

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of
Pennar GmbH

1. We have reviewed the accompanying Ind AS financial statements of Pennar GmbH ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, and the Statement of Changes in Equity for the Period ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements"). These Reviewed Financial Statements is issued only for the limited purpose of incorporating in Consolidated Financial Statements of its Holding Company Pennar Industries Limited.
2. This Ind AS financial statements which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Ind AS financial statements based on our review.
3. We conducted our review of the Ind AS financial statements in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Ind AS financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Ind AS financial statements, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, or that it contains any material misstatement.

For SKVG & Associates

Chartered Accountants

Firm registration no. 021626S

*G. Satish Kumar*

Satish Kumar Garlapati

Partner

M No. 245650

Place: Hyderabad**Date:** 11/06/2020**UDIN:** 20245650AAAAAD6902

Pennar GmbH
Balance Sheet as at 31st March 2020

(IN EURO)

Particulars	Note	As at
		March 31, 2020
ASSETS		
Non-current assets		
Property, plant and equipment	2	94
Total non-current assets		94
Current assets		
Financial assets		
(a) Trade receivables	3	2,620
(b) Cash and cash equivalents	4	23,954
Other current asset	5	3,370
Total current assets		29,944
Total assets		30,038
EQUITY AND LIABILITIES		
Equity		
Equity share capital	6	25,000
Other equity	7	1,801
Total equity		26,801
Current liabilities		
Financial liabilities		
(a) Other financial liabilities	8	3,237
Total current liabilities		3,237
Total equity and liabilities		30,038

In terms of our report attached
for **S K V G & Associates**
Firm registration no. 021626S

for Pennar GmbH

G. Satish Kumar

G Satish Kumar
Partner

Membership No. 245650

UDIN : 20245650 AAAAD6902

Place: Hyderabad

Date: **11/06/2020**



Sumanth

Dr. Sumanth Veeraganta
Director

Pennar GmbH
Statement Of Profit and Loss account

(IN EURO)

Particulars	Note	Period ended	Quarter Ended	
		31-Mar-20	March 31 2020	December 31 2019
INCOME				
Revenue from operations	9	1,00,938	33,584	35,804
Other income	10	2,011	576	1,435
Total income		1,02,948	34,159	37,239
EXPENSES				
Employee benefits expense	11	81,912	30,717	30,717
Cost of materials consumed		-	-	-
Finance costs		-	-	-
Depreciation and amortisation expense	12	14	5	5
Other expenses	13	18,771	4,256	4,150
Total expenses		1,00,697	34,978	34,872
Profit/ l(Loss) before tax		2,251	(819)	2,367
Tax expense				
Current tax		450	-	473
Deferred tax		-	-	-
Total tax expense		450	-	473
Other comprehensive income				
I. Items that will not be recycled to profit or loss		-	-	-
(a) Remeasurements of the defined benefit liabilities / (asset)		-	-	-
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-	-
II. Items that may be reclassified to profit or loss		-	-	-
(a) Exchange differences in translating the financial statements of foreign operations		-	-	-
(b) Income tax on items that may be reclassified to profit or loss		-	-	-
Total Comprehensive Income for the period		1,801	(819)	1,893

In terms of our report attached
for S K V G & Associates
Firm registration no. 0216265

For Pennar GmbH

G. Satish Kumar..



G Satish Kumar
Partner

Sumanth

Dr. Sumanth Veeraganta
Director

Membership No. 245650

UDIN : 20245650AAAAAD6902

Place: Hyderabad

Date: 11/06/2020

Pennar GmbH

Cash Flow Statement for the year ended 31.03.2020

Sl No	Particulars	31.03.2020
A	Cash Flow from operating activities	
	Profit Before Tax	2,251
	Depreciation & Amortisation	14
	Operating Profit Before working capital changes	2,265
	Adjustments for (increase)/decrease in operating assets	
	Trade Receivables	-2,620
	Other current Asset	-3,370
	Adjustments for (increase)/decrease in operating liabilities	
	Other Current Liabilities	2,786
	Trade Payables	
	Short term provisions	-
	Cash Generated from operating activities	-938
	Less: Taxes paid	-
	Net Cash from operating activities (A)	-938
B	Net Cash from Investing Activities	
	Short term borrowings	-
	Fixed Deposits made	-
	Purchase of fixed asset	-108
	Increase In non Current Assets	-
	Net cash from Investing Activities (B)	-108
C	Cash Flow from financing Activities	
	Share Capital	25,000
	Repayment of long term borrowings	-
	Proceeds from Long Term borrowings	-
	Finance Cost	
	Net Cashfrom (used) in financing activities (C)	25,000
	Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	23,954
	Cash and Cash equivalents at the beginning of the year	-
	Cash and Cash equivalents at the end of the year	23,954

In terms of our report attached
for S K V G & Associates
Firm registration no. 021626S

For Pennar GmbH

G. Satish Kumar ..
G Satish Kumar
Partner
Membership No. 245650



Dr. Sumanth Veeraganta
Director

Place: Hyderabad
Date: 11/06/2020

Place: Hyderabad
Date: 11/06/2020

Pennar GmbH

Statement of changes in equity as at March 31st 2020

A. Equity share capital

Particulars	Total
Balance at April 01, 2019	
Changes in equity share capital during 2019-20	25,000
Balance at March 31, 2020	25,000

B. Other equity

Particulars	Retained earnings	Total
Balance at April 01, 2019	-	-
Profit for the year	1,801	1,801
Balance at March 31, 2020	1,801	1,801

