RAMASAMY KOTESWARA RAO AND CO LLP
CHARTERED ACCOUNTANTS

Independent Auditor's Report on the Consolidated Special Purpose Financial Statements of Pennar Global Inc.

To

The Board of Directors of **Pennar Global Inc.**

Opinion

We have audited the accompanying Consolidated Special Purpose Financial Statements of **Pennar Global Inc.** 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

SRI RAMCHANDRA ARCADE, D.No.8-2-293/82/JIII/573/M/ 1st Floor,
Road No.82, Jubilee Hills, Hyderabad - 500096. Ph: 23394982/85,
E-mail: rkandco@gmail.com, Website : www.rkandco.in

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: 26223022TGSVUK4887

Place: Hyderabad

Date: 23-05-2026

Pennar Global Inc

Consolidated Balance Sheet as at March 31, 2026

(All amounts are in USD, 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	2,27,70,457	86,70,121
Capital work-in-progress	1	8,88,132	17,30,827
Right-of-use Assets	2	40,59,198	42,06,318
Other intangibles	1	-	-
Financial Asset			
Other financial Asset	6	1,00,000	3,50,000
Total Non-current assets		**2,78,17,787**	**1,49,57,266**
Current assets			
Inventories	3	52,25,207	24,91,950
Financial assets			
(a) Trade receivables	4	1,71,11,627	1,27,67,114
(b) Cash and cash equivalents	5	1,39,90,542	1,42,46,417
(c) Other financial assets	6	-	-
Other current assets	7	7,40,914	2,32,387
Total Current assets		**3,70,68,290**	**2,97,37,868**
Total Assets		**6,48,86,077**	**4,46,95,134**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	52	51
Other equity	9	2,95,62,591	2,41,15,177
Total equity		**2,95,62,643**	**2,41,15,228**
Non Current Liabilities			
Deffered Tax	14.3	10,21,271	10,54,000
Financial liabilities			
(a) Borrowings	10	62,62,998	-
(b) Lease Liability	2	-	-
(c) Other financial Liability	12	15,00,000	
Total Non-current Liabilities		**87,84,269**	**10,54,000**
Current Liabilities			
Financial liabilities			
(a) Borrowings	10	73,71,656	45,804
(b) Trade payables	11	1,21,09,977	94,39,013
(c) Lease Liabilities	2	-	7,57,595
(d) Other financial liabilities	12	51,20,054	37,95,529
Other current Liabilities	13	8,84,508	51,35,193
Income tax liabilities (net)	14.2	10,52,970	3,52,772
Total Current liabilities		**2,65,39,165**	**1,95,25,906**
Total Liabilities		3,53,23,434	2,05,79,906
Total Equity and Liabilities		6,48,86,077	4,46,95,134

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 behalf of Pennar Global Inc

Aditya N Rao
Director

PENNAR GLOBAL INC

Pennar Global Inc

Consolidated Statement of profit and loss for year ended 31 March 2026

(All amounts are in USD, except share and per share data and where otherwise stated)

Particulars	Note	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations	15	10,48,68,202	8,18,56,862
Other income	16	5,48,096	9,51,993
Total income (i)		**10,54,16,298**	**8,28,08,855**
EXPENSES			
Cost of material consumed	17	5,44,31,592	4,08,17,540
Purchase of traded goods	18	7,92,947	29,29,736
Change in inventories of finished goods, Stock-in-trade	19	(15,49,000)	33,119
Employee benefits expense	20	2,29,84,725	1,81,12,937
Finance Cost	21	5,91,058	3,21,228
Depreciation and amortisation expense	22	22,83,353	14,98,053
Other expenses	23	2,00,99,157	1,44,45,015
Total expenses (ii)		**9,96,33,832**	**7,81,57,628**
Profit before tax [(iii)=(i)-(ii)]		**57,82,466**	**46,51,227**
Tax expense			
Current tax	14.1	14,45,617	1,00,075
Deferred tax	14.1	(32,729)	10,54,000
Total tax expense (iv)		**14,12,888**	**11,54,075**
Profit for the year after tax [(v)=(iii)-(iv)]		**43,69,578**	**34,97,152**
Paid-up equity share capital (Face value $0.01 each fully paid)			
Earning per share (Face value $0.01 each fully paid)		5,216	5,095
Basic & Diluted		838	686

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 behalf of Pennar Global Inc

