

Dated: 25<sup>th</sup> May, 2022

Place: Hyderabad

|                                                                                                             |                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort, Mumbai-400 001<br>Scrip Code: 513228 | <b>The National Stock Exchange of India Limited</b><br>Bandra Kurla Complex<br>Bandra East, Mumbai - 400 051<br>Scrip Symbol: PENIND |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|

Dear Sir/Madam,

Sub : Outcome of Board Meeting - reg.

Ref: Regulations 30 and 33 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

We wish to inform you that at the meeting of the Board of Directors of the company commenced at 10:00 a.m. and concluded at 9:00 p.m. on Wednesday the 25<sup>th</sup> day of May, 2022, the following business were transacted:

- 1) Approved audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31.03.2022 and noted Auditors' reports with unmodified opinion.
- 2) With reference to our letter dated 5<sup>th</sup> April, 2022. The Board of Directors taken on record the resignation of Ms. Bharati Jacob with effect from 5<sup>th</sup> April, 2022. The Board places on record its appreciation to Ms. Bharati Jacob for services rendered by her during her tenure as an Independent Director of the Company.
- 3) Appointment of M/s. Kandikonda & Associates, Cost Accountants as Cost Auditors of the Company for the Financial Year 2022-23.
- 4) Appointment of M/s. R Krishna & Associates, Chartered Accountants as Internal Auditors of the Company for the Financial Year 2022-23.
- 5) Approved Notice of Postal Ballot.
- 6) The Board has taken on record the statement of investor complaint under regulation 13(3) and compliance report on corporate governance under regulation 27(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31<sup>st</sup> March, 2022.

The following are attached herewith for your information and record:

- a. Certified copy of the audited financial results (standalone and consolidated) of the Company for the year ended 31<sup>st</sup> March, 2022.
- b. Auditor's Report (standalone and consolidated) for the year ended 31<sup>st</sup> March, 2022 issued by M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of the Company.
- c. A declaration pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 regarding unmodified opinion of the Statutory Auditors on the annual financial results for the year ended 31<sup>st</sup> March, 2022
- d. Press release on the audited financial results (standalone and consolidated) of the Company for the year ended 31<sup>st</sup> March, 2022.
- e. Investor Presentation
- f. Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/ CMD/4/2015 dated 9<sup>th</sup> September, 2015
- g. Notice of Postal Ballot.

Kindly take the same on your records. The same will be made available on the Company's website viz., [www.pennarindia.com](http://www.pennarindia.com).

**for Pennar Industries Limited**



**Mirza Mohammed Ali Baig**  
**Company Secretary & Compliance Officer**

**PENNAR INDUSTRIES LIMITED**

**Corporate Office & Works :** IDA, Patancheru - 502319, Sangareddy District, Telangana State, INDIA.

**Tel :** +91 8455 242184 to 242193, **Email :** corporatecommunications@pennarindia.com, **Website :** [www.pennarindia.com](http://www.pennarindia.com)

**Regd. Office:** 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084, Telangana, INDIA.

**Tel :** +91 40 41923108

**CIN No:** L27109TG1975PLC001919

PENMAR INDUSTRIES LIMITED

(CIN: L27109TG1975PLC001919)

Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.

Tel: +91 40 40061821; E-mail: corporatecommunications@penmarindia.com; Website: www.penmarindia.com

Statement of Consolidated and Standalone Financial Results for the Quarter and Year ended March 31, 2022

| Sl. No | Particulars                                                                       | Consolidated results        |                        |                             |                      |                      |                             | Standalone results     |                             |                      |                      |                      |                      |
|--------|-----------------------------------------------------------------------------------|-----------------------------|------------------------|-----------------------------|----------------------|----------------------|-----------------------------|------------------------|-----------------------------|----------------------|----------------------|----------------------|----------------------|
|        |                                                                                   | Quarter Ended               |                        |                             | Year Ended           |                      |                             | Quarter Ended          |                             |                      | Year Ended           |                      |                      |
|        |                                                                                   | 31-Mar-22<br>(Refer note 3) | 31-Dec-21<br>Unaudited | 31-Mar-21<br>(Refer note 3) | 31-Mar-22<br>Audited | 31-Mar-21<br>Audited | 31-Mar-22<br>(Refer note 3) | 31-Dec-21<br>Unaudited | 31-Mar-21<br>(Refer note 3) | 31-Mar-22<br>Audited | 31-Mar-21<br>Audited | 31-Mar-22<br>Audited | 31-Mar-21<br>Audited |
| 1      | Income                                                                            |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (a) Revenue from operations                                                       | 69,277                      | 53,297                 | 55,679                      | 2,26,575             | 1,52,535             | 58,922                      | 45,432                 | 54,986                      | 1,99,475             | 1,51,654             |                      |                      |
|        | (b) Other income                                                                  | 709                         | 441                    | 899                         | 1,706                | 1,866                | 748                         | 481                    | 867                         | 1,865                | 1,781                |                      |                      |
| 2      | Total income                                                                      | 69,986                      | 53,738                 | 56,578                      | 2,28,281             | 1,54,401             | 59,670                      | 45,913                 | 55,853                      | 2,01,340             | 1,53,435             |                      |                      |
|        | Expenses                                                                          |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (a) Cost of materials consumed                                                    | 35,189                      | 31,948                 | 34,961                      | 1,29,762             | 92,754               | 34,776                      | 31,690                 | 34,336                      | 1,28,438             | 90,928               |                      |                      |
|        | (b) Purchase of traded goods                                                      | 5,209                       | 6,171                  | 1,167                       | 20,832               | 3,669                | 456                         | 581                    | 1,167                       | 2,352                | 3,669                |                      |                      |
|        | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2,584                       | (6,066)                | (2,057)                     | (10,435)             | (4,432)              | 1,580                       | (5,040)                | (2,141)                     | (7,566)              | (2,775)              |                      |                      |
|        | (d) Employee benefits expense                                                     | 5,909                       | 5,480                  | 3,341                       | 20,845               | 13,638               | 3,802                       | 3,725                  | 3,191                       | 15,048               | 13,050               |                      |                      |
|        | (e) Finance costs                                                                 | 2,093                       | 1,945                  | 1,810                       | 7,838                | 7,967                | 2,055                       | 1,907                  | 1,807                       | 7,508                | 7,946                |                      |                      |
|        | (f) Depreciation and amortisation expense                                         | 1,525                       | 1,179                  | 1,179                       | 5,413                | 4,817                | 1,302                       | 1,239                  | 1,171                       | 5,034                | 4,767                |                      |                      |
|        | (g) Other expenses                                                                | 15,304                      | 11,511                 | 13,706                      | 48,435               | 37,619               | 14,205                      | 10,702                 | 14,005                      | 45,961               | 37,729               |                      |                      |
| 3      | Total expenses                                                                    | 67,813                      | 52,325                 | 54,107                      | 2,22,690             | 1,56,032             | 58,176                      | 44,804                 | 53,536                      | 1,96,775             | 1,55,324             |                      |                      |
| 4      | Profit / (loss) before exceptional item and tax (1-2)                             | 2,173                       | 1,413                  | 2,471                       | 5,591                | (1,631)              | 1,494                       | 1,109                  | 2,317                       | 4,565                | (1,889)              |                      |                      |
| 5      | Exceptional item (Refer note 9)                                                   | -                           | -                      | -                           | -                    | -                    | -                           | -                      | -                           | -                    | -                    |                      |                      |
| 6      | Profit before tax (3+4)                                                           | 2,173                       | 1,413                  | 2,471                       | 5,591                | (1,631)              | 1,494                       | 1,109                  | 2,317                       | 4,565                | (1,889)              |                      |                      |
|        | Tax expense                                                                       |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (a) Current tax                                                                   | 490                         | 718                    | 392                         | 2,186                | 423                  | 351                         | 661                    | 360                         | 1,935                | 360                  |                      |                      |
|        | (b) Deferred tax                                                                  | 11                          | (376)                  | 717                         | (786)                | (342)                | 11                          | (376)                  | 717                         | (786)                | (342)                |                      |                      |
| 7      | Total tax expense                                                                 | 501                         | 342                    | 1,109                       | 1,400                | 81                   | 362                         | 285                    | 1,077                       | 1,149                | 18                   |                      |                      |
|        | Net Profit for the period (5-6)                                                   | 1,672                       | 1,071                  | 3,358                       | 4,191                | 284                  | 1,132                       | 824                    | 3,236                       | 3,416                | 89                   |                      |                      |
|        | Attributable to:                                                                  |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | Shareholders of the Company                                                       | 1,654                       | 1,071                  | 3,352                       | 4,183                | 254                  | 1,132                       | 824                    | 3,236                       | 3,416                | 89                   |                      |                      |
|        | Non-controlling interest                                                          | 18                          | -                      | 6                           | 8                    | 30                   | -                           | -                      | -                           | -                    | -                    |                      |                      |
| 8      | Other comprehensive income                                                        |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | Items that will not be reclassified subsequently to profit or loss                |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (a) Remeasurement of the net defined benefit liability                            |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (b) Income tax relating to above items                                            | (176)                       | -                      | 18                          | (176)                | 18                   | (176)                       | -                      | 18                          | (176)                | 18                   |                      |                      |
|        |                                                                                   | 44                          | -                      | (4)                         | 44                   | (4)                  | 44                          | -                      | (4)                         | 44                   | (4)                  |                      |                      |
|        | Items that will be reclassified subsequently to profit or loss                    |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | (a) Exchange differences in translation of foreign operations                     | (145)                       | (12)                   | (34)                        | (121)                | (41)                 | -                           | -                      | -                           | -                    | -                    |                      |                      |
|        | (b) Income tax relating to above items                                            | -                           | -                      | -                           | -                    | -                    | -                           | -                      | -                           | -                    | -                    |                      |                      |
|        | Total Other comprehensive income/(loss), net of tax                               | (145)                       | (12)                   | (34)                        | (121)                | (41)                 | -                           | -                      | -                           | -                    | -                    |                      |                      |
|        | Attributable to:                                                                  |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | Shareholders of the Company                                                       | (145)                       | (12)                   | (34)                        | (121)                | (41)                 | -                           | -                      | -                           | -                    | -                    |                      |                      |
|        | Non-controlling interest                                                          | -                           | -                      | -                           | -                    | -                    | -                           | -                      | -                           | -                    | -                    |                      |                      |
| 9      | Total comprehensive income (7+8)                                                  | (277)                       | (12)                   | (20)                        | (253)                | (27)                 | (132)                       | -                      | 14                          | (132)                | 14                   |                      |                      |
|        | Attributable to:                                                                  |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | Shareholders of the Company                                                       | (277)                       | (12)                   | (20)                        | (253)                | (27)                 | (132)                       | -                      | 14                          | (132)                | 14                   |                      |                      |
|        | Non-controlling interest                                                          | -                           | -                      | -                           | -                    | -                    | -                           | -                      | -                           | -                    | -                    |                      |                      |
|        | Shareholders of the Company                                                       | 1,395                       | 1,059                  | 3,338                       | 3,930                | 257                  | 1,000                       | 824                    | 3,250                       | 3,284                | 103                  |                      |                      |
|        | Non-controlling interest                                                          | 1,377                       | 1,059                  | 3,332                       | 3,930                | 227                  | 1,000                       | 824                    | 3,250                       | 3,284                | 103                  |                      |                      |
|        | Shareholders of the Company                                                       | 18                          | -                      | 6                           | 8                    | 30                   | -                           | -                      | -                           | -                    | -                    |                      |                      |
| 10     | Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)         | 7,108                       | 7,108                  | 7,108                       | 7,108                | 7,108                | 7,108                       | 7,108                  | 7,108                       | 7,108                | 7,108                |                      |                      |
| 11     | Earnings Per Share [Face Value of ₹ 5 per share]                                  |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
| 12     | (For the quarterly periods - not annualised)                                      |                             |                        |                             |                      |                      |                             |                        |                             |                      |                      |                      |                      |
|        | Basic and Diluted Earnings per share (in ₹)                                       | 1.16                        | 0.75                   | 2.25                        | 2.94                 | 0.18                 | 0.79                        | 0.58                   | 2.27                        | 2.40                 | 0.06                 |                      |                      |

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## Balance Sheet:

