Independent Auditor's Report on the Consolidated Special Purpose Financial Statements of Pennar GMBH

To

The Board of Directors of **Pennar GMBH**

Opinion

We have audited the accompanying Consolidated Special Purpose Financial Statements of **Pennar GMBH** 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:26223022CQPDCX7055

Place: Hyderabad
Date: 23-05-2026

Pennar GmbH

Consolidated Balance Sheet as at 31 March 2026

(All amount are in Euro, Except share and per share data and where otherwise stated)

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	1	7,17,925	7,46,499
Intangibles	1	60,291	86,676
Capital work in progress	1	3,86,971	2,98,961
Income tax Assets (Net)	11.3	80,996	80,148
Deffered Tax	11.2	1,22,891	99,256
Total non-current assets		**13,69,074**	**13,11,540**
Current assets			
Inventory	2	2,33,319	2,33,319
Financial assets			
(a) Trade receivables	3	17,90,571	12,43,532
(b) Cash and cash equivalents	4	56,594	35,643
Other current asset	5	6,01,712	4,22,495
Total current assets		**26,82,196**	**19,34,989**
Total assets		**40,51,270**	**32,46,529**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	9,37,500	25,000
Other equity	7	(1,73,535)	(68,227)
Total equity		**7,63,965**	**(43,227)**
Non Current Liabilities			
Financial liabilities			
Borrowings	8	15,601	52,167
		15,601	**52,167**
Current liabilities			
Financial liabilities			
Borrowings	8	17,123	17,123
Trade Payables	9	25,82,830	24,44,292
Other financial liabilities	10	1,50,177	2,69,546
Other Current Liabilites	10.1	5,20,139	5,05,193
Income tax Liabilites (Net)	11.3	1,435	1,435
Total current liabilities		**32,71,704**	**32,37,589**
Total Liabilities		**32,87,305**	**32,89,756**
Total equity and liabilities		**40,51,270**	**32,46,528**

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 Gmbh

PENNAR GmbH Pennar

Dr. Sumanth Veeraganta
Director

Pennar GmbH
Consolidated Statement of profit and loss for the year ended March 31 2026
(All amount are in Euro, Except share and per share data and where otherwise stated)

Particulars	Note	For the year ended 31 March 2026	For the year ended 31 March 2025
INCOME			
Revenue from operations	12	21,25,929	22,11,165
Other income	13	1,706	45
Total income (I)		**21,27,635**	**22,11,210**
EXPENSES			
Cost of material consumed	14	1,32,177	1,49,349
Changes in Inventory and finished goods	15	-	3,140
Project support charges	16	13,75,604	13,47,603
Employee benefits expense	17	4,95,422	6,86,498
Finance Cost	18	427	3,802
Depreciation and amortisation expense	1A	61,144	57,249
Other expenses	19	1,91,832	2,06,643
Total expenses (II)		**22,56,606**	**24,54,284**
Profit/ l(Loss) before tax (III)=(I-II)		**(1,28,972)**	**(2,43,074)**
Tax expense			
Current tax	11.1		7,390
Deferred tax	11.1	(23,664)	(59,468)
Total tax expense (IV)		**(23,664)**	**(52,078)**
Profit for the year (V)=(IV-III)		**(1,05,307)**	**(1,90,996)**
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 Other comprehensive income (VI)		-	-
Total Comprehensive Income for the period VII=(V)+(VI)		**(1,05,307)**	**(1,90,996)**

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 Gmbh

PENNAR GmbH Pennar

Dr. Sumanth Veeraganta
Director

Pennar GmbH
Consolidated Cash Flow Statement for the year ended 31 March 2026
(All amount are in Euro, Except share and per share data and where otherwise stated)