Aditya N Rao
Director

PENNAR GLOBAL INC Pennar

Pennar Global Inc

Consolidated Statement of changes in equity for the year ended March 31, 2026

(All amounts are in USD, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	No of shares	Amount
Balance at April 01, 2025	5,000	50.00
Changes in equity share capital during the Year	95	0.95
Balance at March 31, 2025	**5,095**	**50.95**
Balance at April 01, 2025	5,095	50.95
Changes in equity share capital during the Year	121	1.21
Balance at March 31, 2026	**5,216**	**52.16**

B. Other equity

Particulars	Securities premium	Retained earnings	Total
Balance at April 01, 2025	96,06,871	1,02,15,815	1,98,22,686
Profit for the period	7,95,339	34,97,152	42,92,491
Balance at March 31, 2025	**1,04,02,210**	**1,37,12,967**	**2,41,15,177**
Balance at April 01, 2025	1,04,02,210	1,37,12,967	2,41,15,177
Profit for the period	10,77,836	43,69,578	54,47,414
Balance at March 31, 2026	**1,14,80,046**	**1,80,82,545**	**2,95,62,591**

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 behalf of Pennar Global Inc

Aditya N Rao
Director

PENNAR GLOBAL INC

Pennar Global Inc

Consolidated Statement of cashflow for the year ended 31 March 2026

(All amounts are in USD, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31 2026	For the year ended March 31 2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit before tax	57,82,466	46,51,227
Adjustments for :		
Property plant and Equipment written off		
Finance cost	5,91,058	3,21,228
Depreciation	22,83,353	14,98,053
Operating profits before working capital charges	86,56,877	64,70,508
Changes in operating assets and liabilities:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(43,44,513)	(5,35,110)
Inventories	(27,33,257)	(1,02,850)
Other financial Asset	2,50,000	4,00,000
Other current asset	(5,08,527)	1,86,193
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	26,70,964	(7,64,387)
Other financial liabilities	28,24,525	7,51,818
Other Current Liabilities	(42,50,685)	43,08,224
Cash generated from operations	25,65,384	1,07,14,396
Income taxes paid	(7,45,418)	(7,08,774)
Net cash flow generated in operating activities (A)	**18,19,966**	**1,00,05,622**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(1,53,93,874)	(17,23,361)
Net cash used in investing activities (B)	**(1,53,93,874)**	**(17,23,361)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of share	10,77,836	7,95,339
Payment of Interest on borrowings	(5,48,652)	(3,26,616)
Proceeds from borrowing	77,61,534	
Repayment of shorterm borrowing	58,27,316	(35,00,479)
Payment of Lease laibility	(8,00,001)	(8,00,000)
Net Cash flow generated financing activities (C)	**1,33,18,033**	**(38,31,756)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,55,875)	44,50,505
Cash and cash equivalents at the beginning of the year	1,42,46,417	97,95,912
Cash and cash equivalents at the end of the year	**1,39,90,542**	**1,42,46,417**
Cash and cash equivalents comprises of: (Refer Note 5)		
Cash on hand	-	-
Balances with Banks		
- in current accounts	1,39,90,542	1,42,46,417
	1,39,90,542	**1,42,46,417**

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 behalf of Pennar Global Inc

Aditya N Rao

Aditya N Rao
Director

PENNAR GLOBAL INC

Pennar Global Inc
Notes forming part of the financial statements
(All amounts are in USD, except share and per share data and where otherwise stated)

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

1. Property, plant and equipment

Particulars	As at	
	31-Mar-26	31-Mar-25
Carrying amounts of:		
Land	2,86,077	-
Buildings	79,45,457	19,91,547
Plant and equipment	1,37,63,375	61,28,173
Computers	43,246	13,593
Office equipment	22,602	61,347
Furniture and fixtures	1,75,356	2,08,721
Vehicles	5,34,344	2,66,739
Total	**2,27,70,457**	**86,70,121**
Intangibles		
Software	-	-
Total	-	-
Capital works-in-progress	8,88,132	17,30,827
Total	8,88,132	17,30,827