(₹ in Lakhs)

| Particulars                                                                                 | Consolidated            |                         | Standalone              |                         |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                                                                             | Audited                 | Audited                 | Audited                 | Audited                 |
|                                                                                             | As at<br>March 31, 2022 | As at<br>March 31, 2021 | As at<br>March 31, 2022 | As at<br>March 31, 2021 |
| <b>ASSETS</b>                                                                               |                         |                         |                         |                         |
| <b>Non-current assets</b>                                                                   |                         |                         |                         |                         |
| Property, plant and equipment                                                               | 56,174                  | 55,486                  | 52,094                  | 55,434                  |
| Right-of-Use Assets                                                                         | 6,985                   | 3,151                   | 3,530                   | 3,151                   |
| Capital work-in-progress                                                                    | 7,572                   | 6,123                   | 7,556                   | 5,335                   |
| Goodwill                                                                                    | -                       | 322                     | -                       | -                       |
| Other intangible assets                                                                     | 1,243                   | 1,324                   | 1,173                   | 1,305                   |
| Financial assets                                                                            |                         |                         |                         |                         |
| (a) Investments                                                                             | 2                       | 2                       | 885                     | 1,234                   |
| (b) Trade receivables                                                                       | 2,089                   | 1,754                   | 2,089                   | 1,754                   |
| (c) Loans                                                                                   | -                       | -                       | 7,863                   | 735                     |
| (d) Other financial assets                                                                  | 1,135                   | 1,048                   | 1,009                   | 1,037                   |
| Income tax assets (net)                                                                     | 1,333                   | 328                     | 1,314                   | 315                     |
| Other non-current assets                                                                    | 431                     | 1,208                   | 431                     | 1,082                   |
| Deferred tax assets (net)                                                                   | -                       | 1                       | -                       | -                       |
| <b>Total Non-current assets (1)</b>                                                         | <b>76,964</b>           | <b>70,747</b>           | <b>77,944</b>           | <b>71,382</b>           |
| <b>Current assets</b>                                                                       |                         |                         |                         |                         |
| Inventories                                                                                 | 64,285                  | 48,655                  | 57,651                  | 46,826                  |
| Financial assets                                                                            |                         |                         |                         |                         |
| (a) Investments                                                                             | 4,497                   | 1,757                   | 4,497                   | 1,757                   |
| (b) Trade receivables                                                                       | 42,506                  | 42,702                  | 42,420                  | 44,718                  |
| (c) Cash and cash equivalents                                                               | 3,777                   | 3,353                   | 1,600                   | 1,998                   |
| (d) Other bank balances                                                                     | 4,934                   | 2,183                   | 4,934                   | 2,183                   |
| (e) Loans                                                                                   | -                       | 792                     | 30                      | 792                     |
| (f) Other financial assets                                                                  | 4,349                   | 5,891                   | 4,044                   | 5,594                   |
| Other current assets                                                                        | 12,791                  | 13,174                  | 12,335                  | 13,366                  |
| <b>Total Current assets (2)</b>                                                             | <b>1,37,139</b>         | <b>1,18,507</b>         | <b>1,27,511</b>         | <b>1,17,234</b>         |
| <b>Total assets (1+2)</b>                                                                   | <b>2,14,103</b>         | <b>1,89,254</b>         | <b>2,05,455</b>         | <b>1,88,616</b>         |
| <b>EQUITY AND LIABILITIES</b>                                                               |                         |                         |                         |                         |
| <b>EQUITY</b>                                                                               |                         |                         |                         |                         |
| Equity share capital                                                                        | 7,108                   | 7,108                   | 7,108                   | 7,108                   |
| Other equity                                                                                | 66,410                  | 62,475                  | 65,233                  | 61,981                  |
| <b>Equity attributable to Shareholders of the Company</b>                                   | <b>73,518</b>           | <b>69,583</b>           | <b>72,341</b>           | <b>69,089</b>           |
| Non-controlling interests                                                                   | 95                      | 87                      | -                       | -                       |
| <b>Total Equity (1)</b>                                                                     | <b>73,613</b>           | <b>69,670</b>           | <b>72,341</b>           | <b>69,089</b>           |
| <b>LIABILITIES</b>                                                                          |                         |                         |                         |                         |
| <b>Non-current liabilities</b>                                                              |                         |                         |                         |                         |
| Financial liabilities                                                                       |                         |                         |                         |                         |
| (a) Borrowings                                                                              | 9,859                   | 11,278                  | 9,859                   | 11,252                  |
| (b) Lease Liabilities                                                                       | 4,464                   | 2,669                   | 2,850                   | 2,669                   |
| (c) Other financial liabilities                                                             | 1,226                   | 991                     | 1,226                   | 991                     |
| Provisions                                                                                  | 1,428                   | 1,166                   | 1,428                   | 1,166                   |
| Deferred tax liabilities (net)                                                              | 695                     | 1,525                   | 695                     | 1,525                   |
| Other non-current liabilities                                                               | 79                      | 162                     | 79                      | 162                     |
| <b>Total Non-current liabilities (2)</b>                                                    | <b>17,751</b>           | <b>17,791</b>           | <b>16,137</b>           | <b>17,765</b>           |
| <b>Current liabilities</b>                                                                  |                         |                         |                         |                         |
| Financial liabilities                                                                       |                         |                         |                         |                         |
| (a) Borrowings (Refer Note 11)                                                              | 48,909                  | 47,166                  | 48,889                  | 47,031                  |
| (b) Lease Liabilities                                                                       | 1,306                   | 631                     | 814                     | 631                     |
| (c) Trade payables                                                                          |                         |                         |                         |                         |
| (i) total outstanding dues of micro enterprises and small enterprises                       | 731                     | 590                     | 731                     | 590                     |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 53,634                  | 43,682                  | 50,769                  | 44,045                  |
| (d) Other financial liabilities (Refer Note 11)                                             | 5,681                   | 3,054                   | 4,705                   | 2,952                   |
| Other current liabilities                                                                   | 8,542                   | 5,054                   | 7,416                   | 4,932                   |
| Provisions                                                                                  | 778                     | 643                     | 778                     | 643                     |
| Current tax liabilities (net)                                                               | 3,158                   | 973                     | 2,875                   | 938                     |
| <b>Total Current liabilities (3)</b>                                                        | <b>1,22,739</b>         | <b>1,01,793</b>         | <b>1,16,977</b>         | <b>1,01,762</b>         |
| <b>Total Liabilities (2+3)</b>                                                              | <b>1,40,490</b>         | <b>1,19,584</b>         | <b>1,33,114</b>         | <b>1,19,527</b>         |
| <b>Total Equity and Liabilities (1+2+3)</b>                                                 | <b>2,14,103</b>         | <b>1,89,254</b>         | <b>2,05,455</b>         | <b>1,88,616</b>         |

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**Cash Flow Statement:**

(₹ in Lakhs)

|                                                                                                     | Consolidated   |                | Standalone      |                |
|-----------------------------------------------------------------------------------------------------|----------------|----------------|-----------------|----------------|
|                                                                                                     | March 31, 2022 | March 31, 2021 | March 31, 2022  | March 31, 2021 |
| <b>Cash flow from operating activities:</b>                                                         |                |                |                 |                |
| <b>Profit before tax</b>                                                                            | 5,591          | 365            | 4,565           | 107            |
| Adjustments for:                                                                                    |                |                |                 |                |
| Depreciation and amortisation expense                                                               | 5,413          | 4,817          | 5,034           | 4,767          |
| Loss on sale/scrap of property, plant and equipments (net)                                          | 9              | 5              | 9               | 5              |
| Profit on sale of investments (net)                                                                 | (15)           | (52)           | (15)            | (52)           |
| Net gain arising from financial instruments designated as FVTPL                                     | (11)           | -              | (11)            | -              |
| Exchange differences (net)                                                                          | 102            | 441            | 258             | 441            |
| Liabilities no longer required written back                                                         | (604)          | (284)          | (604)           | (253)          |
| Provision for doubtful trade and other receivables, loans and advances (net)                        | 2,413          | 989            | 2,413           | 989            |
| Trade and other receivables written off                                                             | -              | 141            | -               | 141            |
| Finance costs                                                                                       | 7,838          | 7,967          | 7,508           | 7,946          |
| Interest income                                                                                     | (420)          | (684)          | (625)           | (635)          |
| <b>Operating profit before working capital changes:</b>                                             | <b>20,316</b>  | <b>13,705</b>  | <b>18,532</b>   | <b>13,456</b>  |
| Changes in working capital:                                                                         |                |                |                 |                |
| Trade payables                                                                                      | 11,007         | (3,338)        | 7,779           | (2,854)        |
| Other liabilities                                                                                   | 6,042          | (2,263)        | 4,159           | (2,323)        |
| Provisions                                                                                          | 221            | 149            | 221             | 141            |
| Trade receivables                                                                                   | (2,797)        | (2,308)        | (695)           | (4,697)        |
| Inventories                                                                                         | (15,630)       | (4,671)        | (10,825)        | (3,046)        |
| Other assets                                                                                        | 1,355          | (5,302)        | 2,781           | (6,015)        |
| <b>Cash generated from operations</b>                                                               | <b>20,514</b>  | <b>(4,028)</b> | <b>21,952</b>   | <b>(5,338)</b> |
| Direct taxes paid (net of refunds)                                                                  | (1,021)        | (248)          | (1,003)         | (209)          |
| <b>Net cash from / (used in) operating activities (A)</b>                                           | <b>19,493</b>  | <b>(4,276)</b> | <b>20,949</b>   | <b>(5,547)</b> |
| <b>Cash flows from investing activities:</b>                                                        |                |                |                 |                |
| Purchase of property, plant and equipments, including capital work-in-progress and capital advances | (5,748)        | (5,328)        | (2,142)         | (4,606)        |
| Proceeds from sale of property, plant and equipments                                                | 70             | 75             | 70              | 75             |
| Proceeds from disposal of investment in subsidiary                                                  | 62             | -              | 62              | -              |
| Net (increase) / decrease in current investments                                                    | (2,713)        | 2,804          | (2,713)         | 2,804          |
| Inter-corporate deposits/ loans (net)                                                               | 792            | 1,372          | (6,401)         | 868            |
| Movement in other bank balances                                                                     | (2,751)        | (163)          | (2,751)         | (163)          |
| Interest received                                                                                   | 442            | 630            | 459             | 581            |
| <b>Net cash used in investing activities (B)</b>                                                    | <b>(9,846)</b> | <b>(610)</b>   | <b>(13,416)</b> | <b>(441)</b>   |
| <b>Cash flow from financing activities:</b>                                                         |                |                |                 |                |
| Proceeds from long term borrowings                                                                  | 3,853          | 7,561          | 3,853           | 7,542          |
| Repayment of long term borrowings                                                                   | (5,934)        | (6,516)        | (5,908)         | (6,490)        |
| Increase in short term borrowings (net)                                                             | 2,277          | 12,095         | 2,392           | 12,150         |
| Payment towards buyback of shares including transaction costs                                       | (32)           | (678)          | (32)            | (678)          |
| Interest and other borrowing costs paid                                                             | (7,001)        | (7,527)        | (6,983)         | (7,505)        |
| Repayment of lease liability                                                                        | (2,386)        | (598)          | (1,253)         | (598)          |
| <b>Net cash from / (used in) financing activities (C)</b>                                           | <b>(9,223)</b> | <b>4,337</b>   | <b>(7,931)</b>  | <b>4,421</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>                             | <b>424</b>     | <b>(549)</b>   | <b>(398)</b>    | <b>(1,567)</b> |
| Cash and cash equivalents at the beginning of the period                                            | 3,353          | 3,902          | 1,998           | 3,565          |
| Cash and cash equivalents at the end of the period                                                  | <b>3,777</b>   | <b>3,353</b>   | <b>1,600</b>    | <b>1,998</b>   |

**Note:** The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"

(Page 3 of 5)



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# NOTES:

1. The consolidated and standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") (also refer Note 7 below).

2. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on May 23, 2022 and approved by the Board of Directors at their meeting held on May 25, 2022. The Statutory Auditors have issued an unmodified audit opinion on the financial results for the year ended March 31, 2022 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 2022.

3. The figures for the current quarter and quarter ended March 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 2022 and March 2021, respectively and year to date figures up to third quarter ended December 31, 2021 and December 31, 2020, respectively.

4. The Board of Directors, at its meeting held on March 09, 2022, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 50 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 4,000 lakhs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act. The Buyback shall not exceed ₹ 4,000 lakhs (Maximum Buyback size) excluding the transaction charges.

As at March 31, 2022, the scheme of Buyback was open, the Company bought back 50 equity shares as of that date, resulting in total cash consideration of ₹ 32 lakhs (including ₹ 32 lakhs towards transaction cost and tax on Buyback). Out of the 50 equity bought back, the Company extinguished Nil equity shares as at March 31, 2022 and subsequently shares were recognised in the month of April 2022 as per records of depositories. In line with the requirements of Companies Act, 2013, an amount of ₹ 32 lakhs has been utilized from securities premium account for the Buyback. Further, capital redemption reserve of ₹ 250 representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.

