

Audited Financial Statements of

Ducon Combustion Equipment Inc.
Farmingdale, NY

For Years Ended
March 31, 2026 and 2025



Salboro & Associates

Certified Public Accountants
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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

To the Shareholders of
Ducon Combustion Equipment Inc.
Farmingdale, N.Y.

We have audited the accompanying balance sheets of Ducon Combustion Equipment Inc. (the "Company") as of March 31, 2026, and 2025, and the related statement of income for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standard in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion. In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and 2025, and the results of their operations for the periods then ended, in accordance with accounting principles generally accepted in the United States of America.

Farmingdale, N.Y.
May 19th, 2026

Salboro & Associates

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DUCON COMBUSTION INC. USA
BALANCE SHEET AS AT MARCH 31, 2026

ASSETS	Note	31st March 2026 USD	31st March 2025 USD
<i>Current Assets</i>			
Cash and Cash equivalents	1	4,215	4,215
Accounts receivable	2	27,07,643	16,68,639
<i>Total current assets</i>		27,11,858	16,72,854
Property, plant and equipments	3	2,48,223	3,85,539
<i>Total non current Assets</i>		2,48,223	3,85,539
<i>Total Assets</i>		29,60,081	20,58,393

LIABILITIES AND STOCKHOLDER'S EQUITY

<i>Current liabilities</i>			
Accounts payable	4	5,65,544	2,67,904
Other liabilities	5	5,36,221	65,250
<i>Total current liabilities</i>		11,01,765	3,33,154
<i>Total non current liabilities</i>		-	-
<i>Total Liabilities</i>		11,01,765	3,33,154

Stockholder's equity

Common Stock - \$1.00 par value; shares authorised:

1,000 shares of Common Stock par value \$1.00 Per Share	1,000	1,000
Additional paid-in capital	-	-
	1,000	1,000

Retained Earnings	6	18,57,317	17,24,239
Total Stockholder's equity		18,58,317	17,25,239

Total liabilities and stockholder's equity		29,60,081	20,58,393
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The accompanying notes are an integral part of these financial statements

For DUCON COMBUSTION INC. USA

Director

Director

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Certified Public Accountants

DUCON COMBUSTION INC. USA
STATEMENT OF INCOME FOR THE PERIOD ENDED MARCH 31, 2026

	Notes	For the period ended 31st March, 2026 USD	For the year ended 31st March, 2025 USD
Net Sales	7	2,09,47,424	2,32,72,496
Cost of sales	8	1,88,29,096	2,12,20,084
Gross Profit / (Loss)		21,18,329	20,52,412
Selling and Operating Expenses	9	5,95,800	5,16,367
Depreciation / Amortisation	3	1,37,316	1,37,316
Operating Income / (Loss)		13,85,213	13,98,728
Interest Expense		-	-
Net Operating Income/ (Loss)		13,85,213	13,98,728
Other Income /(Expense)		-	-
Income /(Loss) before provision of Income Taxes		13,85,213	13,98,728
Income Tax Expense /(Credit)		4,70,972	4,79,880
Net Income/(Loss)		9,14,241	9,18,848
Basic /Diluted Earnings / (Loss) per common share		914	919
Face Value per Share		1.00	1.00
Basic average number of shares outstanding		1,000	1,000

The accompanying notes are an integral part of these financial statements

For DUCON COMBUSTION INC. USA


Director

Director

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DUCON COMBUSTION INC. USA
NOTES FORMING PART OF FINANCIAL STATEMENTS

	As of 31st March, 2026 USD	As of 31st March 2025 USD
1 Cash and Cash equivalents		
Cash at Bank	4,215	4,215
Total	4,215	4,215
2 Accounts receivable		
The age profile of accounts receivable is given below:		
Period (in days)		
0 -90	29,44,117	16,68,639
90-180		
180-365		
More than 365		
Total	29,44,117	16,68,639
3 Property, plant and equipment, net.		
Equipments	8,76,713	8,76,713
Furniture & Fixtures	58,090	58,090
	9,34,803	9,34,803
Depreciation	6,86,580	5,49,264
	2,48,223	3,85,539
Work In progress		
Total	2,48,223	3,85,539
4 Accounts payable		
Trade payable - domestic	5,65,389	2,67,904
Total	5,65,389	2,67,904
5 Other Liabilities		
Other Payables	5,36,221	65,250
Total	5,36,221	65,250
6 Reserves & Surplus		
Securities Premium/Additional Paid in Capital		
Opening Balance	-	-
Additions during the year	-	-
Closing Balance	-	-
Profit & Loss Account		
Opening Balance	17,24,238	8,05,390
Additions during the year	9,14,241	9,18,848
Closing Balance	26,38,478	17,24,238
Total	26,38,478	17,24,238