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

Particulars	Land	Buildings	Plant and equipment	Computers	Office equipment	Furniture and fixtures	Vehicle	Total PPE	Intangibles Software	Total
I. Cost										
Balance as at April 01, 2024		23,69,729	45,88,133	42,925	1,93,723	2,45,035	4,73,539	79,13,084	1,08,518	80,21,602
Additions		5,16,981	37,55,961	-	-	1,11,720	45,866	44,30,528	-	44,30,528
Disposals/adjustments/write offs		-	-6,324	-	-	-	-	(6,324)	-	-6,324
Balance as at March 31, 2025		28,86,710	83,37,770	42,925	1,93,723	3,56,755	5,19,405	1,23,37,289	1,08,518	1,24,45,807
Additions	2,86,077	63,94,415	91,09,513	42,487	-	-	4,04,077	1,62,36,569	-	1,62,36,569
Disposals/adjustments/write offs								-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	2,86,077	92,81,125	1,74,47,283	85,412	1,93,723	3,56,755	9,23,482	2,85,73,858	1,08,518	2,86,82,376
II. Accumulated depreciation								-		-
Balance as at April 01, 2024		5,77,300	13,81,663	20,747	93,631	1,15,184	1,48,810	23,37,336	87,417	24,24,753
Depreciation for the year		3,17,863	8,27,934	8,585	38,745	32,850	1,03,856	13,29,833	21,101	13,50,934
Disposals/adjustments/write offs		-	-	-	-	-	-	-	-	-
Balance as at March 31, 2025	-	8,95,163	22,09,597	29,332	1,32,376	1,48,034	2,52,666	36,67,169	1,08,518	37,75,687
Depreciation for the year		4,40,505	14,74,311	12,834	38,745	33,365	1,36,472	21,36,232	-	21,36,232
Other adjustments		-	-	-	-	-	-	-	-	-
Balance as at March 31, 2026	-	13,35,668	36,83,908	42,166	1,71,121	1,81,399	3,89,138	58,03,401	1,08,518	59,11,919
III. Carrying value (I-II)								-		-
Balance as at March 31, 2026	2,86,077	79,45,457	1,37,63,375	43,246	22,602	1,75,356	5,34,344	2,27,70,457	-	2,27,70,457
Balance as at Mar 31, 2025	-	19,91,547	61,28,173	13,593	61,347	2,08,721	2,66,739	86,70,121	-	86,70,121

Note:-

During the financial year ended 31 March 2026, Ascent Structural LLC and Pennar Global Investments Alabama LLC (collectively referred to as the "Acquirers") entered into an Asset Purchase Agreement with Telko Enterprises and Telko Properties (collectively referred to as the "Sellers") for acquisition of identifiable assets situated in Jackson County, Alabama, USA, for a total consideration of USD 14 million. The assets acquired include Land, Buildings, Plant & Equipment, Vehicles, Computers & IT Equipment, Inventories, Trade Receivables, and related rights and titles. The acquisition has been accounted for in accordance with the applicable provisions of Indian Accounting Standards (Ind AS), based on the nature and substance of the transaction. The consideration paid towards the acquisition comprises purchase of tangible assets,and other identifiable assetsas mutually agreed between the parties. The acquired assets have been recognized at their respective fair values / agreed values as on the acquisition date. The acquisition was completed on 30 September 2025, and the consideration was settled through a combination of cash payment and deferred consideration. Management has concluded that the excess of purchase consideration over the fair value of identifiable net assets acquired, including transaction costs, has been allocated to Property Plant and Equipment.

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	7,49,000	1,39,132	-	-	8,88,132
Projects temporarily suspended	-	-	-	-	-

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

Particulars	Amount in CWIP for the period of of 24-25				
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
Projects in progress	17,30,827	-	-	-	17,30,827
Projects temporarily suspended	-	-	-	-	-

PENNAR GLOBAL INC

Pennar Global Inc

Notes forming part of the financial statements

(All amounts are in USD, except share and per share data and where otherwise stated)

2.1 ROU

Particulars	As at	
	March 31, 2026	March 31, 2025
Carring Value of Asset		
Building	37,26,995	38,74,116
Land	3,32,203	3,32,203
Total	**40,59,198**	**42,06,318**