5. The consolidated financial results include the results of the following Group companies:

| Name of the Company                                                                | Country of Incorporation | Nature of relationship | % Holding |
|------------------------------------------------------------------------------------|--------------------------|------------------------|-----------|
| Enertech Pennar Defense and Engineering Systems Private Limited                    | India                    | Subsidiary             | 51%       |
| Pennar GmbH                                                                        | Germany                  | Subsidiary             | 100%      |
| Oneworks BIM Technologies Private Limited (upto August 31, 2021) (Refer note 6(b)) | India                    | Subsidiary             | 100%      |
| Pennar Global Inc.                                                                 | USA                      | Subsidiary             | 100%      |
| Pennar Global Metals, LLC (w.e.f August 12, 2020)                                  | USA                      | Step-down Subsidiary   | 100%      |
| Ascent Buildings, LLC (from September 4, 2020)                                     | USA                      | Step-down Subsidiary   | 100%      |

6. a.) During the quarter ended September 30, 2020, Pennar Global Inc (Subsidiary of the Company), has acquired Pennar Global Metals, LLC and incorporated Ascent Buildings, LLC as its subsidiaries.

b.) During the quarter ended September 30, 2021, the Parent Company had disposed off its investment in Oneworks BIM Technologies Private Limited for a consideration of ₹ 62 lakhs resulting in a profit of ₹ 1 lakh. Oneworks did not have any significant operations and the financial results of Oneworks are not material to the group.

Accordingly the results for the corresponding periods are not comparable.

7. In view of COVID 19 pandemic, the Management, based on available sources of information, has evaluated the financial results and concluded that there is no significant impact of the same on the financial results for the quarter and year ended March 31, 2022.

The Group / Company has also considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of these financial results including the recoverability of carrying amounts of property, plant and equipment, inventories, receivables and other assets and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's / Company's financial results may differ from that estimated as at the date of approval of these financial results. The Group/Company shall continue to closely monitor the developments.

8. The details of funds raised through Initial Public Offer (IPO) by the erstwhile entity PEBS during the financial year 2015-2016, and utilisation of said funds as at March 31, 2022 are as follows:

| Particulars                                                                                                                           | Objects of the issue as per prospectus | Utilisation upto March 31, 2022 | Unutilised amount upto March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|---------------------------------|---------------------------------------|
| A) Repayment/ prepayment, in full or part, of certain working capital facilities availed by the Company                               | 3,400                                  | 3,400                           | -                                     |
| B) Financing the procurement of infrastructure (including software and hardware) for the expansion of design and engineering services | 800                                    | 374                             | 426                                   |
| C) General corporate purposes                                                                                                         | 1,079                                  | 1,079                           | -                                     |
| D) Share issue expenses                                                                                                               | 521                                    | 517                             | 4                                     |
| Total                                                                                                                                 | 5,800                                  | 5,370                           | 430                                   |

As on March 31, 2022, unutilised funds have been temporarily invested in in mutual funds and other bank balances.

9. Pursuant to the approval of the board at its meeting held on August 12, 2020, the Company has sold a portion of its land situated at Bandaliguda Village, Ramachandrapuram Manial, Sangareddy District, Hyderabad for a consideration of ₹ 2,000 lakhs during the quarter ended March 31, 2021. Upon Sale, resultant profit of ₹ 1996 lakhs has been disclosed as exceptional item in the consolidated and standalone financial results for the quarter and year ended March 31, 2021.

10. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

11. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification amended Schedule III of the Companies Act 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of ₹ 5,220 lakhs as at March 31, 2021 in consolidated and standalone financial results respectively have been reclassified from 'Borrowings' under current financial liabilities.



12. SEGMENT REPORTING :

| Particulars                                                                      | Quarter Ended               |                        |                             |                      | Year Ended           |                      |
|----------------------------------------------------------------------------------|-----------------------------|------------------------|-----------------------------|----------------------|----------------------|----------------------|
|                                                                                  | 31-Mar-22<br>(Refer note 3) | 31-Dec-21<br>Unaudited | 31-Mar-21<br>(Refer note 3) | 31-Mar-22<br>Audited | 31-Mar-21<br>Audited | 31-Mar-21<br>Audited |
|                                                                                  |                             |                        |                             |                      |                      |                      |
| <b>Segment revenue</b>                                                           |                             |                        |                             |                      |                      |                      |
| Diversified engineering                                                          | 44,579                      | 32,521                 | 36,670                      | 1,35,521             | 92,351               | 92,351               |
| Custom designed building solutions & auxiliaries                                 | 28,795                      | 23,654                 | 21,426                      | 1,04,462             | 69,031               | 69,031               |
| <b>Total</b>                                                                     | <b>73,374</b>               | <b>56,175</b>          | <b>58,096</b>               | <b>2,39,983</b>      | <b>1,61,382</b>      | <b>1,61,382</b>      |
| Less : Inter segment revenue                                                     | 4,097                       | 2,878                  | 2,417                       | 13,408               | 8,847                | 8,847                |
| <b>Revenue from operations</b>                                                   | <b>69,277</b>               | <b>53,297</b>          | <b>55,679</b>               | <b>2,26,575</b>      | <b>1,52,535</b>      | <b>1,52,535</b>      |
| <b>Segment results</b>                                                           |                             |                        |                             |                      |                      |                      |
| Diversified engineering                                                          | 3,877                       | 3,380                  | 3,494                       | 12,327               | 6,777                | 6,777                |
| Custom designed building solutions & auxiliaries                                 | 1,914                       | 1,314                  | 1,966                       | 6,515                | 4,376                | 4,376                |
| <b>Total</b>                                                                     | <b>5,791</b>                | <b>4,694</b>           | <b>5,460</b>                | <b>18,842</b>        | <b>11,153</b>        | <b>11,153</b>        |
| <b>Add:</b>                                                                      |                             |                        |                             |                      |                      |                      |
| Exceptional item (Refer note 9)                                                  | -                           | -                      | 1,996                       | -                    | 1,996                | 1,996                |
| <b>Less:</b>                                                                     |                             |                        |                             |                      |                      |                      |
| Depreciation and amortisation expense                                            | 1,525                       | 1,336                  | 1,179                       | 5,413                | 4,817                | 4,817                |
| Finance costs                                                                    | 2,093                       | 1,945                  | 1,810                       | 7,838                | 7,967                | 7,967                |
| <b>Profit before tax</b>                                                         | <b>2,173</b>                | <b>1,413</b>           | <b>4,467</b>                | <b>5,591</b>         | <b>365</b>           | <b>365</b>           |
| <b>As at</b>                                                                     |                             |                        |                             |                      |                      |                      |
|                                                                                  | 31-Mar-22<br>Audited        | 31-Dec-21<br>Unaudited | 31-Mar-21<br>Audited        | 31-Mar-21<br>Audited |                      |                      |
| <b>Capital employed (Segment assets - Segment liabilities) (See notes below)</b> |                             |                        |                             |                      |                      |                      |
| <b>Segment assets</b>                                                            |                             |                        |                             |                      |                      |                      |
| Diversified engineering                                                          | 1,40,043                    | 1,30,627               | 1,19,042                    | 1,19,042             |                      |                      |
| Custom designed building solutions & auxiliaries                                 | 74,060                      | 73,237                 | 70,212                      | 70,212               |                      |                      |
| <b>Total Segment Assets</b>                                                      | <b>2,14,103</b>             | <b>2,03,864</b>        | <b>1,89,254</b>             | <b>1,89,254</b>      |                      |                      |
| <b>Segment liabilities</b>                                                       |                             |                        |                             |                      |                      |                      |
| Diversified engineering                                                          | 84,126                      | 77,200                 | 84,109                      | 84,109               |                      |                      |
| Custom designed building solutions & auxiliaries                                 | 56,364                      | 54,414                 | 35,475                      | 35,475               |                      |                      |
| <b>Total Segment Liabilities</b>                                                 | <b>1,40,490</b>             | <b>1,31,614</b>        | <b>1,19,584</b>             | <b>1,19,584</b>      |                      |                      |

**Notes:**

i. Segment information is presented for the "consolidated financial results" as permitted under the Ind AS 108 - 'Operating Segments'.

ii. The Company is focused on two business segments: Diversified engineering and Custom designed building solutions & auxiliaries. Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Company's performance and allocation resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in individual segments.



By order of the Board  
for Pennar Industries Limited

*Aditya K. Rao*

Aditya K. Rao  
Vice Chairman & Managing Director

Place : Hyderabad  
Date : May 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
PENNAR INDUSTRIES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2022 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Standalone Financial Results for the Year ended March 31, 2022 and Unaudited Standalone Financial Results for the Quarter ended March 31, 2022" of **PENNAR INDUSTRIES LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Standalone Financial Results**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2022**

With respect to the Standalone Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2022**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



### **Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgments and estimates that are reasonable and prudent; and the design, implementation 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 Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities**

#### **(a) Audit of the Standalone Financial Results for the year ended March 31, 2022**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2022 as a whole is 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 this Standalone Financial Results.

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 Annual Standalone Financial Results, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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.

**(b) Review of the Standalone Financial Results for the quarter ended March 31, 2022**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2022 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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# **Deloitte Haskins & Sells LLP**

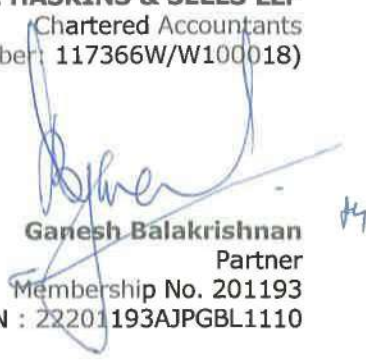
## **Other Matters**

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm Registration Number: 117366W/W100018)

  
**Ganesh Balakrishnan**

Partner

Membership No. 201193

UDIN : 22201193AJPGBL1110

Place: Hyderabad  
Date: May 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
PENNAR INDUSTRIES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2022 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Consolidated Financial Results for the Year ended March 31, 2022 and Unaudited Consolidated Financial Results for the Quarter ended March 31, 2022" of **PENNAR INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2022, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Consolidated Financial Results for the year ended March 31, 2022**

In our opinion and to the best of our information and according to the explanations given to us, other auditors on separate financial statements / financial information of subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2022:

- (i) includes the results of the following entities:
  - Pennar Industries Limited, India (PIL) - Parent Company
  - Pennar Global Inc., USA (PGI) - Wholly Owned Subsidiary
  - Enertech Pennar Defense and Engineering Systems Private Limited, India (Enertech) - Subsidiary
  - Pennar GmbH, Germany (Pennar GMBH) - Wholly Owned Subsidiary
  - Oneworks BIM Technologies Private Limited, India (upto August 31, 2021) (Oneworks) - Wholly-Owned Subsidiary
  - Pennar Global Metals Inc., USA (w.e.f. August 12, 2020) (PGM) - Subsidiary of PGI
  - Ascent Buildings LLC., USA (w.e.f. September 4, 2020) (Ascent) - Subsidiary of PGI
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2022.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2022**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2022**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

**Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2022, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation 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 respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities**

**(a) Audit of the Consolidated Financial Results for the year ended March 31, 2022**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2022 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 this Consolidated Financial Results.

