

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF THE EQUITY SHARES OF



PENNAR INDUSTRIES LIMITED

Corporate Identification Number (CIN): L27109TG1975PLC001919

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Company Secretary and Compliance Officer: Mirza Mohammed Ali Baig

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS / BENEFICIAL OWNERS OF EQUITY SHARES OF PENNAR INDUSTRIES LIMITED FOR THE BUY-BACK OF EQUITY SHARES FROM THE OPEN MARKET THROUGH STOCK EXCHANGES UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This public announcement (the "Public Announcement") is made in relation to the buy-back of equity shares (as defined below) by Pennar Industries Limited (the "Company") from BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (together, the "Stock Exchanges"), pursuant to the provisions of Regulation 16(iv)(a) read with Regulation 16(iv)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI Buy-Back Regulations"), and contains the disclosures as specified in the applicable provisions of Schedule IV to the SEBI Buy-Back Regulations.

OFFER FOR BUY-BACK OF EQUITY SHARES FROM OPEN MARKET THROUGH STOCK EXCHANGES

Part A - Disclosures in accordance with Schedule I of the SEBI Buy-Back Regulations

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

1.1 The board of directors of the Company (hereinafter referred to as the "Board" or "Board of Directors"), at their meeting held on March 9, 2022 (the "Board Meeting"), has approved the proposal for buy-back of its own fully paid-up equity shares of face value of ₹5/- each ("Equity Shares") in accordance with Article 24 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended ("Companies Act") and the applicable rules there-under, in compliance with the SEBI Buy-Back Regulations and subject to such other approvals, permissions, sanctions and filings as may be necessary under the SEBI Buy-Back Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR"), Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Hyderabad (the "ROC"), Stock Exchanges where the Equity Shares of the Company are listed etc., as may be required and further subject to such conditions as may be prescribed while granting such Board approval which may be agreed by the Board of Directors of the Company.

1.2 The Board in the aforementioned meeting, have approved the Buy-back by the Company of its fully paid-up Equity Shares for an aggregate amount not exceeding ₹4,000 Lakhs (Rupees Four Thousand Lakhs Only) ("Maximum Buy-back Size"), being 5.97% and 5.93% of the total paid-up share capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company respectively, as at March 31, 2021 (being the date of the last audited financial statements of the Company), for a price not exceeding ₹50/- (Rupees Fifty only) per Equity Share ("Maximum Buy-back Price") from all shareholders of the Company excluding promoters, promoter group and persons who are in control of the Company, as the terms are respectively defined in the SEBI Buy-Back Regulations ("Promoters") ("Buy-back"). The Maximum Buy-back Size does not include any other expenses incurred or to be incurred for the Buy-back like filing fees payable to SEBI, Stock Exchanges fees, advisors' fees, public announcement, publication expenses, transaction cost viz., brokerage, applicable taxes such as securities transaction tax, stamp duty, GST, income tax etc., and any other incidental and related expenses ("Transaction Costs"). The Buy-back period extends from March 9, 2022, i.e., the date of the Board approval to the date on which the final payment of consideration for the Equity Shares bought back by the Company is made ("Buy-back Period").

1.3 The aggregate maximum amount of the Buy-back is less than 10% of the total paid-up capital and free reserves of the Company. The Company will comply with the requirement of maintaining a minimum public shareholding of at least 25% of the total paid-up equity share capital of the Company as provided under Regulation 38 of the SEBI LODR during the Buy-back Period and upon completion thereof.

1.4 The Buy-back will be implemented by the Company from its free reserves in accordance with Regulation 4(ix) of the SEBI Buy-back Regulations and in accordance with Regulation 4(iv)(b)(ii) of the SEBI Buy-back Regulations, through open market purchases from the Stock Exchanges, using the order matching mechanism except "all or none" order matching system, as provided under the SEBI Buy-back Regulations. Further, as required under the Companies Act and SEBI Buy-back Regulations, the Company shall not purchase Equity Shares which are locked-in or non-transferable, in the Buy-back, until the pendency of the lock-in or until the Equity Shares become transferable, as applicable. There are no partly paid-up Equity Shares with calls in arrears of the Company on standalone and consolidated basis.

1.5 A copy of this Public Announcement is available on Company's website (www.pennarindia.com) and is expected to be available on the website of SEBI (www.sebi.gov.in) during the Buy-back Period.

2. NECESSITY FOR THE BUY-BACK

2.1 In continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back its own Equity Shares for an aggregate amount not exceeding the Maximum Buy-back Size being 5.97% and 5.93% of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2021 on standalone and consolidated basis respectively, from the open market through Stock Exchanges. Having regard to the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Buy-back is expected to achieve the following objectives:

- Reduce the outstanding number of Equity Shares and consequently increase earnings per share ("EPS") over a period of time;
- Effectively utilize available cash; and
- Improve key return ratios like return on net worth, return on assets etc. over a period of time

The Company believes that the Buy-back will create long term value for shareholders. The Buy-back is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations and for continued capital investment, as and when required.

2.2 At the Maximum Buy-back Price and for Maximum Buy-back Size, the indicative maximum number of Equity Shares bought back would be 80,00,000 (Eighty Lakhs) Equity Shares ("Maximum Buy-back Shares").

2.3 Further, in accordance with Regulation 15 of the SEBI Buy-back Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buy-back Size for the Buy-back, i.e. ₹2,000 Lakhs (Rupees Two Thousand Lakhs only) ("Minimum Buy-back Size") and based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase a minimum of 40,00,000 (Forty Lakhs) Equity Shares ("Minimum Buy-back Shares") in the Buy-back.

3. BASIS FOR ARRIVING AT THE MAXIMUM BUY-BACK PRICE AND OTHER DETAILS

3.1 The Maximum Buy-back Price of ₹50/- (Rupees Fifty only) per Equity Share has been arrived at after considering various factors, including average of the weekly high and low of the closing share price of the Equity Shares of the Company on the Stock Exchanges, the net worth of the Company and the potential impact of the Buy-back on the EPS of the Company. The Maximum Buy-back Price excludes the Transaction Costs.