Details of Right to Use Asset

Particulars	Land	Building	Total
Gross Carring Value of Asset			
Cost as at April 2024	3,32,203	44,13,552	**47,45,755**
Additions	-	-	-
Disposals	-	-	-
Balance as at 31st March 2025	**3,32,203**	**44,13,552**	**47,45,755**
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2026	**3,32,203**	**44,13,552**	**47,45,755**
Accumulated Amortisation			
Cost as at April 2024	-	3,92,316	3,92,316
Amortisation		1,47,121	1,47,121
Disposals	-	-	-
Balance as at 31st March 2025	-	**5,39,437**	**5,39,437**
Amortisation		1,47,120	1,47,120
Disposals	-	-	-
Balance as at 31 March 2026	-	**6,86,557**	**6,86,557**
Net Carrying amount as at March 31 2026	**3,32,203**	**37,26,995**	**40,59,198**
Net Carrying amount as at March 31 2025	**3,32,203**	**38,74,116**	**42,06,318**

2.2 Lease Liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Non Current		-
Current	-	7,57,595
Total	-	**7,57,595**

PENNAR GLOBAL INC * Pennar

Pennar Global Inc
Notes forming part of the financial statements
(All amounts are in USD, except share and per share data and where otherwise stated)

3. Inventories

Particulars	As at March 31, 2026	As at March 31, 2025
Inventories (Lower of Cost or NRV)		
Raw Material	24,99,071	13,14,814
Work in Progress	12,76,636	-
Stock of Traded Goods	7,38,102	8,31,426
Finished Goods	7,11,398	3,45,710
Total	**52,25,207**	**24,91,950**

4. Trade Receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Trade receivables		
Unsecured, considered good	1,74,13,723	1,30,51,656
Doubtful	-	-
Less: Allowance for doubtful debts	(3,02,096)	(2,84,542)
Total	**1,71,11,627**	**1,27,67,114**

Trade Receivables Ageing Schedule (FY 25-26)

Particulars	Outstanding for the following periods from the Due date of the payment						
	No dues	Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables considered good	75,86,990	77,71,718	7,01,994	12,02,323	1,02,397	48,301	1,74,13,722
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	-	-	-	-	-	-	-
Less: Provision for credit impaired receivable	-	-	(19,693)	(2,82,402)	-	-	(3,02,095)
Total	**75,86,990**	**77,71,718**	**6,82,301**	**9,19,921**	**1,02,397**	**48,301**	**1,71,11,627**

Trade Receivables Ageing Schedule (FY 24-25)

Particulars	Outstanding for the following periods from the Due date of the payment						
	No dues	Less than 6 months	6 Months to 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed trade receivables considered good	0	1,17,34,812.00	11,65,800	1,22,741	28,303	-	1,30,51,656.00
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	-	-	-	-		-	-
Less: Provision for credit impaired receivable	-	(2,84,542)	-	-		-	(2,84,542)
Total	-	**1,14,50,270.00**	**11,65,800.00**	**1,22,741.00**	-	-	**1,27,67,114.00**

5. Cash and Cash Equivalents

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
in current accounts	1,39,90,542	1,42,46,417
Total	**1,39,90,542**	**1,42,46,417**

6. Other Financial assets

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Surety Bond collateral	1,00,000	3,50,000
Total	**1,00,000**	**3,50,000**

7. Other assets

Particulars	As at March 31, 2026	As at March 31, 2025
Current (unsecured):		
Prepaid Expenses	2,77,471	1,51,893
Advance to vendor	4,63,443	80,494
Total other current assets	**7,40,914**	**2,32,387**

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(All amounts are in USD, except share and per share data and where otherwise stated)

8. Equity share capital

Particulars	As at	
	March 31, 2026	March 31, 2025
Authorised share capital: 6000 fully paid up equity shares of 0.01$ (March 31, 2025 : 6000)	60	60
Issued and subscribed capital: 5216 fully paid up equity shares of 0.01$ (March 31, 2025 : 5095)	52	51
Total	**52**	**51**

Notes:

a. Reconciliation of the number of shares outstanding:

Particulars	As at	
	March 31, 2026	March 31, 2025
Opening balance	5,095	5,000
Add: Movement during the year	121	95
Balance	**5,216**	**5,095**

b. Details of shares held by Promoter.