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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 Annual Consolidated Financial Results, 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group 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 Financial Results 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results / Financial information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

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We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

**(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2022**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2022 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

**Other Matters**

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- We did not audit the financial statements / financial information of four subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of ₹ 25,169 lakhs as at March 31, 2022 and total revenues of ₹ 14,223 lakhs and ₹ 39,873 for the quarter and year ended March 31, 2022 respectively, total net profit after tax and total comprehensive income of ₹ 607 lakhs and ₹ 917 lakhs for the quarter and year ended March 31, 2022 respectively and net cash flows (net) of ₹ 685 lakhs for the year ended March 31, 2022, as considered in the Statement. These financial statements / financial information have been audited / reviewed by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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- The consolidated financial results includes the unaudited financial statements/ financial information of two subsidiaries, whose financial statements / financial information reflect total assets of ₹ 386 lakhs as at March 31, 2022 and total revenues of ₹ 205 lakhs and ₹ 503 lakhs for the quarter and year ended March 31, 2022 respectively, total net profit after tax and total comprehensive income of ₹ 21 lakhs and ₹ 68 lakhs for the quarter and year ended March 31, 2022 respectively and net cash flows (net) of ₹ 261 lakhs for the year ended March 31, 2022, as considered in the Statement. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements/ financial information certified by the Board of the Directors.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration Number: 117366W/W100018)

  
**Ganesh Balakrishnan**  
Partner  
Membership No. 201193  
UDIN : 22201193AJPFUU4224

Place: Hyderabad  
Date: May 25, 2022

Date: 25.05.2022

Place: Hyderabad

|                                                                                                             |                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>BSE Limited</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort, Mumbai-400 001<br>Scrip Code: 513228 | <b>The National Stock Exchange of India Limited</b><br>Bandra Kurla Complex<br>Bandra East, Mumbai-400 051<br>Scrip Code: PENIND |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|

Dear Sirs/Madam,

Sub: Declaration on Audit reports with unmodified opinion pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to confirm that, Deloitte Haskins & Sells LLP, Statutory Auditors of the Company, have issued Audit Reports with unmodified opinion on the Standalone and Consolidated Financial Results under the Indian Accounting Standards (INDAS) for the Year ended 31<sup>st</sup> March, 2022.

This declaration is provided pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Kindly take this declaration on your records.

Yours sincerely,

for Pennar Industries Limited

  
**J S Krishna Prasad**  
Chief Financial Officer

## **PENNAR INDUSTRIES LIMITED**

**Corporate Office & Works :** IDA, Patancheru - 502319, Sangareddy District, Telangana State, INDIA.

**Tel :** +91 8455 242184 to 242193, **Email :** corporatecommunications@pennarinda.com, **Website :** www.pennarindia.com

**Regd. Office:** 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084, Telangana, INDIA.

**Tel :** +91 40 41923108

**CIN No:** L27109TG1975PLC001919

**Press Release**  
**For immediate release**



## **Pennar Industries' FY2022 Consolidated Net Revenue at INR 2265.75 crore up by 48.5%, EBITDA at INR 188.42 up by 68.9% Crs, PAT at INR 41.91 Crs, up by 1375% .**

**Hyderabad, May 25, 2022:** Pennar Industries Limited (PIL), a leading value-added engineering products and solutions company, today announced its financial results for the fourth quarter and year ended on March 31<sup>st</sup>, 2022.

### **Consolidated Financial Highlights – FY2022**

- Net revenue at INR 2265.75 crore compared to Net revenue of INR 1525.35 crore in FY21, up by 48.50%
- EBITDA at INR 188.42 crore compared to EBITDA of INR 111.53 crore in FY21, up by 68.90%
- PAT at INR 41.91 crore compared to PAT at INR 2.84 crore in FY21, up by 1375.70%
- Cash PAT at INR 96.04 crore compared to Cash PAT at INR 51.01 crore in FY21, up by 88.28%

### **About Pennar Industries Limited:**

Pennar Industries (NSE: PENIND, BSE: 513228) is India's leading value-added engineering products and solutions company. The Company has a strong presence across growth sectors in India through business units Railways, Tubes, Industrial Components, Steel Products, PEB, Enviro and its subsidiary companies, Pennar Global Inc. and Eneritech Pennar Defense and Engineering Systems Pvt. Ltd. Pennar's all manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and Eight manufacturing plants located at Patancheru, Sadashivpet, Isnapur, Velchal, and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra. For more information, please visit [www.pennarindia.com](http://www.pennarindia.com)

### **DISCLAIMER:**

*This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances*

### **For further information, please contact:**

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Vice President - Corporate Strategy  
Pennar Industries Limited  
+91 97044 44606  
[Sunil.kuram@pennarindia.com](mailto:Sunil.kuram@pennarindia.com)



# **PENNAR INDUSTRIES LIMITED**

***Q4 INVESTOR PRESENTATION***

***MAY 2022***



# Disclaimer

This presentation and the accompanying slides (the “Presentation”) have been prepared by Pennar Industries Limited (“Pennar” or the “Company”) solely for information purposes and do not constitute an offer to sell or, recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the Presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

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Certain statements contained in this Presentation may be statements of the Company’s beliefs, plans and expectations about the future and other forward looking statements that are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Forward looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this Presentation.

# Discussion Summary

- ❖ Results Update
- ❖ Consolidated Balance Sheet Statement
- ❖ Diversified Engineering Company With End-To-End Capabilities
- ❖ Q4FY22 Business Highlights segment wise
- ❖ Order Book
- ❖ Financial Highlights
- ❖ Robust Manufacturing Facilities & Strong Sales Network
- ❖ Shareholding Structure

# Results Update

| Particulars (Rs. in Crs)               | Q4 FY22       | Q4 FY21       | YoY%            | FY22            | FY21            | YoY%            |
|----------------------------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Revenue From Operations (Net of Taxes) | 692.77        | 556.79        | 24.4%           | 2,265.75        | 1,525.35        | 48.5%           |
| Other Income                           | 7.09          | 8.99          | -21.1%          | 17.06           | 18.66           | -8.6%           |
| <b>Total Income</b>                    | <b>699.86</b> | <b>565.78</b> | <b>23.7%</b>    | <b>2,282.81</b> | <b>1,544.01</b> | <b>47.8%</b>    |
| COGS                                   | 429.82        | 340.71        | 26.2%           | 1,401.59        | 919.91          | 52.4%           |
| <b>Gross Profit</b>                    | <b>270.04</b> | <b>225.07</b> | <b>20.0%</b>    | <b>881.22</b>   | <b>624.10</b>   | <b>41.2%</b>    |
| <b>Gross Margin %</b>                  | <b>38.6%</b>  | <b>39.8%</b>  | <b>-120 bps</b> | <b>38.6%</b>    | <b>40.4%</b>    | <b>-182 bps</b> |
| Employee Expenses                      | 59.09         | 33.41         | 76.9%           | 208.45          | 136.38          | 52.8%           |
| Other Expenses                         | 153.04        | 137.06        | 11.7%           | 484.35          | 376.19          | 28.8%           |
| <b>EBITDA</b>                          | <b>57.91</b>  | <b>54.60</b>  | <b>6.1%</b>     | <b>188.42</b>   | <b>111.53</b>   | <b>68.9%</b>    |
| <b>EBITDA Margin %</b>                 | <b>8.3%</b>   | <b>9.7%</b>   | <b>-138 bps</b> | <b>8.3%</b>     | <b>7.2%</b>     | <b>103 bps</b>  |
| Depreciation                           | 15.25         | 11.79         | 29.3%           | 54.13           | 48.17           | 12.4%           |
| Finance Cost                           | 20.93         | 18.10         | 15.6%           | 78.38           | 79.67           | -1.6%           |
| <b>PBT Excl. Exceptional item</b>      | <b>21.73</b>  | <b>24.71</b>  | <b>-12.1%</b>   | <b>55.91</b>    | <b>-16.31</b>   | <b>-442.8%</b>  |
| Exceptional item                       | 0.00          | 19.96         | -100.0%         | 0.00            | 19.96           | -100.0%         |
| <b>PBT</b>                             | <b>21.73</b>  | <b>44.67</b>  | <b>-51.4%</b>   | <b>55.91</b>    | <b>3.65</b>     | <b>1431.8%</b>  |
| Tax expense                            | 5.01          | 11.09         | -54.8%          | 14.00           | 0.81            | 1628.4%         |
| <b>PAT Before MI</b>                   | <b>16.72</b>  | <b>33.58</b>  | <b>-50.2%</b>   | <b>41.91</b>    | <b>2.84</b>     | <b>1375.7%</b>  |
| <b>PAT Margin %</b>                    | <b>2.4%</b>   | <b>5.9%</b>   | <b>-355 bps</b> | <b>1.8%</b>     | <b>0.2%</b>     | <b>165 bps</b>  |

# Consolidated Balance Sheet Statement

| Particulars (Rs. in Crs)              | FY22           | FY21           |
|---------------------------------------|----------------|----------------|
| <b>Equity &amp; Liabilities</b>       |                |                |
| Equity Share Capital                  | 71.08          | 71.08          |
| Other Equity                          | 664.10         | 624.75         |
| <b>Shareholder's Equity</b>           | <b>735.00</b>  | <b>696.00</b>  |
| Non Cotrolling Interest               | 0.95           | 0.87           |
| <b>Total Equity</b>                   | <b>736.13</b>  | <b>696.70</b>  |
| <b>Non-Current Liabilities</b>        |                |                |
| Borrowings                            | 98.59          | 112.78         |
| Lease liability                       | 44.64          | 26.69          |
| Other Financial Liabilities           | 12.26          | 9.91           |
| Provisions                            | 14.28          | 11.66          |
| Deferred Tax Liabilities (net)        | 6.95           | 15.25          |
| Other Non-Current Liabilities         | 0.79           | 1.62           |
| <b>Total Non-Current Liabilities</b>  | <b>177.51</b>  | <b>177.91</b>  |
| <b>Current Liabilities</b>            |                |                |
| Borrowings                            | 489.09         | 471.66         |
| Trade Payables                        | 543.65         | 442.72         |
| Lease liability                       | 13.06          | 6.31           |
| Other Financial Liabilities           | 56.81          | 30.54          |
| Provisions                            | 7.78           | 6.43           |
| Income Tax Liabilities                | 31.58          | 9.73           |
| Other Current Liabilities             | 85.42          | 50.54          |
| <b>Total Current Liabilities</b>      | <b>1227.39</b> | <b>1017.93</b> |
| <b>Total Equity &amp; Liabilities</b> | <b>2141.03</b> | <b>1892.54</b> |

| Particulars (Rs. In Crs)        | FY22           | FY21           |
|---------------------------------|----------------|----------------|
| Property, Plant And Equipment   | 561.74         | 554.86         |
| Right use of asset              | 69.85          | 31.51          |
| Capital Work-in-progress        | 75.72          | 61.23          |
| Goodwill                        | 0.00           | 3.22           |
| Other Intangible Assets         | 12.43          | 13.24          |
| <b>Financial Assets</b>         |                |                |
| Investments                     | 0.02           | 0.02           |
| Trade Receivables               | 20.89          | 17.54          |
| Other Financial Assets          | 11.35          | 10.48          |
| Income Tax Assets (Net)         | 13.33          | 3.28           |
| Other Non-current Assets        | 4.31           | 12.08          |
| <b>Total Non-Current Assets</b> | <b>769.64</b>  | <b>707.47</b>  |
| <b>Current Assets</b>           |                |                |
| Inventories                     | 642.85         | 486.55         |
| Investments                     | 44.97          | 17.57          |
| Trade Receivables               | 425.06         | 427.02         |
| Cash And Cash Equivalents       | 37.77          | 33.53          |
| Other Balances With Banks       | 49.34          | 21.83          |
| Loans                           | 0.00           | 7.92           |
| Other Financial Assets          | 43.49          | 58.91          |
| Other Current Assets            | 127.91         | 131.74         |
| <b>Total Current Assets</b>     | <b>1371.39</b> | <b>1185.07</b> |
| <b>Total Assets</b>             | <b>2141.03</b> | <b>1892.54</b> |

# Diversified Engineering Company With End-To-End Capabilities

Wide Spectrum of Engineered Products & Customised Turnkey Engineering Solutions Across Diverse Industries

## Engineering Products

- Wide range of customised engineering products catering to diverse sectors
- Strong designing & manufacturing capabilities