3.2 The Maximum Buy-back Price is at a premium of 42.45% and 42.65% over the closing prices on BSE and the NSE (i.e. ₹35.10 (Rupees thirty five point one zero only) and ₹35.05 (Rupees thirty five point zero five), respectively, on February 28, 2022 which is

one trading day prior to the date on which the notice of the Board Meeting to consider the Buy-back proposal was intimated to the BSE and the NSE. The Maximum Buy-back Price is at a premium of 42.05% and 41.79%, compared to the average of the weekly high and low of the closing prices of the Equity Shares of the Company on the Stock Exchanges during the 2 (two) weeks preceding the date of the Board Meeting on BSE and NSE respectively.

3.3 The Buy-back is proposed to be completed within a maximum period of six (6) months from the date of opening of the Buy-back. Subject to the Maximum Buy-back Price of ₹50/- (Rupees Fifty only) per Equity Share for the Buy-back and maximum validity period of six (6) months from the date of opening of the Buy-back and achievement of the Minimum Buy-back Size, the actual time frame and the price for the Buy-back will be determined by the Board or the authorized representatives of the Board, at their discretion, in accordance with the SEBI Buy-back Regulations.

3.4 The amount required by the Company for the Buy-back (including the cost of financing the Buy-back and the Transaction Costs) will be from the internal accruals of the Company. The Company confirms that as required under Section 68(2)(d) of the Companies Act and under Regulation 4(ii) of the SEBI Buy-back Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post Buy-back on standalone and consolidated basis.

3.5 The actual number of Equity Shares bought back during the Buy-back will depend upon the actual price, excluding the Transaction Costs, paid for the Equity Shares bought back and the aggregate consideration paid in the Buy-back, subject to the Maximum Buy-back Size. The actual reduction in outstanding number of Equity Shares would depend upon the price at which the Equity Shares of the Company are traded at the Stock Exchanges as well as the total number of Equity Shares bought back by the Company from the open market through the Stock Exchanges during the Buy-back Period.

4. PROMOTER SHAREHOLDING AND OTHER DETAILS

4.1 Details of aggregate shareholding of the promoter, promoter group and of the directors of the corporate promoters, and of persons who are in control of the Company as on the date of Board Meeting approving the Buy-back is as below:

S. No	Name of the Promoters / Promoter Group / Directors of Corporate Promoters / Persons in control	Number of Equity Shares	% Equity Shareholding in the Company
A. Promoters			
1.	Joginapally Nrupender Rao HUF	6,60,114	0.46
2.	J. Rajyalakshmi	69,33,038	4.88
3.	Joginapally Venkata Nrupender Rao*	60,10,786	4.23
4.	Aditya Narsing Rao*	84,27,203	5.93
5.	J. Avanti Rao	23,97,951	1.69
6.	Jayanthi Puljal	20,95,202	1.47
7.	Bhavana Puljal	16,94,027	1.19
8.	Kalpna Puljal	17,50,091	1.23
9.	Pennar Holdings Private Limited	2,10,05,455	14.78
Total (A)		5,09,73,867	35.86
B. Promoter Group			
1.	Kondapally Lavanya Kumar Rao HUF	82,200	0.06
2.	Kondapalli Lakshman Rao HUF	95,200	0.07
3.	Y Muralidhar Rao	1,10,400	0.08
4.	Y Rekha Rao	1,59,057	0.11
5.	Lavanyakumar Rao Kondapally	2,34,900	0.17
6.	Kondapally Sandhya	69,600	0.05
7.	M/s. Fort Kochi Holdings Limited	Nil	0.00
8.	Danapuneni Sudeeptha Rao	18,61,054	1.31
Total (B)		26,12,411	1.84
C. Directors Of Corporate Promoters			
Total (C)		Nil	0.00
Total (A+B+C)		5,35,86,278	37.69

* are directors of Pennar Holdings Private Limited in personal capacity

4.2 The promoter, promoter group and the directors of the corporate promoters, and persons who are in control of the Company have not purchased or sold any Equity Shares during a period of twelve (12) months preceding the date of the Public Announcement i.e. March 11, 2022 and six (6) months preceding the date of the Board Meeting i.e. March 9, 2022.

5. PARTICIPATION BY PROMOTERS

In accordance with the provisions of Regulation 16(ii) of the SEBI Buy-back Regulations, the Buy-back shall not be made by the Company from the promoters or persons in control of the Company.

Further, in accordance with Regulation 24(ii)(e) of the SEBI Buy-back Regulations, the promoters or their associates shall not deal in the shares or other specified securities of the Company in the stock exchange or off-market, including inter-se transfer of shares, during the period from the date of Board approval till the closing of the Buy-back.

6. NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits or interest payable thereon, redemption of debentures or preference shares, payment of dividend to any shareholder or repayment of any term loan or interest payable thereon to any financial institution or banking company.

7. CONFIRMATIONS BY THE BOARD OF DIRECTORS OF THE COMPANY

7.1 The Board has confirmed on the date of the Board Meeting, i.e. March 9, 2022 that they have made full inquiry into the affairs and prospects of the Company and that they have formed the opinion:

7.1.1 that immediately following the meeting of the Board of Directors there will be no grounds on which the Company can be found unable to pay its debts;

7.1.2 as regards the Company's prospects for the year immediately following the date that, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in their view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and

7.1.3 in forming the aforesaid opinion, the Board has taken into account the liabilities as if the Company was being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

8. REPORT BY THE COMPANY'S AUDITORS

8.1 The text of the report dated March 9, 2022 received from M/s Deloitte Haskins & Sells LLP, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

AUDITOR'S REPORT

To,
The Board of Directors
Pennar Industries Limited
Floor No.3, DHFLVC Silicon Towers,
Kondapur, Hyderabad - 500084

Dear Sirs,

Re: Statutory Auditor's Report in respect of the amount of permissible capital payment towards the proposed Buy-back of equity shares by Pennar Industries Limited (the "Company") in terms of Schedule IV read with Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended ("Buy-back Regulations")

- This report is issued in accordance with the terms of our engagement letter dated March 02, 2022.
- The Board of Directors of the Company have approved a proposal for Buy-back of equity shares of the Company at its meeting held on March 09, 2022, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buy-back Regulations.
- We have been requested by the Management of the Company to provide a report on the accompanying "Statement of amount of Permissible Capital Payment" ("Annexure A") as at March 31, 2021 (hereinafter referred to as the "Statement"). This Statement has been prepared by the management, which we have initialed for the purposes of identification only.