The details of Promoter shareholdings	As at March 31, 2026		As at March 31, 2025	
Name of the share holder	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Pennar Industries Limited	5,216	100%	5,095	100%

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

The Company has issued only one class of equity shares having a par value of $ 0.01 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

9. Other equity

Particulars	As at	
	March 31, 2026	March 31, 2025
A.Securities Premium		
Opening balance	1,04,02,210	96,06,871
Issued during the year	10,77,836	7,95,339
Total	**1,14,80,046**	**1,04,02,210**
B. Retained earnings		
(i) Opening balance	1,37,12,967	1,02,15,815
(ii) Profit for the year	43,69,578	34,97,152
Total	**1,80,82,545**	**1,37,12,967**
Total Reserves	**2,95,62,591**	**2,41,15,177**

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(All amounts are in USD, except share and per share data and where otherwise stated)

10. Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Borrowing - Term Loan	62,62,998	-
Total	**62,62,998**	**-**
Current		
Loans repayable on demand from banks - unsecured		
Credit Card	62,751	45,804
Cash Credit	58,10,369	-
Current maturity of long term borrowing	14,98,536	-
Total	**73,71,656**	**45,804**

Cash Credit

During September 2025, the Company entered into a line of credit agreement with a First Horizon bank that allows for borrowings up to a maximum of $10,000,000 and expires September 2026. Interest on outstanding advances is payable monthly and accrues at a rate equal to the one-month SOFR rate (5.92% as of March 31, 20256. Borrowings under this agreement are collateralized by substantially all assets of the Company. Outstanding borrowings under this agreement totaled $5,810,369 as of March 31, 2026.

Term Loan

Notes:

(a) Summary of borrowings arrangements

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at March 31, 2026	Outstanding as at March 31, 2025	Rate of Interest
From Banks:						
First Horizon Bank	60 equal monthly instalments of $ 166,260 each commencing from Oct 15 2025	All Company assets and is guaranteed by the Company.	85,00,000	77,61,534	-	6.398%

11. Trade Payables

Particulars	As at March 31, 2026	As at March 31, 2025
Dues to micro enterprises and small enterprises	-	-
Dues to others	1,21,09,977	94,39,013
Total	**1,21,09,977**	**94,39,013**

Trade Payables Ageing Schedule (FY 25-26)

Particulars	Outstanding for the follwing periods from the Due date of the payment					
	No Dues	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME			-		-	-
(ii) Others	14,59,145	1,06,28,182	22,650		-	1,21,09,977
(iii) Disputed dues - MSME	-	-	-		-	-
(iv) Disputed dues - Others	-	-	-		-	-

Trade Payables Ageing Schedule (FY 24-25)

Particulars	Outstanding for the follwing periods from the Due date of the payment					
	No Dues	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-		-	-
(ii) Others	77,58,273	27,493	16,53,247		-	**94,39,013**
(iii) Disputed dues - MSME	-	-	-		-	-
(iv) Disputed dues - Others	-	-	-		-	-

12. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Promisary note Payable*	15,00,000	-
	15,00,000	**-**
Current		
Current portion Promisary note payable*	13,11,888	-
Employee dues	13,39,937	7,48,369
Sales tax Liability	11,67,308	11,52,259
Others	11,99,051	8,18,864
Interest payable	1,01,870	10,76,037
Total	**51,20,054**	**37,95,529**

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* Company has promisary note payable to the seller of Telko Enterprises, Inc, due in annual installments , inculding interest at a fixed rate of 5% of $15,00,000 through July 2027. The note is secured by certain assets of the Company. The promisary note has been recorded as present value.

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Notes forming part of the financial statements

13. Other Current Liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Advance from customers	8,84,508	51,35,193
Total	**8,84,508**	**51,35,193**

14. Income taxes

14.1 - Tax Expense

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

Particulars	March 31, 2026	March 31, 2025
Current tax		
In respect of the current year	14,45,617	1,00,075
	14,45,617	**1,00,075**
Deffered Tax		
In respect of the current year	(32,729)	10,54,000
Total	**(32,729)**	**10,54,000**

14.2 Income tax assets and liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Income tax Asset, net.		
Income tax Liabilities, net.	10,52,970	3,52,772
Total	**10,52,970**	**3,52,772**

14.3 Deffered Tax Liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Deffered tax Liabilities	10,21,271	10,54,000
Total	**10,21,271**	**10,54,000**

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Notes forming part of the financial statements
(All amounts are in USD, except share and per share data and where otherwise stated)

15. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Sale of products	9,80,32,016	7,65,39,731
Sale of services	68,36,186	53,17,131
Total	**10,48,68,202**	**8,18,56,862**

16. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Other non-operating income		
Interest Income	2,75,543	2,85,485
Miscellaneous income	2,72,553	6,66,509
Total	**5,48,096**	**9,51,993**