## Engineering Projects

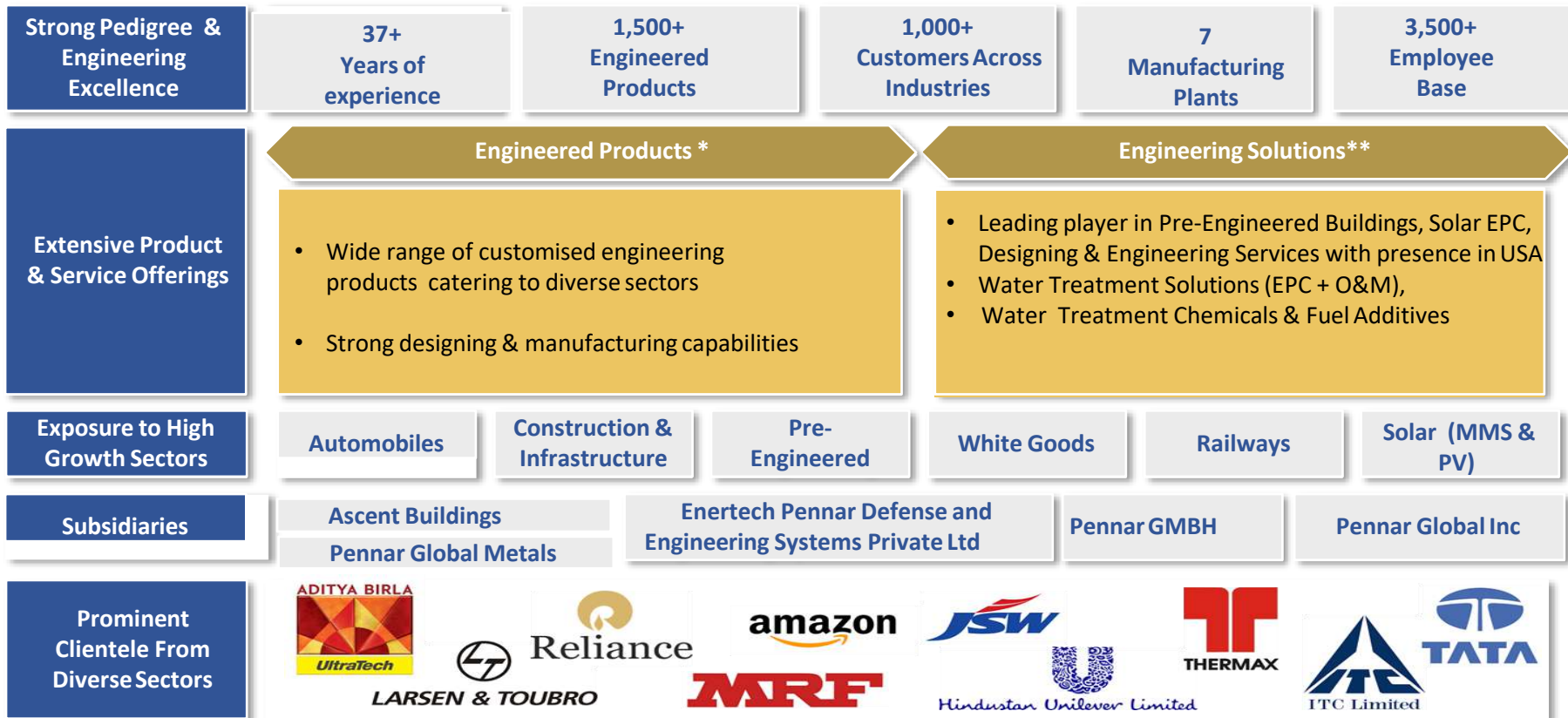
- Leading player in Pre-Engineered Buildings, Solar EPC, Designing & Engineering Services with presence in USA
- Water Treatment Solutions (EPC + O&M), Water Treatment Chemicals & Fuel Additives

## Engineering Services

Emerging Leader in Structural Engineering Services, BIM (Building Information Modelling), Plant-Product Engineering Services, Industrial Automation, Digital Consultancy (IoT) & Value Added Solutions

# Diversified Engineering Company With End-To-End Capabilities

## Wide Spectrum of Engineered Products & Customised Turnkey Engineering Solutions Across Diverse Industries



# Products Q4-FY22 Highlights

➤ Industrial Components

➤ Hydraulics

➤ Solar Panels

➤ Aerospace Machined Components

➤ Automotive/ Manufacturing Engineering

➤ Steel Products and Profiles

➤ Railway Sub Assemblies

➤ Precision Tubes

- The revenue for the year under the Products has increased from Rs. 790.75 Crs to Rs. 1426.62 Crs up by 80.41%
- The company has started commercial production of Body in white manufacturing plant in Chennai in Q1 FY23.
- The company is in talks to acquire Engineering and precision company based out of France.

# Projects Q4-FY22 Highlights

## Projects include

➤ Pre Engineered Buildings

➤ Steel structures

➤ Module mounting Structures

- The revenue for the year under projects has increased from Rs.728.77 Crs to Rs.834.10 Crs up by 14.45%
- Step down subsidiary Ascent Building, USA has started its commercial production and became profitable.
- The order book of PEB division has increased.

# Engineering Services Q4-FY22 Highlights

➤ Structural Engineering Services

➤ BIM( Building Information Modelling)

➤ Plant-Product Engineering Services

➤ Industrial Automation

➤ Digital Consultancy(IOT) & Value added Solutions

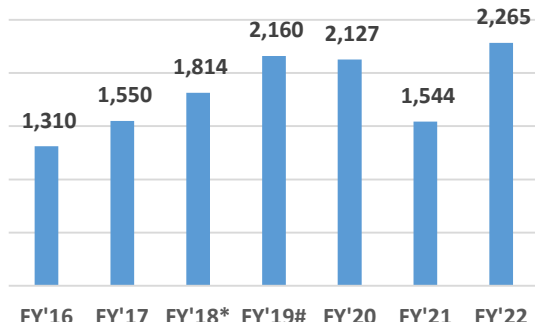
- The revenue for the year under Services is Rs.5.03Cr
- We have added few more new customers in this division
- We added few more customers from Norway & Italy, there by diversifying into new geography's.
- Our revenues from BIM & Plant engineering services is seeing a double digit growth.
- Further to this we are planning to add new addressable market for this business

# Financial Highlights

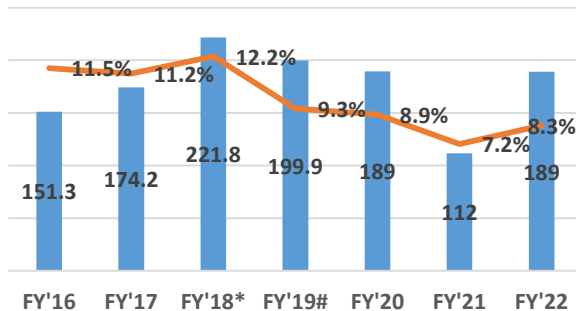
In Rs Crs

FY15-16 Figures are as per the I-GAAP, FY17-21 Figures are as per IND-AS

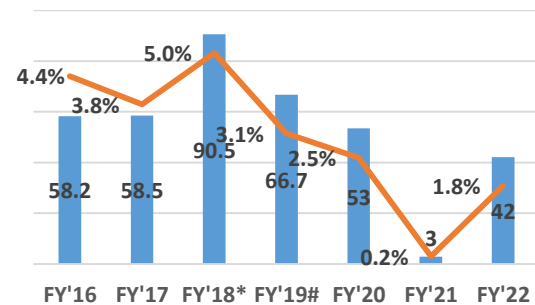
## Total Revenues



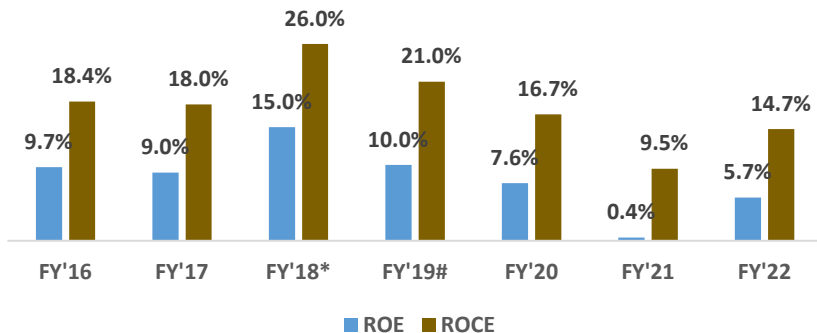
## EBITDA & EBITDA Margin



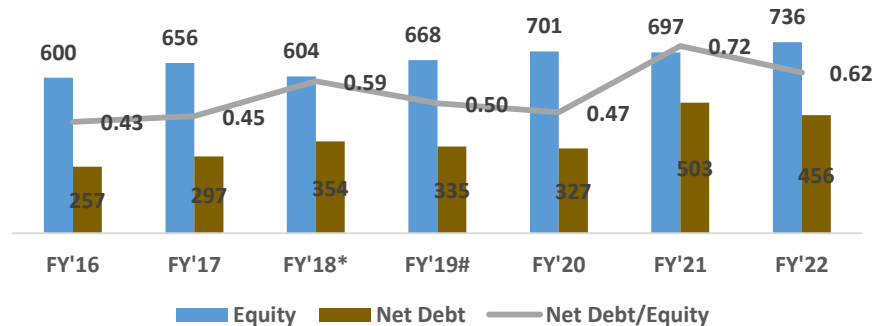
## PAT Before MI & PAT Margin



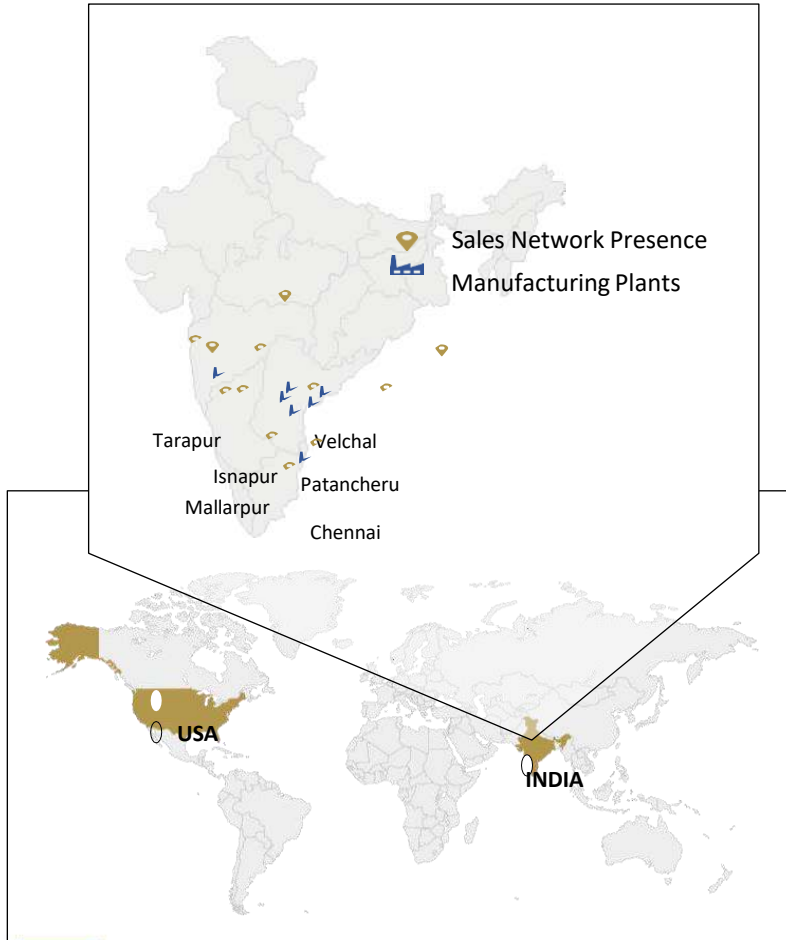
## Return Ratios



## Leverage Analysis



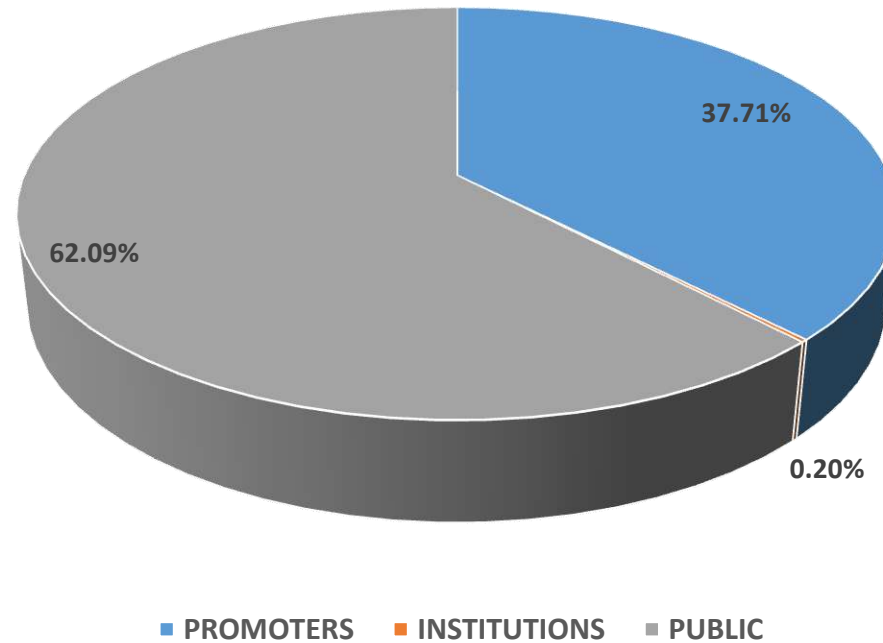
# Robust Manufacturing Facilities & Strong Sales Network



| Location                             | Products                                                                                                        |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <b>Patancheru,</b><br>Andhra Pradesh | Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication |
| <b>Chennai,</b><br>Tamil Nadu        | Coaches, Auto Profiles, Components / Hydraulics, Building Products, Body in white goods                         |
| <b>Isnapur,</b><br>Andhra Pradesh    | CRSS, ERW / CDW Tubes, Profiles, Solar                                                                          |
| <b>Velchal,</b><br>Telangana         | Strip Galvanizing, Hot Dip Galvanizing, Pre engineered building systems                                         |
| <b>Tarapur,</b><br>Maharashtra       | Solar, Building Products, Auto Profiles, ESP                                                                    |
| <b>Sadashivpet,</b><br>Telangana     | Pre-Engineered Building Systems, Steel structures and Photo voltaic Module                                      |
| <b>Mallapur,</b><br>Hyderabad        | Fuel Additives, Water Treatment Chemicals & Solutions                                                           |

# Shareholding Structure

Shareholding pattern as on 31-03-2022



Source: BSE



# Thanking You

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## **PENNAR INDUSTRIES LIMITED**

3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, India.