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Cash Flow from operating activities		
Profit Before Tax	(1,28,972)	(2,43,074)
Finance Cost	427	3,802
Depreciation & Amortisation	61,144	57,249
Operating Profit Before working capital changes	**(67,400)**	**(1,82,023)**
Adjustments for (increase)/decrease in operating assets		
Inventory	-	-
Trade Receivables	(5,47,039)	(4,85,778)
Other current Asset	(1,79,215)	(1,78,408)
Adjustments for (increase)/decrease in operating liabilities		
Trade Payables	1,38,538	6,38,583
Other financial Liabilities	(1,19,369)	59,967
Other current Liability	14,947	5,05,193
Cash Generated from operating activities	**(7,59,539)**	**3,57,533**
Less: Taxes paid	(822)	(48,112)
Net Cash from operating activities (A)	**(7,60,361)**	**3,09,421**
Net Cash from Investing Activities		
Purchase of fixed asset	(94,195)	(3,31,341)
Investment	-	-
Net cash from Investing Activities (B)	(94,195)	(3,31,341)
Cash Flow from finacing Activities		
Issue of share capital	9,12,500	
Repayment of long term borrowings	(36,566)	(43,360)
Interest repayment	(427)	(3,802)
Share Capital	-	-
Net Cashfrom (used) in financing activities (C)	8,75,507	(47,162)
Net increase/(decrease) in Cash and Cash equivalents(A+B+C)	20,951	(69,082)
Cash and Cash equivalents at the beginning of the year	35,643	1,04,725
Cash and Cash equivalents at the end of the year	**56,594**	**35,643**
Cash and cash equivalents comprises of: (refer note 3)		
Balances with Banks		
- in current accounts	56,594	35,643
- Deposit	-	-
	56,594	**35,643**

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
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Murali Krishna Reddy Telluri
Partner
Membership No: 223022

Place: Hyderabad
Date: 23-05-2026

For and behalf of Pennar Gmbh

PENNAR GmbH
Pennar

Dr. Sumanth Veeraganta
Director

Pennar GmbH

Consoldiated Statement of changes in equity as at 31 March 2026

(All amount are in Euro, Except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	Total
Balance at April 01, 2024	25,000
Changes in equity share capital during 2024-25	-
Balance as at March 31, 2025	**25,000**
Balance at April 01, 2025	25,000
Changes in equity share capital during 2025-26	9,12,500
Balance as at March 31, 2026	**9,37,500**

B. Other equity

Particulars	Retained earnings	Total
Balance at April 01, 2024	1,22,769	1,22,769
Profit for the year	(1,90,996)	(1,90,996)
Balance at March 31, 2025	**(68,227)**	**(68,227)**
Profit for the year	(1,05,307)	(1,05,307)
Balance as at March 31, 2026	**(1,73,535)**	**(1,73,535)**

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 behalf of Pennar Gmbh

PENNAR GmbH

Dr. Sumanth Veeraganta
Director

Pennar GmbH
Notes forming part of the financial statements
(All amount are in Euro, Except share and per share data and where otherwise stated)

1. Property, plant and equipment

Particulars	As at	
	March 31, 2026	March 31, 2025
Carrying amount of:		
Land	2,25,416	2,25,416
Building	4,29,544	4,55,843
Plant and Machinery	55,442	63,903
Computers	7,522	1,337
Office Furniture	-	-
Total	**7,17,925**	**7,46,499**
Intangibles	60,291	86,676
Capital work in progress	3,86,971	2,98,961

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

Description of assets	Land	Building	Plant and Machinery	Computers	Office Furniture	Total	Intangibles	Total
I. Cost								
Balance as at Apil 01, 2025	2,25,416	5,25,972	3,86,226	26,694	16,920	11,81,228	1,99,993	**13,81,221**
Additions	-	-	-	6,185	-	**6,185**	-	**6,185**
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	**2,25,416**	**5,25,972**	**3,86,226**	**32,879**	**16,920**	**11,87,413**	**1,99,993**	**13,87,406**
II. Accumulated depreciation								
Balance as at Apil 01, 2025	-	70,129	3,22,323	25,357	16,920	**4,34,729**	**1,13,317**	**5,48,046**
Depreciation for the year	-	26,299	8,461	-	-	34,759	26,385	**61,144**
Balance as at March 31, 2026	-	**96,428**	**3,30,784**	**25,357**	**16,920**	**4,69,488**	**1,39,702**	**6,09,190**
III. Carrying Amounts (I-II)								
Balance as at March 31, 2026	2,25,416	4,55,843	63,903	1,337	-	**7,46,499**	86,676	**8,33,175**
Balance as at March 31, 2025	**2,25,416**	**4,29,544**	**55,442**	**7,522**	-	**7,17,925**	**60,291**	**7,78,216**