17. Cost of Material Consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening	13,14,814	11,78,845
Purchases	5,56,15,849	4,09,53,509
Closing	24,99,071	13,14,814
	5,44,31,592	**4,08,17,540**

18. Purchases of Goods

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Purchases of traded of goods	7,92,947	29,29,736
	7,92,947	**29,29,736**

19. Change in Inventories

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock		
Finished goods	3,45,710	2,16,019
Stock of traded Goods	8,31,426	9,94,236
	11,77,136	**12,10,255**
Closing stock		
Work in progress		
Finished goods	7,11,398	3,45,710
Work-in-progress	12,76,636	-
Stock of traded Goods	7,38,102	8,31,426
	27,26,136	**11,77,136**
Decerese/(incerease) in inventories	**(15,49,000)**	**33,119**

20. Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries & wages	2,00,94,822	1,56,71,444
Staff Welfare	28,89,903	24,41,493
Total	**2,29,84,725**	**1,81,12,937**

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21 Finance Cost

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest on borrowing	5,48,652	2,36,532
Interest on Leases	42,406	84,696
	5,91,058	**3,21,228**

22. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation	21,36,233	13,29,832
Amortisation of intangibles	-	21,100
Amortisation of Right-of-use assets	1,47,120	1,47,121
Total	**22,83,353**	**14,98,053**

23. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Job work services	70,17,647	41,71,166
Bad debt expense	48,936	3,44,288
Data and Communication	1,38,082	1,12,951
Rent including lease rentals	4,25,510	2,88,723
Insurance	-	-
Advertising and Marketing	30,97,691	21,38,791
Rates and taxes	1,58,240	89,013
Legal & professional charges & Consultancy fees	27,97,168	20,89,523
Repairs and Maintenance	8,17,785	5,27,149
Office Supplies	29,04,439	21,61,415
Travelling and conveyance	6,74,218	5,43,335
Software charges	6,43,214	4,81,215
Utilities	5,05,109	4,23,671
Miscellaneous expenses	8,71,118	10,73,777
Total	**2,00,99,157**	**1,44,45,015**

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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.

25. 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	1.40	1.52	-8.3%	No major variance
Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	0.46	0.00	24182.3%	New borrowing during the year
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	0.47	108.56	-99.6%	Due to increase in borrwoing
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	16%	16%	2.3%	Due to incerease in share holder equity
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	27.2	33.5	-19.0%	Decerease is on account of decerease in working capital
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	7.0	6.5	7.2%	No major variance
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	4.98	4.45	11.8%	Incerease is on account of decerease in working capital
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	9.96	8.02	24.3%	Incerease is on account of decerease in working capital
Net Profit Ratio	Net Profit	Revenue from Operations	4%	4%	-2.5%	No major variance
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	15%	21%	-28.3%	Decerease is on account of borrowing

(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

26	**Related Party Disclosures**	
26.1	**Relationship**	**Name**
	Holding Company	Pennar Industries Ltd
	Fellow Subsidiary Company & JV	Pennar GMBH
		Enertech Pennar Defense and Engineering System Private Limited (till septemeber)
		Zap91 Solar India Private Limited
		Pennar Metals Private Limited
		Pennar FZCO
		Agile Traders
		Cadnum SARL
	Director	Eric Brown
	Director	Shrikant Bhakkad
	Director	Aditya N Rao
	Director	Manoj Cherukuri
	Director	Suraj Saini
	Director	Vriginia Sharma
	Director	Kimball wells
	Director	Abhinav Maharaju
26.2	**Aggregate Related Party Transactions :**	
	Particulars	**31st March 2026**
	Pennar Industries Limited	
	Sales Made during the year	9,91,907
	Services Received during the year	58,31,964
	Purchases Made during the year	5,69,724
	Issue of shares	10,77,837
	Interest paid during the year	1,798
	Salary - Eric Brown	4,32,070
26.3	**Related Party Balances :**	
	Pennar Industries Limited	
	Balances payable	11,95,730
	Balances receivable	39,23,861

27 **CONTINGENT LIABILITIES:** Nil

28. Events after the reporting date:

There are no subsequent events that have occurred after the reporting period till the date of the approval of these financial statements which requires an adjustment to the financial statements.

29. Previous year's figures have been regrouped/ reclassified wherever necessary, to conform to current year's presentations

30. Figures are rounded off to nearest $

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 behalf of Pennar Global Inc

Aditya N Rao
Director

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