In terms of our report attached
for **S K V G & Associates**
Firm registration no. 021626S

for Pennar GmbH

G. Satish Kumar..

G Satish Kumar
Partner
Membership No. 245650



Sumanth

Dr. Sumanth Veeraganta
Director

Place: Hyderabad
Date: 11/06/2020

Place: Hyderabad
Date: 11/06/2020

Pennar GmbH
Notes forming part of the financial statements

2. Property, plant and equipment

Particulars	As at
	March 31, 2020
Carrying amount of:	
Computers	94
Total	94

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

Description of assets	Computers
I. Cost	
Balance as at April 01, 2019	-
Additions	108
Disposals	-
Balance as at March 31, 2020	108
II. Accumulated depreciation	
Balance as at April 01, 2019	-
Depreciation for the year	14
Balance as at March 31, 2020	14
III. Carrying Amounts (I-II)	
Balance as at March 31, 2019	-
Balance as at March 31, 2020	94

3. Trade Receivables

Particulars	As at
	March 31, 2020
Trade receivables	
Unsecured, considered good	2,620
Doubtful	-
Less: Allowance for doubtful debts (expected credit loss allowance)	-
Total	2,620

4. Cash and cash equivalents

Particulars	As at
	March 31, 2020
Cash on hand	-
Balances with banks	
in current accounts	23,954
Total	23,954

5. Other Current Asset

Particulars	As at
	March 31, 2020
Advane to employees	3,370
Total	3,370

6. Equity share capital

Particulars	As at
	March 31, 2020
Authorised share capital: 25000 fully paid up equity shares of Euro 1 each (March 31st 2019 : Nil)	25,000
Issued and subscribed capital: 25000 fully paid up equity shares of Euro 1 each (March 31st 2019 : Nil)	25,000
Total	25,000

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

Particulars	As at
	March 31, 2020
Opening balance	-
Add: Movement during the year	25,000
Balance	25,000

b. Details of shares held by each shareholder holding more than 5% shares:

The details of share holders holding more than 5% shares :	As at	
	March 31, 2020	
Name of the share holder	No of shares held	% holding of equity shares
Pennar Industries Limited	25,000	100%

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

The Company has issued only one class of equity shares having a par value of Euro 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

Pennar GmbH
Notes forming part of the financial statements

7. Other equity

Particulars	As at
	March 31, 2020
(f). Retained earnings	
(i) Opening balance	-
(iii) profit for the year	1,801
Total	1,801

8. Other financial liabilities

Particulars	As at
	March 31, 2020
Employee dues	2,411
Audit fees	375
Provision for tax	450
Total	3,237

Pennar GmbH

Notes forming part of the financial statements

9. Revenue from operations

Particulars	For the Year ended March 31, 2020	Three Months period ended 31 March 2020	Three Months period ended December 31 2019
Sale of services	1,00,938	33,584	35,804
Total	1,00,938	33,584	35,804

10. Other income

Particulars	For the Year ended March 31, 2020	Three Months period ended 31 March 2020	Three Months period ended December 31 2019
Other Income	2,011	576	1,435
Total	2,011	576	1,435

11. Employee benefits expense

Particulars	For the Year ended March 31, 2020	Three Months period ended 31 March 2020	Three Months period ended December 31 2019
Salaries and wages, including bonus	81,912	30,717	30,717
Total	81,912	30,717	30,717

2A. Depreciation and amortisation expense

Particulars	For the Year ended March 31, 2020	Three Months period ended 31 March 2020	Three Months period ended December 31 2019
Depreciation of property, plant and equipment	14	5	5
Total	14	5	5

12. Other expenses

Particulars	For the Year ended March 31, 2020	Three Months period ended 31 March 2020	Three Months period ended December 31 2019
Bank Charges	231	87	26
Professional and legal expenses	14,610	3,945	3,695
Miscellaneous expenses	3,930	224	429
Total	18,771	4,256	4,150

In terms of our report attached
for S K V G & Associates
Firm registration no. 0216265

For Pennar GmbH

G. Satish Kumar...

G Satish Kumar
Partner
Membership No. 245650

Place: Hyderabad
Date: 11/06/2020



Sumanth

Dr. Sumanth Veeraganta
Director

Place: Hyderabad
Date: 11/06/2020

1. Significant accounting policies:

1.1 Statement of Compliance:

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

1.2 Basis for preparation of financial statements:

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India on accrual basis under the historical cost convention, except for certain financial instruments which are measured at fair value. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purpose in these standalone financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

1.3 Use of Estimates:

The preparation of these standalone financial statements requires the management of the Company to make estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the reported period. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the financial statements.

1.4 Impairment of Assets:

i) Financial assets

Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Impairment loss on financial assets carried at amortised cost is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. In a subsequent period, if the amount of impairment loss decreases and the decreases can be related objectively to an event, the previously recognised impairment is reversed through profit or loss.

Pennar GmbH

Notes to financial statements for the year ended 31 March 2020

1.5 Related Party disclosures

As per Ind As 24 the disclosure of transactions with related parties are given below

a) Related party and nature of relationship

Name of the related party	Nature of relationship
Pennar Industries Limited	Holding Company

b) Transactions with related party

Reveune	Amount (In Euro)
Pennar industries Limited	69,300

In terms of our report attached
for **S K V G & Associates**
Chartered Accountants
Firm registration no. 021626S

for Pennar GmbH

G. Satish Kumar..

G Satish Kumar
Partner
Membership No. 245650

Place: Hyderabad
Date: 11/06/2020



Sumanth

Dr. Sumanth Veeraganta
Director