Capital work-in-progress ageing schedule (2025-26)

Particulars	Amount in CWIP for the period of 25-26				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	3,86,971	-	-	-	**3,86,971**
Projects temporarily suspended	-	-	-	-	-

Capital work-in-progress ageing schedule (2024-25)

Particulars	Amount in CWIP for the period of 24-25				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	88,010	2,98,961	-	-	**3,86,971**
Projects temporarily suspended	-	-	-	-	-

2. Inventory

Particulars	As at	
	March 31, 2026	March 31, 2025
Raw Material	2,33,319	2,14,990
Work-in-Progress	-	18,329
Total	**2,33,319**	**2,33,319**

3. Trade Receivables

Particulars	As at	
	March 31, 2026	March 31, 2025
Trade receivables		
Unsecured, considered good	17,90,571	12,43,532
Total	**17,90,571**	**12,43,532**

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	2,97,545	11,23,923	53,040	2,03,872	1,12,192	**17,90,571**
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	**2,97,545**	**11,23,923**	**53,040**	**2,03,872**	**1,12,192**	**17,90,571**

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	8,71,170	66,721	1,55,371	1,06,961	43,309	**12,43,532**
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	**8,71,170**	**66,721**	**1,55,371**	**1,06,961**	**43,309**	**12,43,532**

4. Cash and cash equivalents

Particulars	As at	
	March 31, 2026	March 31, 2025
Balances with banks		
in current accounts	56,594	35,643
Total	**56,594**	**35,643**

5. Other Current Asset

Particulars	As at	
	March 31, 2026	March 31, 2025
Advance Vendors	3,92,763	2,80,447
Other	2,08,949	1,42,048
Total	**6,01,712**	**4,22,495**

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Notes forming part of the financial statements
(All amount are in Euro, Except share and per share data and where otherwise stated)

6. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
425000 fully paid up equity shares of Euro 1 each (March 31st 2025 : 425000)	6,37,500	4,25,000
Issued and subscribed capital:		
25000 fully paid up equity shares of Euro 1 each (March 31st 2025 : 425000)	9,37,500	25,000
Total	**9,37,500**	**25,000**

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

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	25,000	25,000
Add: Movement during the year	9,12,500	-
Balance	**9,37,500**	**25,000**

b. Details of shares held by each Promoter

The details of Promoter shareholdings	As at March 31 2026	As at March 31 2025
Name of the share holder		
Pennar Industries Limited (100 % holding)	9,37,500	25,000

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.

7. Other equity

Particulars	As at March 31, 2026	As at March 31, 2025
(a) Retained earnings		
(i) Opening balance	(68,227)	1,22,769
(ii) Profit for the year	(1,05,307)	(1,90,996)
Total	**(1,73,535)**	**(68,227)**

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Pennar GmbH
Notes forming part of the financial statements
(All amount are in Euro, Except share and per share data and where otherwise stated)

8. Borrowings

Particulars	As at	
	March 31, 2026	March 31, 2025
Non Current		
Term Loan from banks	15,601	52,167
	15,601	52,167
Current		
Current Maturities of long term borrwoing	17,123	17,123
Total	17,123	17,123