Management's Responsibility

4. The preparation of the Statement in accordance with Section 68(2)(c) read with proviso to Section 68(2)(b) of the Act, the proviso to Regulation 4(iv) of the Buy-back Regulations and the compliance with the Buy-back Regulations, is the responsibility of the management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility:

- Pursuant to the requirement of the Buy-back Regulations, it is our responsibility to provide a reasonable assurance that:
 - we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at March 31, 2021;
 - the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2021 in accordance with Section 68(2) of the Act and the proviso to Regulation 4(iv) of the Buy-back Regulations;
 - the Board of Directors of the Company, in its meeting held on March 09, 2022 has formed the opinion as specified in Clause (x) of Schedule I to the Buy-back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date; and
- The standalone and consolidated financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated June 04, 2021. We conducted our audit of the standalone & consolidated financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the review to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- Based on enquiries conducted and our examination as above, we certify that:
 - We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for the year ended March 31, 2021, which have been approved by the Board of Directors of the Company on June 04, 2021.
 - The amount of permissible capital payment towards the proposed Buy-back of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68(2)(c) read with proviso to Section 68(2)(b) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements as at and for the year ended March 31, 2021.
 - The board of directors of the Company, in their meeting held on March 09, 2022 have formed their opinion as specified in clause (x) of Schedule I to the Buy-back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the board resolution dated March 09, 2022.
- This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed Buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the Buy-back Regulations, (ii) to enable the board of directors of the Company to include in the public announcement, and other documents pertaining to the Buy-back to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers in connection with the proposed Buy-back of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Act and the Buy-back Regulations, and may not be suitable for any other purpose.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/100018)

Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
UDIN: 22201193AELDO28550

Place : Hyderabad
Date : March 09, 2022

Annexure A - Statement of amount of Permissible Capital Payment:

Computation of amount of permissible capital payment towards Buy-back of equity shares in accordance with Section 68(2)(c) read with proviso to Section 68(2)(b) of the Companies Act, 2013 ("the Act") based on audited standalone and consolidated financial results as at March 31, 2021.

Amount in Rs. Lakhs		
Particulars	Standalone	Consolidated
Paidup Equity Share Capital as at March 31, 2021 (A)	7,108	7,108
Free Reserves as at March 31, 2021		
Retained earnings & Items of Other Comprehensive Income	48,725	49,219
General Reserve	762	762
Share Premium Account	10,407	10,407
Total Free Reserves (B)	59,894	60,388
Total (A) + (B)	67,002	67,496
Maximum amount permissible for buy back under section 68 of the Companies Act, 2013 i.e. 25% of total paid-up equity capital and free reserves	16,751	16,874
Maximum amount permissible for buy back under section 68 of the Companies Act, 2013 within the powers of the Board of Directors - 10% of total paid-up equity and free reserves.	6,700	6,750

Unquote**Part B - Disclosures in Accordance with Schedule IV of the SEBI Buy-back Regulations****1. DATE OF BOARD APPROVAL**

The Buy-back has been approved by the Board in the Board Meeting on March 9, 2022. Further, since the Maximum Buy-back size is not more than 10% of the total paid-up Equity Share Capital and free reserve of the Company in accordance with the proviso to the Section 68(2)(b) of the Act, the approval from the shareholders of the Company is not required.

2. MINIMUM AND MAXIMUM NUMBER OF EQUITY SHARES PROPOSED TO BE BOUGHT BACK, SOURCES OF FUNDS AND COST OF FINANCING THE BUY-BACK

2.1 Based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase a indicative minimum of 40,00,000 (Forty Lakhs) Equity Shares ("Minimum Buy-back Shares") and based on Maximum Buy-back Size and the Maximum Buy-back Price, the indicative maximum number of Equity Shares bought back would be 80,00,000 (Eighty Lakhs) Equity Shares ("Maximum Buy-back Shares"). If the Equity Shares are bought back at a price below the Maximum Buy-back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-back Shares or Minimum Buy-back Shares but will always be subject to the Maximum Buy-back Size. Further, the number of Equity Shares bought back will not exceed 25% of the total paid-up equity capital of the Company as on March 31, 2021.

2.2 The Company proposes to implement the Buy-back out of its free reserves. The amount required by the Company for the Buy-back (including the cost of financing the Buy-back and the Transaction Costs) will be invested out of internal accruals of the Company.

2.3 As mentioned in Paragraph 2.1 above, in continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back upto 5.97% and 5.93% of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2021 on standalone and consolidated basis respectively, from the open market through the Stock Exchanges. The Buy-back of Equity Shares will result in a reduction in number of shares accompanied by a likely increase in EPS and return on capital employed. The Company believes that the Buy-back will create long term value for continuing shareholders. The Buy-back is not likely to cause any material impact on the profitability / earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations and for continued capital investment, as and when required.

3. PROPOSED TIMETABLE FOR BUY-BACK

Activity	Date
Date of Board Approval	Wednesday, March 9, 2022
Date of publication of the Public Announcement	Friday, March 11, 2022
Date of commencement of the Buy-back	Wednesday, March 23, 2022
Acceptance of Equity Shares accepted in dematerialized mode	Upon the relevant pay-out by the Stock Exchanges.
Extinguishment of Equity Shares / certificates	In case the Equity Shares bought back are in dematerialized form, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended and the bye-laws framed there-under. The Company shall ensure that all the Equity Shares bought back are extinguished within seven (7) days of the expiry of the Buy-back Period.
Last Date for the completion of Buy-back	Earlier of: (a) September 22, 2022 (i.e., 6 months from the date of the opening of the Buy-back); or (b) when the Company completes the Buy-back by deploying the amount equivalent to the Maximum Buy-back Size; or (c) at such earlier date as may be determined by the Board / or its duly authorized Buy-back committee, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buy-back Size (even if the Maximum Buy-back Size has not been reached or the Maximum Buy-back Shares have not been bought back), however, that all payment obligations relating to the shares bought back shall be completed before the last date for the Buy-back.

4. PROCESS AND METHODOLOGY TO BE ADOPTED FOR THE BUY-BACK

4.1 The Buy-back is open to all eligible shareholders of the Company holding Equity Shares in dematerialized form ("Demat Shares"). Shareholders holding shares in physical form can participate in the Buy-Back after such Equity Shares are dematerialized by approaching depository participant.

