(A)	**17,19,100.00**	**8,30,000.00**
Total Financial Liabilities	**17,19,100.00**	**8,30,000.00**

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.

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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 incommodity 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.

16. Ratios

The following are analytical ratios for the year ended March 31, 2026 & March 31, 2027

S.No	Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025
1	Current Ratio	Current Assets	Current Liabilities	0.81	1.01
2	Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	12.67	85.54
3	Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	0.14	(0.00)
4	Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	0.85	(0.03)
5	Inventory Turnover Ratio	Revenue from Operations	Average Inventory	-	-
6	Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	1.01	NA
7	Trade Payables Turnover Ratio	Purchases	Average Trade Payables	0.63	-
8	Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	0%	29%
9	Net Profit Ratio	Net Proft	Revenue from Operations	8%	-
10	Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	6%	0%

(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

ENN ZCO

17	**CONTINGENT LIABILITIES: Nil**		
18	**Related Party Disclosures**		
18.1	**Relationship**	**Name**	
	Holding Compnay	Pennar Industries Ltd	
	Fellow Subsidiary Compnay	Pennar Global Inc	
		Pennar GMBH	
		Pennar Global Metals LLC	
		Cadnum SARL	
		Pennar global Investment LLC	
		Ascent Buildings	
		Pennar Americas Enineering LLC	
		Pennar Americas Hydralics LLC	
		Pennar Global Investment Alabama	
		Ascent Structure LLC	
		Enertech Pennar Defence and Engineering Systems Private Limited (till September)	
	Key Management Personnel	Manoj Cherukuri	
		Kavita Bagri	
18.2	Aggregate Related Party Transactions :		
	Particulars	**Holding Company**	**Fellow Subsidiary (GMBH)**
	Particulars	**31.03.2026**	**31.03.2026**
a	Sales Made during the year	10,000	-
b	Services Received during the year	-	-
c	Purchases Made during the year	5,44,319	-
d	Interest expense during the year	61,475	-
18.3	**Related Party Balances :**		
a	Balances payable	8,27,625	3,39,537
b	Interest Payable	61,475	-
c	Loan Payables	8,30,000	-
19	Figures are rounded off to nearest AED		
20	These financial statements were approved by the company's Board of Directors on May 23 2026		

In terms of our report attached.

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

For and On behalf of Pennar FZCO

PENNAR - FZCO

Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Manoj Cherukuri
Director

Place: Hyderabad
Date:- 23-05-2026