T: +91 40 4006 1621/22/23/24 | F: +91 40 4006 1618,

E: [contact@pennarindia.com](mailto:contact@pennarindia.com)



Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular No. CIR/CFD/ CMD/4/2015 dated 9<sup>th</sup> September, 2015

| Sr. No. | Particulars                                                                           | Internal Auditors<br>R Krishna & Associates,<br>Chartered Accountants | Cost Auditors<br>Kandikonda & Associates,<br>Cost Accountants |
|---------|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------------------------------------------------|
| 1.      | Reason for Change viz., appointment, resignation, removal, death or otherwise.        | Appointment                                                           | Appointment                                                   |
| 2.      | Date of appointment / cessation (as applicable) & term of appointment.                | 25 <sup>th</sup> May, 2022<br>From 01.04.2022 to 31.03.2023           | 25 <sup>th</sup> May, 2022<br>From 01.04.2022 to 31.03.2023   |
| 3.      | Brief profile (in case of appointment).                                               | Attached                                                              | Attached                                                      |
| 4.      | Disclosure of relationships between directors (in case of appointment of a director). | Not Applicable                                                        | Not Applicable                                                |



*MM*  
*per Beer*

## PENNAR INDUSTRIES LIMITED

**Corporate Office & Works :** IDA, Patancheru - 502319, Sangareddy District, Telangana State, INDIA.

**Tel :** +91 8455 242184 to 242193, **Email :** corporatecommunications@pennarindia.com, **Website :** www.pennarindia.com

**Regd. Office:** 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084, Telangana, INDIA.

**Tel :** +91 40 41923108

**CIN No:** L27109TG1975PLC001919



## **R Krishna & Associates** **Chartered Accountants**

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### **INTRODUCTION**

**R Krishna & Associates, Chartered Accountants**, was established in the year 2012 in Hyderabad, Viskapatnam and Vijayawada. Firm is having dedicated professionals who provide a complete range of corporate solutions in the areas of Audit, Taxation, Advisory and Accounting services to individuals and corporates.

### **OUR MISSION**

Our mission is to provide a high value service by:

- High standards of Professional work and ethics
- Highest degree of integrity and confidentiality
- Providing high-level, technically sound and innovative, advice to meet the needs of clients.
- Providing professional expertise in order to proactively identify opportunities and provide solutions thereby keeping clients informed.
- Function as catalyst for change management in their business
- Suggesting ideas and helping them to improve profitability, long-term value and enjoyment for business owners and team members

### **OUR APPROACH**

Our approach is a proactive one. Through this value added approach, we provide timely advice and services. Our intent in the performance of our services is to look out for our clients' best interests without compromising on compliance to statutory requirements and thereby help them achieve their personal and/or corporate goals.

We keep abreast of new trends, policies and procedures. We provide a practical and helpful personal service with emphasis on business and tax advice as well as auditing, accounting and tax compliance work. We acknowledge the individuality of every business and we tailor our services to suit the clients' personal requirements.



## **OUR SERVICES**

Client care is central to our business, whether it is complex financial planning or day to- day audit and accountancy. Audit work is not just the preparation of the annual accounts; our responsibility to our clients is an on-going process.

### **Our ranges of services include:**

- **Audit and Assurance services.**
  - Statutory audits
  - Tax audits
  - Government Audits
  - Compliance audits
  - Internal & Management audits
  - Evaluation & Reviews
  - Concurrent audits & Stock Audits
  - Certifications
- **Direct Taxes**
  - Corporate and Personal Tax
  - Tax planning
  - Certifications
  - Tax compliance
  - Tax representations
- **Company Law Matters**
  - Company Incorporation
  - Company law advisory
  - Secretarial services
- **Indirect Taxation –Goods and Service Taxes**
  - Advisory
  - Periodical statutory compliance
  - Compliance audits
- **Accounting services and Management Services**
- **Foreign Exchange Management (FEMA) advisory**
- **Banking Sector**
  - Conducting Techno Economic Viability Studies
  - Preparation of Project reports
  - Assisting companies in preparing application for term loan for projects and for tying up / enhancing working capital facilities
  - Preparation of CMA, QIS etc.
  - Project Finance Service

CMA. K. Sadaiah

Proprietor

Mr. K. Sadaiah is the proprietor of the firm from the year 2012. He is having overall 20 years of experience in Academics, ITES and Professional experience. He holds Master degree in Commerce from Kakatiya University Warangal and Fellow Member of the Institute of Cost Accountants of India and Diploma in Information Systems and Security Audit (DISSA) from (ICoAI). Previously he worked as Faculty of Graduate and Post Graduate Academic Institutions and worked as Research Associate in S&P Capital IQ the McGraw Hill group of companies on Finance Process. Having experience in the Cost Audits of the following:-

- Pennar Engineered Building Systems limited
- Pegasus Pharmaco Private Limited
- Ogene Systems Private Limited
- Incor Appa Projects Private limited
- Incor Central Park Private Limited
- Incor Omini Hospitals Private Limited (for FY 2020-21)
- Paramount Engineered Building Systems Pvt Limited (for FY 2020-21)
- 3f Palm Oils Private Limited (for FY 2020-21)
  
- **Cost Audits as a Partner (previously) in DZR & CO.,**
  - Power Sector** - Greenko Group and Salivahana Green Energy Group
  - Other Sectors** – Pennar Industries Limited, Pokarna Limited, Astra Microwave Products Limited, Vijaynagar Sugars Pvt Limited, Bharat Dynamics Limited (CPSU)
  
- **Cost Audits as a Partner in BVS & CO.,**
  - Power Sector** - Northern Power Distribution Company Limited, Warangal, Southern Power Distribution of Telangana Limited, Hyderabad, NTPC Tamilandu Energy Company Limited, Chennai, Power Grid Vizag Transmission Limited, Hyderabad, Power Grid Sothern Interconnector Transmission Systems Limited, Hyderabad.
  
- **Cost Audits as a Associate Partner**
  - 3f Oils Private Limited, Elite Engineering Private Limited, Garg Steel Private Limited Vasista Construction Private Limited, Mohan Textile Limited



## PENNAR INDUSTRIES LIMITED

CIN No. L27109TG1975PLC001919

Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad - 84

Tel No.: 40 4192 3108,

e-Mail ID : [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com)

Website: [www.pennarindia.com](http://www.pennarindia.com)

### NOTICE OF POSTAL BALLOT

*[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014]*

Dear Member(s),

NOTICE is hereby given that the resolution set out below is proposed to be passed by the members of Pennar Industries Limited ("the Company") by means of Postal Ballot, only by way of remote e-voting process ("e-voting"), pursuant to Section 108 and 110 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act and Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended from time to time, read with the General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 8, 2021 issued by the Ministry of Corporate Affairs ("MCA") (hereinafter collectively referred to as "MCA Circulars"), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time).

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. If your e-mail address is not registered with the Company/Depositories, please follow the process provided in the Notes to receive this Postal Ballot Notice.

An explanatory statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act, pertaining to the resolution setting out the material facts and reasons thereof, is appended to this Postal Ballot Notice.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of your Company has appointed Mr. Subhash Kishan Kandrapu (Membership No. ACS 32743 and C. P. No. 17545), Practicing Company Secretary, as the Scrutinizer to conduct the Postal Ballot through remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

The Company has engaged the services of KFin Technologies Limited (formerly known as Kfin Technologies Private Limited) ("KFinTech" or "Registrar and Transfer Agent") as the agency to provide e-voting facility.

In accordance with the MCA Circulars, members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide remote e-voting facility to all its members to cast their votes electronically. Members are requested to read the instructions in the Notes in this Postal Ballot Notice so as to cast their vote electronically not later than 5:00 p.m. IST on 26<sup>th</sup> June, 2022, (the last day to cast vote electronically) to be eligible for being considered.

The Scrutinizer will submit his report, after the completion of scrutiny, to the Chairman of the Company or any person authorized by him. The results of e-voting will be announced on or before, 29<sup>th</sup> June, 2022

and will be displayed on the Company's website [www.pennarindia.com](http://www.pennarindia.com) and will also be communicated to the Stock Exchanges, National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (together the "Depositories") and KFinTech. The Company will also display the results of the Postal Ballot at its Registered Office.

## **SPECIAL BUSINESS**

**Resolution no. 1 – To re-appoint Mr. Nrupender Rao (DIN: 00089922) as Chairman and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. Nrupender Rao (DIN: 00089922) as Chairman of the Company for a period of 2(two) years with effect from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, on such remuneration and terms & conditions as approved by the Remuneration Committee and Board at its meeting held on 09<sup>th</sup> February, 2022, the particulars of which are annexed hereunder:

### Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be Rs. 72,00,000/- per annum.
- ii. Special salary shall be Rs. 43,90,000/- per annum.
- iii. Perquisites and Allowances shall be Rs. 51,90,000/- per annum.
- iv. In addition to the above, company maintained vehicle(s) (excluding the expense incurred on fitting additional accessories, which does not come pre-fitted from the manufacturer) with driver and fuel and also communication facilities will be provided to Mr. Nrupender Rao. These will be treated as perquisites but will be taxed as per the perquisite tax rules.

Perquisites and Allowances include accommodation(furnished or otherwise) or house rent allowance in lieu thereof; House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc., and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. Nrupender Rao.

"RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time, shall be paid to Mr. Nrupender Rao as minimum remuneration with the approval of the Central Government, if required."

"RESOLVED FURTHER THAT so long as Mr. Nrupender Rao functions as the Chairman of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment."

"RESOLVED FURTHER THAT the Management be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, and do all acts deeds and things to give effect to this appointment."

**Resolution no. 2 - To re-appoint Mr. Aditya Rao (DIN: 01307343) as Vice-Chairman and Managing Director and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. Aditya Rao (DIN: 01307343) as Vice-Chairman and Managing Director of the Company for a period of 2 (two) year with effect from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, on such remuneration and terms & conditions as approved by the Remuneration Committee and Board at its meeting held on 09<sup>th</sup> February, 2022, the particulars of which are annexed hereunder:

Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be Rs. 72,00,000/- per annum.
- ii. Special salary shall be Rs. 14,70,000/- per annum.
- iii. Perquisites and Allowances shall be Rs. 18,61,000/- per annum.
- iv. In addition to the above, company maintained vehicle(s) (excluding the expense incurred on fitting additional accessories, which does not come pre-fitted from the manufacturer) with driver and fuel and also communication facilities will be provided to Mr. Aditya Rao. These will be treated as perquisites and will be taxed as per the perquisite tax rules.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, servants' salaries, society charges and property tax; medical reimbursement, medical/accident insurance, leave travel concession for self and family; club fees; contribution to any statutory fund including provident fund, superannuation fund, gratuity fund etc. and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. Aditya Rao.

All future remuneration growth be determined by the accomplishment of market cap growth and PAT growth. The remuneration of Mr. Aditya Rao will be reviewed annually.

Mr. Aditya Rao, Vice-Chairman and Managing Director will be covered under the performance Incentive plan as enumerated below:

PAT - 10 Lakhs per annum.

Market Cap - 10 Lakhs per annum.