4.2 Further, as required under the Companies Act and SEBI Buy-back Regulations, the Company shall not purchase Equity Shares which are partly paid-up, Equity Shares with call-in-arrears, locked-in Equity Shares or non-transferable Equity Shares, in the Buy-back, until they become fully paid-up, or until the pendency of the lock-in, or until the Equity Shares become transferable, as applicable.

4.3 The Buy-back will be implemented by the Company by way of open market purchases through the Stock Exchanges, through the order matching mechanism except "all or none" order matching system, as provided under the SEBI Buy-back Regulations.

4.4 For the implementation of the Buy-back, the Company has appointed R.L.P. Securities Private Limited as the registered broker ("Company's Broker") through whom the purchases and settlements on account of the Buy-back would be made by the Company.

The contact details of the Company's Broker are as follows:

R.L.P. SECURITIES PRIVATE LIMITED
(SEBI Regn. No. IN2000166638)
402, Nirmal Towers, Dwarakapuri Colony,
Punjagutta, Hyderabad, Telangana – 500 082
Tel: +91 40 23352485
Fax: +91 40 23351238
Contact Person: Mr. Ch. Varaprasad
Email: rlpscurities@yahoo.com

4.5 The Equity Shares are traded in compulsory dematerialized mode under the trading code(s) PENIND/513228 at BSE and PENIND at NSE. The ISIN of the Equity Shares of the Company INE932A01024. For detailed procedure with respect to tendering of shares, Stock Exchanges will be issuing notice with detailed procedures. Sellers may refer the notice to understand procedure on how to tender the shares in this Buy-back.

4.6 The Company, shall, commencing from March 23, 2022 (i.e., the date of opening of the Buy-back), place "buy" orders on the BSE and/or NSE on the normal trading segment to Buy-back the Equity Shares through the Company's Broker in such quantity and at such price, not exceeding the Maximum Buy-back Price of ₹50/- (Rupees Fifty only) per Equity Share, as it may deem fit, depending upon the prevailing market price of the Equity Shares on the Stock Exchanges. When the Company has placed an order for Buy-back of Equity Shares, the identity of the Company as a purchaser would be available to the market participants of the Stock Exchanges.

4.7 **Procedure for Buy-back of Demat Shares:** Beneficial owners holding Demat Shares who desire to sell their Equity Shares in the Buy-back, would have to do so through their stock broker, who is a registered member of either of the Stock Exchanges by indicating to their broker the details of the equity shares they intend to sell whenever the Company has placed a "buy" order for Buy-back of the equity shares. The Company shall place a "buy" order for Buy-back of Demat Shares, by indicating to the Company's Broker, the number of Equity Shares it intends to buy along with a price for the same. The trade would be executed at the price at which the order matches the price tendered by the beneficial owners and that price would be the Buy-back price for that beneficial owner. The execution of the order, issuance of contract note and delivery of the stock to the member and receipt of payment would be carried out by the Company's Broker in accordance with the requirements of the Stock Exchanges and SEBI. Orders can be placed on the trading days of the stock exchanges. The Company is under no obligation to place a "buy" order on a daily basis. The orders for buying back the Equity Shares shall be placed on the normal trading segment of the stock exchanges atleast once a week.

4.8 It may be noted that a uniform price would not be paid to all the shareholders / beneficial owners pursuant to the Buy-back and that the same would depend on the price at which the trade with that shareholder / beneficial owner was executed on Stock Exchanges.

4.9 **Procedure for Buy-back of Physical Shares:** All Eligible Shareholders of the Company holding Equity Shares in physical form should note that pursuant to provisions of the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations") read with press release no. 12/2019 dated March 27, 2019 issued by SEBI, with effect from April 1, 2019, the request for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. Accordingly, the Company shall not accept the Equity Shares tendered under the Buy-Back unless such Equity Shares are in dematerialised form.

ACCORDINGLY, ALL ELIGIBLE SHAREHOLDERS OF THE COMPANY HOLDING EQUITY SHARES IN PHYSICAL FORM AND DESIROUS OF TENDERING THEIR EQUITY SHARES ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED. IN CASE ANY ELIGIBLE SHAREHOLDER HAS SUBMITTED EQUITY SHARES IN PHYSICAL FORM FOR DEMATERIALIZATION, SUCH ELIGIBLE SHAREHOLDERS SHOULD ENSURE THAT THE PROCESS OF DEMATERIALIZATION IS COMPLETED WELL IN TIME SO THAT THEY CAN PARTICIPATE IN THE BUY-BACK BEFORE BUY-BACK CLOSING DATE.

4.10 Shareholders are requested to get in touch with the Merchant Banker of the Buy-back or the Company's Broker or the Investor Service Centre to clarify any doubts in the process.

4.11 Subject to the Company purchasing Equity Shares for an amount equivalent to the Minimum Buy-back Size, nothing contained herein shall create any obligation on the part of the Company or the Board to Buy-back any Equity Shares or confer any right on the part of any shareholder to have any Equity Shares bought back, even if the Maximum Buy-back Size has not been reached, and/or impair any power of the Company or the Board to terminate any process in relation to the Buy-back, to the extent permissible by law. If the Company is not able to complete the Buy-back equivalent to the Minimum Buy-back Size, the amount held in the Escrow Account up to a maximum of 2.5% of the Maximum Buy-back Size, shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the SEBI Buy-back Regulations.

4.12 The Company shall submit the information regarding the Equity Shares bought back by it, to the Stock Exchanges on a daily basis in accordance with the SEBI Buy-back Regulations. The Company shall also upload the information regarding the Equity Shares bought back by it on its website (www.pennarindia.com) on a daily basis.

4.13 Eligible Sellers who intend to participate in the Buy-back should consult their respective tax advisors for applicable taxes.

5. METHOD OF SETTLEMENT

5.1 **Settlement of Demat Shares:** The Company will pay consideration for the Buy-back to the Company's Broker on or before every pay-in date for each settlement, as applicable to the respective Stock Exchanges where the transaction is executed. The Company has opened a depository account titled "PIL – BUY-BACK OFFER – DEMAT ESCROW ACCOUNT" with R.L.P. Securities Private Limited ("Buy-back Account"). Demat Shares bought back by the Company will be transferred into the Buy-back Account by the Company's Broker, on receipt of such Demat Shares and after completion of the clearing and settlement obligations of the Stock Exchanges. Beneficial owners holding Demat Shares would be required to transfer the number of such Demat Shares sold to the Company pursuant to the Buy-back, in favour of their stock broker through whom the trade was executed, by tendering the delivery instruction slip to their respective depository participant ("DP") for debiting their beneficiary account maintained with the DP and crediting the same to the broker's pool account as per procedure applicable to normal secondary market transactions. The beneficial owners would also be required to provide to the Company's Broker, copies of all statutory consents and approvals required to be obtained by them for the transfer of their Equity Shares to the Company as referred to in Paragraph 13.3 of Part B.