(a) Summary of borrowings arrangements

Particulars	Term of Repayments	Borrowings availed	Outstanding as at March 31, 2026	Outstanding as at March 31, 2025	Rate of Interest
From Banks:					
Credit Agricole	84 equal monthly instalments of Euro 637.49 Euros each ommencing from July 2018	50,000	-	1,906.24	2%
Credit Agricole	84 equal monthly instalments of euro 371.92 Euros each ommencing from May 2020	30,000	4,799	9,170.95	1.27%
Credit Agricole	Loan Guaranteed by the State (PGE) for an amount of euro 20,000 over a period of 72 months, including a delay of twelve months. whose monthly installments amount to Euro €9.17 for the first twelve months, then Euros 421.36, will be definitively repaid on May 15, 2026.	20,000	842	5,878.89	0.55%
Bank Populaire	Loan Guaranteed by the State (PGE) for an amount of 100,000 over a period of 72 months, whose monthly installments amount to the sum of Euro 42.92 for the first three months, then Euro 139.04 for the following twelve months and finally Euro 2,197.87 for the remainder to run. wi	1,00,000	7,083	32,334.15	0.73%.
Auvergne Rhône Alpes Region	Repayble advance as support companies affected by consequences of the covid 19 Pandamic	20,000	20,000	20,000.00	

9. Trade Payables

Particulars	As at	
	March 31, 2026	March 31, 2025
Dues to micro enterprises and small enterprises	-	-
Dues to others	25,82,830	24,44,292
Total	25,82,830	24,44,292

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	3,65,355	9,41,120	12,76,353	-	-	**25,82,830**

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	4,39,504	16,47,768	3,51,048	5,972	-	**24,44,292**

10. Other financial liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Others	1,17,276	2,39,865
Employee dues	24,866	21,646
Audit fees	8,035	8,035
Total	1,50,177	2,69,546

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Notes forming part of the financial statements
(All amount are in Euro, Except share and per share data and where otherwise stated)

10.1 Current liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Advance from customer	5,20,139	5,05,193
Total	**5,20,139**	**5,05,193**

11.1 Income tax

Particulars	As at March 31, 2026	As at March 31, 2025
Current tax	-	7,390
Deffered tax	(23,664)	(59,468)
Total tax expenses	**(23,664)**	**(52,078)**

11.2 Deffered tax

Particulars	As at March 31, 2026	As at March 31, 2025
Deffered tax asset	1,22,891	99,256
Total tax expenses	**1,22,891**	**99,256**

11.3 Income tax Assets

Particulars	As at March 31, 2026	As at March 31, 2025
Income tax Assets (Net)	80,996	80,148
Income tax Liabilities (Net)	(1,435)	(1,435)
Total	**79,561**	**78,713**

PENNAR GmbH
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Pennar GmbH

Notes forming part of the financial statements

(All amount are in Euro, Except share and per share data and where otherwise stated)

12. Revenue from operations

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of services	16,06,322	16,41,535
Sale of products	5,19,607	5,69,630
Total	**21,25,929**	**22,11,165**

13. Other income

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Other Income	1,706	45
Total	**1,706**	**45**

14.Cost of material consumed

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cost of material consumed	1,32,177	1,49,349
Total	**1,32,177**	**1,49,349**

15. Changes in inventories

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening stock of inventories		
Work in progress	**18,329**	**21,469**
	18,329	**21,469**
Closing stock of inventories		
Work in progress	**18,329**	**18,329**
	18,329	**18,329**
Decrease/(increase) in inventories	**-**	**3,140**

16. Project Support services

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Project Support Charges	13,75,604	13,47,603
Total	**13,75,604**	**13,47,603**

17. Employee benefits expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries and wages, including bonus	4,95,422	6,86,498
Total	**4,95,422**	**6,86,498**

18.Finance cost

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest cost	427	3,802
Total	**427**	**3,802**

1A. Depreciation and amortisation expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property, plant and equipment	34,759	34,759
Amortisation	26,385	22,490
Total	**61,144**	**57,249**

19. Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Rent	-	-
Bank Charges	5,764	7,052
Professional and Legal expenses	-	4,000
Travelling	10,472	12,334
Rates & taxes	14,823	23,552
Miscellaneous expenses	1,60,773	1,59,705
Total	**1,91,832**	**2,06,643**