PAT - Measured against FY 2021-22

| Sl. No. | Performance Incentive Weightage                | Average Performance growth over previous financial year | Payout (Rs. per annum) |
|---------|------------------------------------------------|---------------------------------------------------------|------------------------|
| 1.      | 50% of eligibility i.e. Rs 10,00,000 per annum | < 15%                                                   | Nil                    |
|         |                                                | 15.01% to 22.5%                                         | 4,00,000               |
|         |                                                | 22.51% to 27%                                           | 7,50,000               |
|         |                                                | > 27%                                                   | 10,00,000              |

Market Cap - Measured against FY 2021-22

| Sl. No. | Performance Incentive Weightage                | Performance growth over previous financial year | Payout (Rs. per annum) |
|---------|------------------------------------------------|-------------------------------------------------|------------------------|
| 1.      | 50% of eligibility i.e. Rs 10,00,000 per annum | < 15%                                           | Nil                    |
|         |                                                | 15.01% to 22.5%                                 | 4,00,000               |
|         |                                                | 22.51% to 27%                                   | 7,50,000               |
|         |                                                | > 27%                                           | 10,00,000              |

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time, shall be paid to Mr. Aditya Rao as minimum remuneration with the approval of the Central Government, if required.

“RESOLVED FURTHER THAT so long as Mr. Aditya Rao functions as the Vice-Chairman and Managing Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment.”

**Resolution no. 3 - To re-appoint Mr. K Lavanya Kumar Rao (DIN: 01710629) as Executive Director, liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 196,197,203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to all necessary approvals, the consent of the members of the company be is hereby accorded to appoint Mr. K Lavanya Kumar Rao (DIN: 01710629) as Executive Director of the Company for a period of 2 (two) year with effect from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024, on such remuneration and terms & conditions as approved by the Remuneration Committee and Board at its meeting held on 09<sup>th</sup> February, 2022, the particulars of which are annexed hereunder:

Particulars of Remuneration:

- i. Salary (including dearness and all other allowances) shall be Rs. 40,00,000/- per annum.
- ii. Special salary shall be Rs. 29,00,000/- per annum.
- iii. Perquisites and Allowances shall be Rs. 21,00,000/- per annum.

Perquisites and Allowances include accommodation (furnished or otherwise) or house rent allowance in lieu thereof, House Maintenance allowance, together with the reimbursement of expenses or allowances for utilities such as gas, electricity, water, furnishings, repairs, society charges and property tax, medical reimbursement, contribution to superannuation fund etc and such other perquisites and allowances in accordance with the Rules of the company or as may be agreed to by the Board of Directors and Mr. K Lavanya Kumar Rao.

In addition to the above, company maintained vehicle(s) (excluding the expense incurred on fitting additional accessories, which does not come pre-fitted from the manufacturer) with driver, fuel and maintenance, company's contribution to Provident Fund and Gratuity (Gratuity is considered as per the Social Security Code effective April 01, 2021), communication facilities, medical and accident insurance, club fees, servants' salaries, leave travel concession for self and family will be treated as perquisites but will be taxed as per the perquisite tax rules.

The remuneration of Mr. K Lavanya Kumar Rao will be reviewed annually.

Performance Incentive:

The performance Incentive of Executive Director will continue as per below grid:

PAT - 10 Lakhs per annum.

Market Cap - 10 Lakhs per annum.

PAT - Measured against FY 2021-22

| Sl. No. | Performance Incentive Weightage                | Average Performance growth over previous financial year | Payout (Rs. per annum) |
|---------|------------------------------------------------|---------------------------------------------------------|------------------------|
| 1.      | 50% of eligibility i.e. Rs 10,00,000 per annum | < 15%                                                   | Nil                    |
|         |                                                | 15.01% to 22.5%                                         | 4,00,000               |
|         |                                                | 22.51% to 27%                                           | 7,50,000               |
|         |                                                | > 27%                                                   | 10,00,000              |

Market Cap - Measured against FY 2021-22

| Sl. No. | Performance Incentive Weightage                | Performance growth over previous financial year | Payout (Rs. per annum) |
|---------|------------------------------------------------|-------------------------------------------------|------------------------|
| 1.      | 50% of eligibility i.e. Rs 10,00,000 per annum | < 15%                                           | Nil                    |
|         |                                                | 15.01% to 22.5%                                 | 4,00,000               |
|         |                                                | 22.51% to 27%                                   | 7,50,000               |
|         |                                                | > 27%                                           | 10,00,000              |

“RESOLVED FURTHER THAT where in any financial year, the Company has no profits or inadequate profits, the remuneration as decided by the Board from time to time, shall be paid to Mr. K Lavanya Kumar Rao as minimum remuneration with the approval of the Central Government, if required.

“RESOLVED FURTHER THAT so long as Mr. K Lavanya Kumar Rao functions as the Executive Director of the Company, he will not be paid any fees for attending the meetings of the Board of Directors or any Committee thereof.”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 and do all acts deeds and things to give effect to this appointment.”

**By Order of the Board  
for Pennar Industries Limited**

**Place : Hyderabad  
Date : 25.05.2022**

**Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
e-CSIN Number: EA029058A000037330**

**NOTES :**

1. Approval of Members of the Company is solicited for passing requisite resolutions through Postal Ballot/ e-Voting for business set out in Item No. 1 to 3 of this Notice.

Explanatory Statement pursuant to Sections 102 read with Section 110 of the Act stating all material facts pertaining to the resolutions are annexed hereto along with Postal Ballot Notice for your consideration.

2. **Postal Ballot Notice is being sent only by electronic mode to all the Members of the Company**, whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”), (NSDL together with CDSL, the “**Depositories**”) and as available with the Company as Friday, 20<sup>th</sup> May, 2022 (“**Cut Off Date**”).

A copy of this Postal Ballot Notice shall also be available on the website of the Company ([www.pennarindia.com](http://www.pennarindia.com)), the relevant section of the websites of the Stock Exchange on which the Equity Shares of the Company are listed and the website of KFin Technologies Limited, Registrar and Transfer Agent of the Company ("KFintech" or "RTA").

Members holding equity shares as on the Cut-off Date can cast their vote using remote e-Voting facility only. A person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only. Voting rights of a Member/ beneficial owner (in case of electronic shareholding) shall be in proportion to his/ her/ its shareholding in the paid-up equity share capital of the Company as on the Cut-Off Date.

3. Resolution, if approved by the Members by means of Postal Ballot/ e-Voting is deemed to have been passed at a General Meeting of the Members and the last date of the e-Voting i.e., 26<sup>th</sup> June, 2022, shall be the date on which the Resolution shall be deemed to have been passed, if approved by the requisite majority.

#### **4. Temporary Email Registration**

The Company is sending Postal Ballot Notice in electronic form only as permitted under the General Circulars. Accordingly, the communication of the assent or dissent of the Members would take place through remote e-Voting system only.

To facilitate such Members to receive this notice electronically and cast their vote electronically, the Company has made arrangement with RTA for registration of email addresses in terms of the General Circulars.

##### **Process for registration of email addresses is as under:**

- a) Pursuant to General Circulars for remote e-Voting for this Postal Ballot, Members who have not registered their email address and in consequence the e-Voting notice could not be serviced, may temporarily get their email address registered with the Company's RTA by clicking the link: <https://ris.kfintech.com/clientservices/postalballot/registration.aspx> and following the below process:
  - I. Select the company name "Pennar Industries Limited"
  - II. Select the Holding type from the drop down i.e. - NSDL/ CDSL/ Physical
  - III. Enter DP ID – Client ID (in case shares are held in electronic form)/ Physical Folio No. (in case shares are held in physical form) and PAN.
  - IV. If PAN details are not available in the system, the system will prompt to upload a self-attested copy of the PAN card for updating records.
  - V. In case of shares held in physical form where PAN details are not available in the records, please enter any one of the Share Certificate No. in respect of the shares held by you.
  - VI. Enter the email address and mobile number.
  - VII. System will validate DP ID – Client ID/ Folio No. and PAN or Share certificate No. as the case may be, and send OTP at the registered mobile number as well as email address for validation.
  - VIII. Enter the OTPs received by SMS and email to complete the validation process. OTP will be valid for 5 minutes only.
  - IX. The Notice and e-Voting instructions along with the User ID and Password will be sent on the email address updated by the Member.

Members may also register their e-mail IDs by sending an e-mail citing subject line as "PENNAR' Postal Ballot - Registration of email ID" to [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com) with following details

- Name of registered Member(s)/ shareholder(s);
- Folio number(s)/ DP ID/ Client ID; and
- No. of equity shares held

from the email address they wish to register.

Post successful registration of the email, the Member would get soft copy of the Notice and the procedure for e-Voting along with the User ID and Password to enable e-Voting for this Postal Ballot.

In case of any queries, Member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); or [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com)

- b) **It is further clarified that for permanent registration of email address**, Members are requested to register their email addresses by following due procedure:

- **For electronic holdings:** with their concerned Depository Participants; and
- **For physical holdings:** with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited. Member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); or [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com)

- c) Those Members who have already registered their email addresses are requested to keep their email addresses validated with their Depository Participants/ the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited to enable servicing of notices/ documents/ Annual Reports electronically to their email address.

If any Member who has registered the email address and not received Postal Ballot notice, User-Id and Password for remote e-Voting, may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com) from the registered email address to receive the same.

5. In compliance with Sections 108 and 110 of the Act and the Rules made there under and Regulation 44 of the Listing Regulations and General Circulars, Company is providing the facility to the Members to exercise their votes electronically and vote on the resolutions through e-Voting facility.

The Company has engaged the services of KFinTech as the agency to provide e-Voting facility.

Instructions for e-Voting are provided as part of this Postal Ballot Notice which the Members are requested to read carefully before casting their vote.

6. A Member cannot exercise vote by sending physical Postal Ballot or by proxy on Postal Ballot.

**All the Members are requested to cast their votes only through remote e-Voting as per the procedure provided in Note 9.**

7. The Scrutinizer shall submit his Report on the resolutions proposed to be passed through Postal Ballot/ e-Voting to the Company Secretary & Compliance Officer of the Company after completion of the scrutiny.

The result of the voting by Postal Ballot shall be announced on or before Wednesday, 29<sup>th</sup> June, 2022 and shall be communicated to BSE Limited ("Stock Exchange") where the equity shares of the Company are listed.

The results of the Postal Ballot/ e-Voting shall also be displayed on the notice board at the Registered Office of the Company for a period of 3 (three) days, on the Company's website at [www.pennarindia.com](http://www.pennarindia.com) and on the website of KFintech: <https://evoting.kfintech.com/>

8. All documents referred to in this Postal Ballot Notice shall be available for e-inspection of the Members from the date of dispatch of the Postal Ballot Notice, until the last date of voting by remote e-Voting. Members seeking to inspect such documents may also send an email to [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com).

#### **9. Procedure of e-Voting**

- I. Pursuant to the provisions of Section 108 and other applicable provisions of the Act read with the Rules, and Regulation 44 of Listing Regulations, as amended, read with SEBI Circular no. SEBI/ HO/ CFD/CMD/ CIR/ P/ 2020/ 242 dated December 9, 2020 on "e-Voting Facility provided by Listed Entities", the Company is providing facility to the Members to exercise votes through e-Voting on the e-Voting platform provided by KFintech to enable them to cast their votes electronically.

- II. The e-Voting facility will be available during the following period:

- Commencement of e-voting: 9:00 a.m. (IST) on Friday, 27<sup>th</sup> May, 2022
- End of e-voting: 5:00 p.m. (IST) on Sunday, 26<sup>th</sup> June, 2022.

The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be forthwith disabled by KFintech upon expiry of the aforesaid period.