5.2 **Extinguishment of Demat Shares:** The Demat Shares bought back by the Company shall be extinguished and destroyed in the manner specified in the Securities and Exchange Board of India (Depository and Participants) Regulations, 2018 and its bye-laws, in the manner specified in the SEBI Buy-back Regulations and the Companies Act. The Equity Shares lying in credit in the Buy-back Demat Escrow Account will be extinguished within fifteen (15) days of acceptance of the Demat Shares. The Company undertakes to ensure that all Demat Shares bought back by the Company are extinguished within seven (7) days of expiry of the Buy-back Period.

5.3 Consideration for the Equity Shares bought back by the Company shall be paid only by way of cash through normal banking channel.

6. Brief Information about the Company

6.1 Pennar Industries was incorporated on 8th August 1975. The company CIN is L27109TS1975PLC001919. Pennar Industries Limited is one of the leading engineering organizations in India well known for its expertise in providing engineered products & services. The company is engaged in the business of manufacturing precision engineering products such as precision tubes, railway wagons / coaches, sheet metal components, solar module mounting structures, hydraulic products, auto components, pre-engineered building systems and engineering services.

6.2 The Equity Shares of Company are presently listed on BSE and NSE.

6.3 On consolidated basis, for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021, the Company recorded a total income of ₹2,15,985 Lakhs, ₹2,12,683 Lakhs, and ₹1,54,401 Lakhs respectively, and the profit after tax was recorded as ₹6,666 Lakhs, ₹5,340 Lakhs, and ₹284 Lakhs respectively.

7. FINANCIAL INFORMATION ABOUT THE COMPANY

7.1 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder ("Ind AS"). Financial information on the basis of audited standalone financial statements of the Company for the last three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the unaudited standalone financial statements for the six (6) months period ended on September 30, 2021 and nine (9) months ended on December 31, 2021 (subjected to Limited Review by the Statutory Auditor of the Company), is provided hereunder:

(₹ in Lakhs)

Particulars	9 months period ended on 31.12.2021	6 months period ended on 30.09.2021	FY 21	FY 20	FY 19
	(Limited Review) (Unaudited) Ind AS	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
I. INCOME					
Revenue from Operations	1,40,553	95,121	1,51,654	2,09,766	2,11,612
Other Income	1,117	636	1,781	2,029	2,603
Total Income	1,41,670	95,757	1,53,435	2,11,795	2,14,215

II. EXPENSES					
Cost of Material Consumed	93,662	61,972	90,928	1,18,255	1,24,545
Purchase of traded goods	1,896	1,315	3,669	8,463	5,135
Change in inventories of finished goods, work-in-progress and stock in trade	(9,146)	(4,106)	(2,775)	(1,161)	(865)
Employee Benefit Expenses	11,246	7,521	13,050	15,687	14,913
Finance Cost	5,453	3,546	7,946	8,340	7,511
Depreciation and amortization expenses	3,732	2,493	4,767	4,268	2,787
Other Expenses	31,756	21,054	37,739	51,748	50,838
Total Expenses	1,38,599	93,795	1,55,324	2,05,600	2,04,864
III. Profit before exceptional item and tax (I-II)	3,071	1,962	(1,889)	6,195	9,351
IV. Exceptional item	-	-	1,996	-	-
V. Profit before tax (III+IV)	3,071	1,962	107	6,195	9,351
VI. Tax Expenses:					
Current tax	1,584	923	360	1,740	2,477
Deferred tax	(797)	(421)	(342)	(796)	470
Total Tax Expense	787	502	18	944	2,974
VII. Profit for the year (V-VI)	2,284	1,460	89	5,251	6,404
VIII. Other Comprehensive income	-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss:	-	-	-	-	-
- Remeasurement of the defined benefit plan	-	-	18	(52)	(475)
- Income tax relating to the above items	-	-	(4)	13	165
Total Other Comprehensive income	-	-	14	(39)	(310)
IX. Total Comprehensive income for the year (VII+VIII)	2,284	1,460	103	5,212	6,094
Equity Share Capital	7,108	7,108	7,108	7,262	7,618
Other Equity	Not available	63,441	61,981	62,401	58,881
Net Worth	Not available	70,549	69,089	69,663	66,499
Total Debt*	Not available	57,683	58,283	45,045	44,428

* Total Debt = Current Borrowings + Non-Current Borrowings + Current Portion of Long term borrowings

Financial Ratios on standalone basis are as under:

Particulars	9 months period ended on 31.12.2021	6 months period ended on 30.09.2021	FY 21	FY 20	FY 19
	(Limited Review) (Unaudited) Ind AS	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Basic EPS (in ₹)	*1.61	*1.03	0.06	3.47	4.2
Diluted EPS (in ₹)	*1.61	*1.03	0.06	3.47	4.2
Debt Equity Ratio	Not available	0.84	0.87	0.67	0.68
Book Value (₹ per share)	Not available	49.63	48.60	47.96	43.65
Return on Net worth (in %)	Not available	2.07%	0.13%	7.54%	9.63%

*Not annualised

Notes:

- Basic EPS = Profit after tax / Weighted average number of equity shares outstanding
- Diluted EPS = Profit after tax / Weighted average number of equity shares outstanding
- Debt equity ratio = Total debt as defined above / (Equity capital + free reserves)
- Book value per share = (Equity share capital + Other Equity) / Total number of outstanding shares
- Return on net worth = Profit after tax / Net worth

7.2 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued there-under ("Ind AS"). Financial information on the basis of audited consolidated financial statements of the Company for the last three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the unaudited consolidated financial statements for the six (6) months period ended on September 30, 2021 and nine (9) months ended on December 31, 2021 (subjected to Limited Review by the Statutory Auditor of the Company), is provided hereunder:

(₹ in Lakhs)

Particulars	9 months period ended on 31.12.2021	6 months period ended on 30.09.2021	FY 21	FY 20	FY 19
	(Limited Review) (Unaudited) Ind AS	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
I. INCOME					
Revenue from Operations	1,57,298	1,04,001	1,52,535	2,10,655	2,13,311
Other Income	997	556	1,866	2,028	2,674
Total Income	1,58,295	1,04,557	1,54,401	2,12,683	2,15,985
Cost of Material Consumed	94,573	62,625	92,754	1,18,460	1,27,283
Purchase of traded goods	15,623	9,452	3,669	8,463	5,135
Change in inventories of finished goods, work-in-progress and stock in trade	(13,019)	(6,953)	(4,432)	(1,143)	(865)
Employee Benefit Expenses	14,936	9,456	13,638	16,184	15,293
Finance Cost	5,745	3,800	7,967	8,345	7,520
Depreciation and amortisation expenses	3,888	2,552	4,817	4,282	2,789
Other Expenses	33,131	21,620	37,619	51,780	49,148
Total Expenses	1,54,877	1,02,552	1,56,032	2,06,371	2,06,303
III. Profit before exceptional item and tax (I-II)	3,418	2,005	(1,631)	6,312	9,682
IV. Exceptional item	-	-	1,996	-	-

V. Profit before tax (III+IV)	3,418	2,005	365	6,312	9,682
VI. Tax Expenses:					
Current tax	1,696	978	423	1,768	2,546
Deferred tax	(797)	(421)	(342)	(796)	470
Total Tax Expense	899	557	81	972	3,016
VII. Profit for the year (V-VI)	2,519	1,448	284	5,340	6,666
Profit for the year attributable to:					
- Shareholders of the Company	2,529	1,458	254	5,305	6,644
- Non-Controlling Interest	(10)	(10)	30	35	22
VIII. Other Comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
- Remeasurement of the defined benefit plan	-	-	18	(52)	(475)
- Income tax relating to the above items	-	-	(4)	13	165
Items that will be reclassified subsequently to profit or loss:					
- Exchange differences in translation of foreign operations	24	36	(41)	67	10
- Income tax relating to above items	-	-	-	-	-
Total other comprehensive income	24	36	(27)	28	(300)
IX. Total Comprehensive income for the year (VII+VIII)	2,543	1,484	257	5,368	6,366
Total comprehensive income for the year attributable to:					
Shareholders of the Company	2,553	1,484	227	5,333	6,344
Non-controlling interest	(10)	(10)	30	35	22
Equity Share Capital	7,108	7,108	7,108	7,262	7,618
Other Equity	Not available	64,006	62,475	62,771	59,131
Net Worth	Not available	71,114	69,583	70,033	66,749
Total Debt*	Not available	57,700	58,444	45,274	44,461

* Total Debt = Current Borrowings + Non-Current Borrowings + Current Portion of Long term borrowings

Financial Ratios on consolidated basis are as under:

Particulars	9 months period ended on 31.12.2021	6 months period ended on 30.09.2021	FY 21	FY 20	FY 19
	(Limited Review) Unaudited Ind AS	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Basic EPS (in ₹)	*1.78	*1.03	0.18	3.51	4.36
Diluted EPS (in ₹)	*1.78	*1.03	0.18	3.51	4.36
Debt Equity Ratio	Not available	0.84	0.87	0.66	0.68
Book Value (₹ per share)	Not available	50.02	48.95	48.22	43.81
Return on Net worth (in %)	Not available	2.04%	0.41%	7.62%	9.99%

*Not annualised

Note:

- Basic EPS = Profit after tax / Weighted average number of equity shares outstanding
- Diluted EPS = Profit after tax / Weighted average number of equity shares outstanding
- Debt equity ratio = Total debt as defined above / (Equity capital + free reserves)
- Book value per share = (Equity share capital + Other Equity) / Total number of outstanding shares
- Return on net worth = Profit after tax / Net worth

7.3 The Company shall comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it is in compliance with Sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.

8. DETAILS OF ESCROW ACCOUNT

8.1 In accordance with Regulation 20 of the SEBI Buy-back Regulations, the Company has appointed YES Bank Limited ("Escrow Agent"), having its registered office at Yes Bank House, 5th Floor off Western Express Highway, Santacruz (East), Mumbai - 400055 as the Escrow Agent for Buy-back, and will enter into an escrow agreement with Finshore Management Services Limited, Manager to the Buyback Offer and the Escrow Agent. Pursuant to which, the Company will procure a bank guarantee for ₹900 Lakhs (Rupees Nine Hundred Lakhs only) from YES Bank Limited, in favour of the Manager to the Buyback ("BG") (i.e., 22.5% of the Maximum Buyback Size). Further, the Company will open an escrow account titled 'Pennar Industries Limited - Buyback-Escrow Account' ("Escrow Account"). The Company shall authorize the Manager to the Buyback to operate the Escrow Account in compliance with the Buyback Regulations and the Escrow Agreement. Before the opening of the Buyback (i.e., March 23, 2022), the Company shall deposit an amount aggregating to ₹100 Lakhs (Rupees Hundred Lakhs Only) ("Cash Escrow") (i.e., 2.5% of the Maximum Buyback Size).

8.2 The security being provided by the Company for performance of its obligations under the SEBI Buy-back Regulations, consisting of the Cash Escrow and the BG, aggregates to ₹1000 Lakhs (Rupees One Thousand Lakhs only).

8.3 If the Company is not able to complete the Buy-back equivalent to the Minimum Buy-back Size, except for the reasons mentioned in the SEBI Buy-back Regulations, the amount held in the Escrow Account (up to a maximum of 2.5% of the Maximum Buy-back Size), shall be liable to be forfeited and deposited in the Investor Protection and Education Fund of SEBI or as directed by SEBI in accordance with the SEBI Buy-back Regulations.