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DUCON COMBUSTION INC. USA
NOTES FORMING PART OF FINANCIAL STATEMENTS

	For the year ended 31st March 2026 USD	For the year ended 31st March 2025 USD
7 Sales and Operating Income		
Sale of goods	2,09,47,424	2,32,72,496
	<u>2,09,47,424</u>	<u>2,32,72,496</u>
8 Cost of Sales		
Purchase of Trading goods and other costs	1,88,29,096	2,12,07,399
(Increase) / decrease in inventory	-	-
	<u>1,88,29,096</u>	<u>2,12,07,399</u>
9 Selling and Operating Expenses		
Salary and allowances	1,94,707	1,68,749
Sales promotion expenses (net)	1,33,459	1,15,666
Travelling expenses	31,101	26,954
Telephone expenses	29,850	25,870
Freight outward	33,126	28,710
Electricity charges	7,805	6,764
Rent	71,556	62,016
Repairs & Maintenance	44,745	38,779
R&D Expenses	31,041	26,903
Audit fees	18,410	15,956
	<u>5,95,800</u>	<u>5,16,367</u>

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations & Ownership

Ducon Combustion Equipment Inc. ("Company") was incorporated on December 04, 2017 in New York, USA, as a wholly owned subsidiary of Ducon Infratechnologies Ltd. of Thane, India. The Company sells new & refurbished industrial equipment, including heat exchangers, cogeneration plants, power supplies and packaged power plants, to customers world-wide.

Revenue Recognition

Revenue and related costs are recognized when goods are shipped to customers provided that ownership and risk of loss have passed on to the customer. Revenue for major equipment projects is recognized under the percentage of completion method by comparing actual costs incurred to total estimated costs to complete the respective projects. Anticipated losses are provided for as soon as they become evident.

Inventories

Inventory of raw materials are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis, and replacement cost. Finished goods are valued at the lower of cost, on a first-in, first-out basis, and net realized value. Net realized value is defined as selling price less estimated selling costs.

Cash & cash equivalents

The Company considers all highly liquid temporary cash investments with original maturities of three months or less when purchased, to be cash equivalents.

Income Taxes

The asset and liability method of accounting for income taxes is followed. Under this method, future income taxes are recognized for the future income tax consequences attributable to differences between the financial statement carrying values and their respective income tax basis (temporary differences). Changes in the net future tax assets or liability are included in earnings. Future tax assets and liabilities are measured using substantially enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The effect on future income tax assets and liabilities of a change in tax rates is included in income in the period that includes the substantial enactment dates. Future income tax assets are evaluated and if their realization is not considered "more likely than not", a valuation allowance is provided.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, the Company considers all available evidence including past operating results, estimates of future taxable income, and the feasibility of tax planning strategies. In the event that the Company changes its determination as to the amount of deferred tax assets that can be realized, the Company will adjust its valuation allowance with a corresponding impact to the provision for income taxes in the period in which such determination is made.

Ducon Combustion Equipment Inc.
Notes to Financial Statements
For Fiscal Years Ended March 31, 2026, and 2025
(All figures are in US Dollars)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions based on currently available information, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. LITIGATION AND CONTINGENCIES

The Company is not involved in any material legal proceedings, lawsuits, and claims during the fiscal year ending March 31, 2026. From time-to-time Company gets involved in various legal disputes related to business matters including product warranty and environmental matters of a nature considered normal to its business. It is the Company's policy to accrue for amounts related to these legal matters if it is probable that a liability has been incurred and an amount is reasonably estimable. Management believes, after consulting with counsel, that the ultimate liabilities, if any, resulting from such lawsuits and claims will not materially affect the results of operations or financial position of the Company.