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Notes forming part of the financial statements
(All amount are in Euro, Except share and per share data and where otherwise stated)

20	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	-1,05,307	-1,90,996
	No of Equity Shares	9,37,500	25,000
	Basic and diluted Earning per Share	-0.11	-7.64

21. 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	9,37,500	25,000
Other equity	-1,73,535	-68,227
Total Equity (A)	**7,63,965**	**-43,227**
Non-current borrowings		
Borrowings	32,724	69,290
Gross Debt	**32,724**	**69,290**
Less: Cash and cash equivalents	(56,594)	(35,643)
Net debt (B)	**-23,870**	**33,647**
Net debt to equity (B/A)	**(0.03)**	**(0.78)**
Interest Coverage Ratio	**(301.04)**	**(62.93)**

(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	**March 31, 2025**
Financial assets		
Measured at amortised cost		
Trade receivables	17,90,571	12,43,532
Other financial assets		
Cash and cash equivalents	56,594	35,643
Total financial assets measured at amortised cost (A)	**18,47,165**	**12,79,175**
Total Financial Assets (A)	**18,47,165**	**12,79,175**
Financial Liabilities		
Measured at amortised cost		
Borrowings	32,724	69,290
Trade payables	25,82,830	24,44,292
Other financial liabilities	1,50,177	2,69,546
Total financial liabilities carried at amortised cost(A)	**27,65,731**	**27,83,128**
Total Financial Liabilities	**27,65,731**	**27,83,128**

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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 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.

22. Ratios

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025

Particulars	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variance	Reasons
Current Ratio	Current Assets	Current Liabilities	0.82	0.60	37.2%	Due to increase in Trade receivables
Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	0.04	(1.60)	-102.7%	Due to increase in borrwoing
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	(3.88)	(3.60)	7.7%	No major variance
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	-29%	-442%	-93.4%	Due to increase in share holder equity
Inventory Turnover Ratio	Cost of material consumed	Average Inventory	N.A	N.A	0.0%	-
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	1.4	2.2	-36.6%	
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	0.60	0.16	272.2%	Incerease is on account of decerease in working capital
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	-3.61	-1.70	112.4%	Incerease is on account of decerease in working capital
Net Profit Ratio	Net Profit	Revenue from Operations	-5%	-9%	-42.7%	
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	-14%	-191%	-92.7%	Due to increase in share holder equity

(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 net worth + total debt including interest accrued +deferred tax liability-deferred tax assets

23 CONTINGENT LIABILITIES: Nil

24	**Related Party Disclosures**	
24.1	**Relationship**	**Name**
	Holding Company	Pennar Industries Ltd
	Fellow Subsidiary Company & JV	Pennar Global Inc Enertech Pennar Defense and Engineering System Private Limited (Till September) Pennar Metals Private Limited ZAP91 Solar India Private Limited Pennar Global Metal LLC Pennar Global Investments LLC Pennar FZCO Agile Traders Pennar Americas Engineering LLC Pennar Americas Hydralics LLC Pennar Global Investments Albama Ascent Structure LLC Ascent Buildings LLC
	Key Management Personnel	Sumanth veeraganta
24.2	Aggregate Related Party Transactions :	
	Particulars	**31-03-2026**
	Pennar Industries Limited	
	Purchases & Services Received during the year	
a	Pennar Industries Limited	13,75,604
b	Share capital subscription	9,12,500
24.3	**Related Party Balances :**	
	Pennar industustries Limited	
a	Balances payable	22,24,240
b	Advances	5,11,398
	Pennar FZCO	
a	Balances payable	20,000
	Agile Traders	
a	Balances payable	67,032

25. Events after the reporting date:
26. Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's presentations
27. Figures are rounded off to nearest EURO

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

For and behalf of Pennar Gmbh

PENNAR GMBH
Pennar

Dr. Sumanth Veeraganta
Director

Place: Hyderabad
Date: 23-05-2026