9. LISTING DETAILS AND STOCK MARKET DATA

9.1 The Equity Shares are currently listed and traded only on the BSE and NSE.

9.2 The high, low and average of closing market prices in preceding three (3) financial years and for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the NSE are as follows:

Year / Month ending	High (Rs.)	Date of High	No. of Equity Shares traded on date of high	Low (Rs.)	Date of Low	No. of Equity Shares traded on date of low	Average price for the year (Rs.)	Total Volume of Equity Shares traded in the fiscals / months (in number)
FY 2021	25.05	January 14, 2021	6,17,415	14.35	May 27, 2020	2,68,419	18.29	7,27,73,842
FY 2020	39.70	April 16, 2019	92,573	12.35	March 26, 2020	7,21,947	28.57	4,13,27,596
FY 2019	62.20	April 27, 2018	4,84,822	30.25	February 18, 2019	1,25,843	43.54	5,16,31,969

February, 2022	45.85	February 4, 2022	26,87,138	31.85	February 24, 2022	16,98,783	39.85	3,02,52,127
January, 2022	45.75	January 20, 2022	53,18,964	34.00	January 4, 2022	12,02,649	38.69	4,87,76,742
December, 2021	35.85	December 31, 2021	52,56,621	27.85	December 6, 2021	1,44,463	31.21	3,09,38,953
November, 2021	31.00	November 12, 2021	13,66,977	26.55	November 29, 2021	4,35,831	28.36	1,06,98,967
October, 2021	31.30	October 18, 2021	17,73,746	27.50	October 29, 2021	2,17,766	29.32	1,30,76,867
September, 2021	31.75	September 15, 2021	9,00,960	28.15	September 28, 2021	3,71,783	29.59	1,02,38,701

Source: NSE (www.nseindia.com)

9.3 The high, low and average of closing market prices in preceding three (3) financial years and for the six (6) months preceding the date of publication of Public Announcement and the corresponding volumes on the BSE are as follows:

Year / Month ending	High (Rs.)	Date of High	No. of Equity Shares traded on date of high	Low (Rs.)	Date of Low	No. of Equity Shares traded on date of low	Average price for the year (Rs.)	Total Volume of Equity Shares traded in the fiscals / months (in number)
FY 2021	25.05	Jan 14, 2021	1,03,497	14.45	May 22, 2020	14,665	18.27	88,22,813
FY 2020	39.45	April 16, 2019	17,990	12.25	March 26, 2020	57,516	28.54	44,39,938
FY 2019	62.10	April 27, 2018	90,123	30.25	February 18, 2019	23,592	43.51	89,10,196
February, 2022	45.75	February 4, 2022	4,84,664	31.70	February 24, 2022	3,06,544	39.87	55,72,080
January, 2022	45.85	January 20, 2022	10,21,832	33.95	January 4, 2022	2,00,519	38.69	75,33,422
December, 2021	35.95	December 31, 2021	6,65,186	27.80	December 6, 2021	40,235	31.21	43,41,646
November, 2021	30.90	November 12, 2021	2,12,463	26.55	November 29, 2021	58,809	28.34	16,75,371
October, 2021	31.30	October 18, 2021	1,84,365	27.50	October 29, 2021	61,027	29.33	18,44,260
September, 2021	31.75	September 15, 2021	83,804	28.20	September 28, 2021	59,459	29.59	18,15,906

Source: BSE (www.bseindia.com)

9.4 The closing market price of the Equity Shares on the BSE and the NSE as on March 8, 2022, being the working day prior to the day the Board approved the proposal for Buy-back, was ₹37.30 (Rupees Thirty Seven point thirty only) and ₹37.35 (Rupees Thirty Seven point thirty five Only) respectively.

9.5 The closing market price of the Equity Shares on the BSE and the NSE as on March 2, 2022, being the day on which notice of Board meeting to consider the proposal for the Buy-back was filed at the Stock Exchanges, was ₹37.05 (Rupees Thirty seven point zero five only) and ₹37.05 (Rupees thirty seven point zero five only) respectively.

9.6 The closing market price of the Equity Shares on the BSE and the NSE as on March 9, 2022, being the day on which the Board approved the proposal for the Buy-back was ₹38.75 (Rupees Thirty Eight point Seven Five Only) and ₹38.75 (Rupees Thirty Eight point Seven Five Only) respectively.

9.7 The closing market price of the Equity Shares on the BSE and the NSE as on March 10, 2022, being the working day after the day of resolution of the Board approving the proposal for Buy-back, was ₹37.95 (Rupees Thirty Seven point Nine Five only) and ₹37.80 (Rupees Thirty Seven point Eight Zero only) respectively.

10. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

10.1 The capital structure of the Company, as on the date of the Public Announcement and the proposed capital structure of the Company post completion of the Buy-back will be, as follows:-

(₹ in Lakhs)

Sr. No.	Particulars	Pre Buy-back	Post Buy-back
1.	Authorized Share Capital:		
	25,20,00,000 fully paid equity shares of ₹5/- each with voting rights	12,600	12,600
	Series A: 5,00,000 cumulative redeemable preference shares of ₹100/- each	500	500
	Series B: 4,00,00,000 cumulative redeemable preference shares of ₹5/- each	2,000	2,000
	Total	15,100	15,100
2.	Issued, Subscribed and Paid-up Equity Share Capital:		
	14,21,62,231 fully paid equity shares of ₹5/- each with voting rights	7,108.11	6,708.11#
	Total	7,108.11	6,708.11#

#Assuming the full acceptance of the Buy-back Size at the Maximum Buy-back Price. However, the post Buy-back issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

10.2 The shareholding pattern of the Company pre Buy-back as on date of the Board meeting approving the Buy-back i.e. March 9, 2022 and the post Buy-back shareholding pattern assuming full acceptance, is as follows:

Category of Shareholder	Pre Buy-back		Post Buy-back	
	Number of Shares	% to the existing Equity Share capital	Number of Shares	% to post Buy-back Equity Share capital
Promoters and promoter group	5,35,86,278	37.69	5,35,86,278	39.94
Foreign Investors (Including Non-Resident Indians, FIs, FPIs, Foreign Mutual Funds, Foreign Nationals)	24,45,895	1.72		
Financial Institutions/Banks, Mutual Funds promoted by Banks/ Institutions	2,758	0.00	8,05,75,953	60.06
Others (Public, Bodies Corporate, etc.)	8,61,27,300	60.59		
Non Promoter Non Public	0	0		
Total	14,21,62,231	100	13,41,62,231	100

*Assuming response to the Buy-back is to the extent of 100% (full acceptance) from all the eligible shareholders of the Equity Shares at the Maximum Buy-Back Price.