## INFORMATION AND INSTRUCTIONS RELATING TO e-VOTING

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

| Type of Member                                                       | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <u>Individual Members holding securities in demat mode with NSDL</u> | <p><b>1. Existing Internet-based Demat Account Statement ('IDeAS') facility Users:</b></p> <ol style="list-style-type: none"> <li>Visit the e-services of NSD <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer website or on a mobile.</li> <li>On the e-services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. Thereafter enter the existing user ID and password.</li> <li>After successful authentication, Members will be able to see e-voting services under 'Value Added Services'. Please click on 'Access to e-voting' under e-voting services, after which the e-voting page will be displayed.</li> <li>Click on company name i.e. 'Zenotech Laboratories Limited or KFintech.</li> <li>Members will be re-directed to KFintech's website for casting their vote during the remote e-voting period.</li> </ol> <p><b>2. Those not registered under IDeAS:</b></p> <ol style="list-style-type: none"> <li>Visit <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> for registering.</li> <li>Select 'Register Online Ideas for IDeAS Portal' or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>.</li> <li>Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section. A new screen will open.</li> <li>Members will have to enter their User ID (i.e. the sixteen digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen.</li> <li>After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-voting page.</li> <li>Click on Company name i.e. 'Zenotech Laboratories Limited' or i.e KFintech after which the Member will be redirected to ESP website for casting their vote during the remote e-voting period.</li> <li>Members can also download the NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div> |

|                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Individual Shareholders holding securities in demat mode with CDSL</u></p>                            | <p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Click on New System Myeasi</li> <li>Login with your registered user id and password.</li> <li>The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easiest</b></p> <ol style="list-style-type: none"> <li>Option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Proceed with completing the required fields.</li> <li>Follow the steps given in point 1.</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>Provide your demat Account Number and PAN No.</li> <li>System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>After successful authentication, user will be provided links for the respective ESP, i.e <b>KFIN Technologies</b> where the e- Voting is in progress.</li> </ol> |
| <p><u>Individual Shareholder login through their demat accounts / Website of Depository Participant</u></p> | <ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against company name or e-Voting service provider – <b>KFintech</b> and you will be redirected to e-Voting website of <b>KFintech</b> for casting your vote during the remote e-Voting period without any further authentication.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

*Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

**Details on Step 2 are mentioned below:**

**II) Login method for shareholders holding shares in physical form and non-individual shareholders in demat mode**

**A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFintech which will include details of e-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:**

- (i) Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- (ii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (e-Voting Event Number) 6595, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-Voting, you can use your existing User ID and password for casting the vote.
- (iii) After entering these details appropriately, click on “LOGIN”.
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the “EVEN” i.e., “PENNAR INDUSTRIES LIMITED” and click on “Submit”.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/ AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/ AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option “ABSTAIN”. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat accounts.
- (ix) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as Abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on “Submit”.
- (xi) A confirmation box will be displayed. Click “OK” to confirm, else “CANCEL” to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.

Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF/ JPG format) of certified true copy of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), who is/ are authorized to vote, to the Scrutinizer through email at [corporatecommunications@pennarindia.com](mailto:corporatecommunications@pennarindia.com)

with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format “Corporate Name\_EVEN No.”

B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Postal Ballot Notice and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Postal Ballot Notice and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: <https://ris.kfintech.com/clientservices/postalballot/registration.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

ii. Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the, Postal Ballot Notice and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014**

##### **Item # 1 Appointment of Mr. Nrupender Rao as Chairman**

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 09.02.2022 has, subject to the approval of members, unanimously approved the terms of appointment of Mr. Nrupender Rao as Chairman of the Company for a period of 2(two) years commencing from 01.04.2022 to 31.03.2024 including payment of remuneration.

Mr. Nrupender Rao has been guiding the company in its strategic, decision making policies and financial restructuring.

Names of companies in which Mr. Nrupender Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

Since, Mr. Nrupender Rao has attained the age of 70 years; approval of the members for his re-appointment is sought by a special resolution as required under Section 196(3) of the Companies Act, 2013.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Nrupender Rao as an Executive Chairman.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 1 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. Nrupender Rao and Mr. Aditya Rao (being a relative), to whom the resolution relates, is interested or concerned in the resolution.

Further, in terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Nrupender Rao requires the approval of the members of the Company within a period of three months from his date of appointment i.e 1<sup>st</sup> April, 2022.

#### **Item # 2                      Appointment of Mr. Aditya Rao as Vice-Chairman and Managing Director**

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 09.02.2022 has, subject to the approval of members, unanimously approved the terms of appointment of Mr. Aditya Rao as Vice-Chairman and Managing Director of the Company for a period of 2(two) years commencing from 01.04.2022 to 31.03.2024 including payment of remuneration.

Mr. Aditya Rao worked on creating and implementing the company's growth strategy, organisation structure, controls and team building. His mandate is to create a perpetual growth company with business units that continually scale revenue and profitability along with rigorous risk management controls.

Names of companies in which Mr. Aditya Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. Aditya Rao as Vice-Chairman and Managing Director.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 2 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. Aditya Rao and Mr. Nrupender Rao (being a relative), to whom the resolution relates, is interested or concerned in the resolution.

Further, in terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. Aditya Rao requires the approval of the members of the Company within a period of three months from his date of appointment i.e 1<sup>st</sup> April, 2022.

#### **Item # 3                      Appointment of Mr. K Lavanya Kumar Rao as Executive director**

The Board of Directors upon recommendation of the Nomination and remuneration committee at its meeting held on 09.02.2022 has, subject to the approval of members, unanimously approved the terms of appointment of Mr. K Lavanya Kumar Rao as Executive Director of the Company for a period of 2(two) years commencing from 01.04.2022 to 31.03.2024 including payment of remuneration.

The terms and conditions of his appointment are as follows:

1. Remuneration : As provided in the resolution.
2. Period of appointment : from 1<sup>st</sup> April, 2022 to 31<sup>st</sup> March, 2024.
3. The appointment may be terminated by either party by giving six months' notice in writing of such termination or as may be mutually agreed between the parties.

4. Mr. K Lavanya Kumar Rao shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors.

Mr. K Lavanya Kumar Rao has been handling the day to day operations with respect to Legal, Human Resource, Personnel, Government Relations and Public Relations.

Names of companies in which Mr. K Lavanya Kumar Rao holds directorship and the membership of the committees of the Board are provided in the additional information on directors seeking appointment/re-appointment at the ensuing Annual General Meeting.

The resolution seeks the approval of the members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the appointment of Mr. K Lavanya Kumar Rao as Executive Director.

The Nomination and Remuneration Committee recommended the appointment to the Board. The Board recommends the resolution set out at item no. 3 of the notice for your approval. No director, key managerial personnel or their relatives, except Mr. K Lavanya Kumar Rao, to whom the resolution relates, is interested or concerned in the resolution.

Further, in terms of Regulation 17(1C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), effective January 1, 2022, a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Accordingly, the appointment of Mr. K Lavanya Kumar Rao requires the approval of the members of the Company within a period of three months from his date of appointment i.e 1<sup>st</sup> April, 2022.

**By Order of the Board  
for Pennar Industries Limited**

**Place : Hyderabad  
Date : 25.05.2022**

**Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
e-CSIN Number: EA029058A000037330**

**ANNEXURE TO THE NOTICE OF POSTAL BALLOT**

| <b>Particulars</b>                                                                       | <b>Details of Directors seeking appointment through the Postal Ballot</b>                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name                                                                                     | Mr. Nrupender Rao                                                                                                                                                                                                                                                  | Mr. Aditya Rao                                                                                                                                                                                                                                                                                                | Mr. K Lavanya Kumar Rao                                                                                                                                                                                       |
| Category/Designation                                                                     | Executive Chairman                                                                                                                                                                                                                                                 | Vice-Chairman and Managing Director                                                                                                                                                                                                                                                                           | Executive Director                                                                                                                                                                                            |
| Date of Birth                                                                            | 23.06.1945                                                                                                                                                                                                                                                         | 06.12.1981                                                                                                                                                                                                                                                                                                    | 19.02.1959                                                                                                                                                                                                    |
| Qualification                                                                            | B.Tech IIT Kharagpur, M.S. Operations Research & Industrial Engineering, Purdue University, USA                                                                                                                                                                    | B.S., M. Eng. From Cornell University, USA                                                                                                                                                                                                                                                                    | Graduated in Law from Kakatiya University                                                                                                                                                                     |
| Nature of Expertise / Experience                                                         | Leadership, Business Management, Industry Experience, Finance Management, Corporate Governance, Compliance & Risk Management                                                                                                                                       | Leadership/ Operations, Business Management/ Strategic Planning, Sales & Marketing, Industry Experience, Technical, Research & Development and Innovation, Global Business Development, Finance Management, Law and Governance, Human Resource Management, Corporate Governance, Compliance & Risk Management | Law and Governance, Human Resource Management, Industry Experience                                                                                                                                            |
| Terms and conditions of appointment / reappointment                                      | As specified in the Postal Ballot Notice                                                                                                                                                                                                                           | As specified in the Postal Ballot Notice                                                                                                                                                                                                                                                                      | As specified in the Postal Ballot Notice                                                                                                                                                                      |
| Details of Remuneration paid and last drawn remuneration during Financial Year 2021-2022 | During the financial year ended 31 <sup>st</sup> March, 2022 Rs. 1,54,88,644 was paid as remuneration to Mr. Nrupender Rao                                                                                                                                         | During the financial year ended 31 <sup>st</sup> March, 2022 Rs. 1,05,31,000 was paid as remuneration to Mr. Aditya Rao                                                                                                                                                                                       | During the financial year ended 31 <sup>st</sup> March, 2022 Rs. 90,00,000 was paid as remuneration to Mr. K Lavanya Kumar Rao                                                                                |
| Remuneration proposed to be paid                                                         | As specified in the Postal Ballot Notice                                                                                                                                                                                                                           | As specified in the Postal Ballot Notice                                                                                                                                                                                                                                                                      | As specified in the Postal Ballot Notice                                                                                                                                                                      |
| Date of First Appointment in the Board                                                   | 23.09.1995                                                                                                                                                                                                                                                         | 30.01.2008                                                                                                                                                                                                                                                                                                    | 07.05.2014                                                                                                                                                                                                    |
| Shareholding in the Company                                                              | 60,10,786 Equity Shares of Rs. 5/- each.                                                                                                                                                                                                                           | 84,27,203 Equity Shares of Rs. 5/- each.                                                                                                                                                                                                                                                                      | 2,54,900 Equity Shares of Rs. 5/- each.                                                                                                                                                                       |
| Relationship with other Directors, Key Managerial Personnel                              | Besides the remuneration proposed to be paid to Mr. Nrupender Rao, he do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors except that Mr. Aditya Rao is the son of Mr. Nrupender Rao. | Besides the remuneration proposed to be paid to Mr. Aditya Rao, he do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors except that Mr. Nrupender Rao is the father of Mr. Aditya Rao.                                            | Besides the remuneration proposed to be paid to Mr. K Lavanya Kumar Rao, he do not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors. |
| No. of Board Meetings attended during the year 2021-2022                                 | 1                                                                                                                                                                                                                                                                  | 5                                                                                                                                                                                                                                                                                                             | 5                                                                                                                                                                                                             |
| Directorships of other Boards as on date of notice                                       | Pennar Holdings Private Limited                                                                                                                                                                                                                                    | Pennar Holdings Private Limited<br>Enertech Pennar Defense and Engineering Systems Private Limited                                                                                                                                                                                                            | Nil                                                                                                                                                                                                           |

|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                              |
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|                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Pennar Global INC, USA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                              |
| Membership / Chairmanship of Committees of other Boards as on date of notice | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Nil                                                                                                                                                                                                                                                          |
| Brief Profile of Directors seeking appointment through the Postal Ballot:    | <p>Mr. Nrupender Rao is the Promoter and Chairman of Pennar Group and has rich and diverse experience in various organisations such as National Cash Register, USA, Union Carbide India, Nagarjuna Group and the Pennar Group.</p> <p>Shri Rao has Master's Degree from Purdue University in Industrial Engineering and Operations Research and an engineering graduate in Mechanical Engineering from IIT Kharagpur.</p> <p>He was appointed Chairman of the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) for two years and was a member of the Planning Board of Andhra Pradesh.</p> <p>He was the National President of the Indo-American Chamber of Commerce and earlier the President of the Hyderabad Management Association.</p> <p>Shri Nrupender Rao is the National Award Winner for "Outstanding Entrepreneur", by Council of State Industrial Development and Investment Corporations of India in 2013. He is also a recipient of the "Distinguished Alumnus Award" from IIT Kharagpur for the year 2011 and "Dr Nayudamma Gold Medal" from Government of Andhra Pradesh for his contribution to industrial development in Andhra Pradesh.</p> <p>Shri Rao also served as the Chairman of Confederation of Indian Industry (CII), Telangana.</p> | <p>Mr. Aditya Rao is the Managing Director and Vice Chairman for Pennar Industries. He has been instrumental in growing the company's revenue and profitability over the past four years. He has worked on creating and implementing the company's growth strategy, organisation structure, controls and team building. His mandate is to create a perpetual growth company with business units that continually scale revenue and profitability along with rigorous risk management controls. His current stated priorities for the company are an improvement in the company's market capitalisation backed with a continuation of consistent, sustainable EPS growth.</p> | <p>Mr. K. Lavanya Kumar Rao has more than three decades of experience in the areas of law, construction, corporate affairs and liaising with statutory authorities. He graduated in Law from Kakatiya University. Mr. Kumar joined Pennar Group in 1987.</p> |