10.3 There are no partly paid-up or Equity Shares or calls in arrears as on the date of this Public Announcement.

10.4 There are no outstanding instruments convertible into shares.

10.5 There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.

11. Details of Promoters, members of the promoter group, persons in control and directors of the promoters promoter group shareholding and other details

11.1 For the details of the aggregate shareholding of the promoters, members of the promoter group, directors of promoters and members of the promoter group (where the promoter or the member of the promoter group is a company) and of persons who are in control of the Company as on the date of this Public Announcement, please refer to para 4.1 of Part A above.

11.2 For the details of Equity Shares sold or purchased by the persons mentioned in para 11.1 above during a period 12 (twelve) months preceding the date of this Public Announcement and 6 (six) months preceding the date of the Board Meeting, please refer to para 4.2 of Part A above.

12. MANAGEMENT DISCUSSION AND ANALYSIS ON THE LIKELY IMPACT OF THE BUY-BACK ON THE COMPANY

12.1 The Buy-back is not likely to cause any material impact on the earnings of the Company, except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back.

12.2 The Buy-back of Equity Shares will result in a reduction in share capital and consequently, is expected to be EPS accretive. The Company believes that the Buy-back will contribute to the overall enhancement of shareholders' value going forward. The amount required by the Company for the Buy-back (including the cost of financing the Buy-back and the transaction costs) will be invested out of the internal accruals of the Company. The Buy-back is not likely to cause any material impact on the earnings of the Company, except for a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back.

12.3 Pursuant to Regulation 16(ii) of the SEBI Buy-back Regulations, the Promoters are not entitled to participate under the Buy-back. The Buy-back of Equity Shares will not result in a change in control or otherwise affect the existing management structure of the Company.

12.4 Consequent to the Buy-back and based on the number of Equity Shares bought back from the shareholders excluding the promoters, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 25% of the total fully paid-up equity share capital of the Company.

12.5 As required under Section 68(2)(d) of the Companies Act, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up equity share capital and free reserves post Buy-back.

12.6 Unless otherwise determined by the Board and the Buy-back committee, duly authorized by the Board, the Buy-back will be completed within a maximum period of six (6) months from the date of opening of the Buy-back. The Company shall not withdraw the Buy-back after this Public Announcement has been made.

12.7 Further, the Company shall not issue any equity shares or other securities including by way of bonus issue or convert any outstanding instruments into equity shares, till the expiry of the Buy-back Period in accordance with the Companies Act and the SEBI Buy-back Regulations. In compliance with the provisions of the Companies Act, the Company shall not raise further capital for a period of six (6) months from the expiry of the Buy-back period except by way of a bonus issue or in the discharge of subsisting obligations. Further, in accordance with the SEBI Buy-back Regulations, the Company shall not raise further capital for a period of one (1) year from the expiry of the Buy-back Period, except in discharge of its subsisting obligations.

12.8 Consequent to the Buy-back and based on the number of equity shares bought back by the Company from its shareholders as permitted under the SEBI Buy-back Regulations, the shareholding pattern of the Company would undergo a change.

13. STATUTORY APPROVALS

13.1 Pursuant to Sections 68, 69, 70 and other applicable provisions of the Companies Act and the Rules, if any, there under and the SEBI Buy-back Regulations, and Article 24 of the Articles of Association of the Company, the Company has obtained the Board approval as mentioned above.

13.2 The Buy-back from each eligible shareholder of the Company is subject to all statutory consents and approvals as may be required by such shareholder under applicable laws and regulations. The shareholders shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the RBI, if any) as may be required by them in order to sell their equity shares to the Company pursuant to the Buy-back. Shareholders would be required to provide copies of all such consents and approvals obtained by them to the Company's Broker.

13.3 The Buy-back shall be subject to such necessary approvals as may be required and the Buy-back from overseas corporate bodies and other applicable categories, shall be subject to such approvals of the RBI, if any, under the Foreign Exchange Management Act, 1999.

13.4 To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buy-back, as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their equity shares to the Company as set out in Paragraph 13.2 above, the Company shall obtain such statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buy-back.

14. COLLECTION AND BIDDING CENTRES

The Buy-back will be implemented by the Company by way of open market purchases through the Stock Exchanges using their nationwide trading terminals. Therefore, the requirement of having collection centres and bidding centres is not applicable.

15. COMPLIANCE OFFICER

Investors may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 9:30 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Mr. Mirza Mohammed Ali Baig
Company Secretary and Compliance Officer,
Address: 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084
Tel: 91 40 41923108 **Email:** mirza.baig@pennarindia.com **Website:** www.pennarindia.com

16. INVESTOR SERVICE CENTRE

In case of any query, the equity shareholders may also contact **KFin Technologies Private Limited**, the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre for the purpose of the Buy-back, during office hours, i.e. 9:00 a.m. to 5:30 p.m., on any day except Saturday, Sunday and public holidays at the following address:



Kfin Technologies Private Limited
(formerly known as Karvy Fintech Private Limited)
Selenium, Tower B, Plot No. 31 and 32, Gachowli, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana, India.
Tel: +91 40 6716 2222 **E-mail:** pil.buyback@kfinitech.com **Website:** www.kfinitech.com
Contact Person: M Murali Krishna
SEBI Registration Number: INR000000221

17. MANAGER TO THE BUY-BACK

 **Finshore Management Services Limited,**
Anandlok Block A, Room-207, 227, A/JC Bose Road, Kolkata-700020
Tel: 91-33-22895101/9831020743 **Website:** www.finshoregroup.com
Investor Grievance email id: ramakrishna@finshoregroup.com
Contact Person: Mr. S Ramakrishna Iyengar
SEBI Registration No: INM00012185
CIN No: U74900WB2011PLC169377

18. DIRECTORS' RESPONSIBILITY

As per Regulation 24(i)(a) of the Buy-back Regulations, the Board accepts responsibility for the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued in relation to the Buy-back and confirm that the information in such documents contains and will contain true, factual and material information and does not and will not contain any misleading information.

For and on behalf of the Board of Directors of Pennar Industries Limited

Sd/- Aditya Rao Vice Chairman & Managing Director DIN: 01307343	Sd/- Lavanya Kumar Rao Kondapally Executive Director DIN: 01710629	Sd/- Mirza Mohammed Ali Baig Company Secretary and Compliance Officer M. No.: ACS29058
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Date : March 10, 2022
Place : Hyderabad