



**PENNAR INDUSTRIES LIMITED**

CIN: L27109AP1975PLC001919  
Regd. Office: Floor No. 3, DHFLVC Silicon Towers,  
Kondapur, Hyderabad, Telangana - 500084  
Tel Nos : +91 40 4006 1623  
Email ID: corporatecommunications@pennarindia.com  
Website: <http://www.pennarindia.com>

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**NOTICE OF MEETING OF THE UNSECURED CREDITORS OF PENNAR INDUSTRIES LIMITED**

(Convened pursuant to order dated 1 November 2018 passed by the National Company Law Tribunal,  
Hyderabad Bench)

<b>Meeting of the Unsecured Creditors of Pennar Industries Limited</b>	
<b>Day</b>	<b>Saturday</b>
<b>Date</b>	<b>15 December 2018</b>
<b>Time</b>	<b>2.30 PM IST</b>
<b>Venue</b>	<b>Hotel Raddison, Gachibowli-Miyapur Road, Chhota Anjaiah Nagar, Gachibowli, Hyderabad – 500032</b>

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**FORM CAA.2**  
**[Pursuant to Section 230(3) and Rule 6 and 7 of the Companies**  
**(Compromises, Arrangements and Amalgamation Rules, 2016)]**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH**  
**COMPANY SCHEME APPLICATION NO. 932/230/HDB/2018**

**In the matter of the Companies Act, 2013;**

**AND**

**In the matter of Sections 230 to 232 read with other applicable provisions of the**  
**Companies Act, 2013 and rules framed thereunder;**

**AND**

**In the matter of Scheme of Amalgamation of Pennar Engineered Building Systems Limited**  
**(‘First Transferor Company’) and Pennar Enviro Limited (‘Second Transferor Company’)**  
**with Pennar Industries Limited(‘Transferee Company’)and their respective shareholders**

<b>Pennar Industries Limited</b> , a Company Incorporated under the provisions of the Indian Companies Act, 1956 and having its registered office at Floor No. 3 DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana – 500084	...Applicant Company / Transferee Company
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**NOTICE CONVENING THE MEETING OF UNSECURED CREDITORS OF**  
**PENNAR INDUSTRIES LIMITED**

To,

**All the Unsecured Creditors of Pennar Industries Limited (‘the Applicant Company’ or**  
**‘PIL’ or ‘the Transferee Company’)**

**NOTICE** is hereby given that by an Order dated 1 November 2018 (‘Order’), the Hon’ble National Company Law Tribunal, Bench at Hyderabad (‘NCLT’) has directed that a meeting of Unsecured Creditors of the Applicant Company be held for the purpose of considering, and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Amalgamation of Pennar Engineered Building Systems Limited (‘First Transferor Company’) and Pennar Enviro Limited (‘Second Transferor Company’) with Pennar Industries Limited (‘Transferee Company’) and their respective shareholders (‘Scheme’).

**TAKE FURTHER NOTICE THAT** in pursuance of the said Order and as directed therein a further notice is hereby given that a meeting of Unsecured Creditors of the Applicant Company will be held at Hotel Raddison, Gachibowli-Miyapur Road, Chhota Anjaiah Nagar, Gachibowli, Hyderabad – 500032 on Saturday, the 15<sup>th</sup> day of December 2018 at 2.30 PM IST at which time and place you are requested to attend.

The NCLT has appointed Mr. Amir Ali Bhavani, Advocate, to be the Chairman of the said meeting, including for any adjournment or adjournments thereof. The above Scheme, if approved by the Unsecured Creditors, will be subject to the subsequent approval of NCLT.

The Audit Committee in its meeting held on 9 November 2017 approved and recommended the Scheme to the Board of Directors for their approval. The Board of Directors of the Applicant Company at their meeting held on 10 November 2017, have approved the Scheme, subject to approval by the requisite majority of Unsecured Creditors of the Applicant Company, as may be required and subject to sanction of the NCLT and such other authorities as may be necessary.

The Unsecured Creditors are requested to attend, to consider and, if thought fit, to approve, with or without modification(s), the following resolution under Section 230 to 232 of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force):

**“RESOLVED THAT** pursuant to the provision of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, the rules, circulars and notifications made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and subject to compliance with various Securities and Exchange Board of India (SEBI) Regulations including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 and the observation letter issued by BSE Limited dated 26 April 2018 and the observation letter dated 26 April 2018 issued by National Stock Exchange of India Limited and other applicable laws/regulations/rules and the sanction of the National Company Law Tribunal, Hyderabad Bench (“NCLT” or “Tribunal”) and/or such other competent authority, as may be applicable, and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the amalgamation embodied in the Scheme of Amalgamation of Pennar Engineered Building Systems Limited (“First Transferor Company”) and Pennar Enviro Limited (“Second Transferor Company”) with Pennar Industries Limited (“Transferee Company”) and their respective shareholders (“Scheme”), placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the amalgamation embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the amalgamation embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

**TAKE FURTHER NOTICE** that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, is deposited at the registered office of the Applicant Company at Floor No. 3, DHFLVC Silicon Towers, Kondapur Hyderabad, Telangana - 500084, not later than 48 (forty-eight) hours before the time fixed for the aforesaid meeting. The form of proxy can be obtained free of charge from the registered office of the Applicant Company.

**TAKE FURTHER NOTICE THAT** copy of the Scheme and of the explanatory statement under Sections 230(3), 232(1) & (2) of the Companies Act 2013 read with Section 102 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 can be obtained free of charge at the registered office of the Applicant Company on all working days (except Saturdays, Sundays and public holidays) during 10.00 a.m. to 5.00 p.m.

**TAKE FURTHER NOTICE THAT** a copy of the above-mentioned explanatory statement, the said Scheme and other enclosures including the Form of Proxy and the Attendance Slip are enclosed and form part of the Notice.

Dated this 5<sup>th</sup> November 2018

**Place:** Hyderabad

**Registered Office:**

Floor No. 3, DHFLVC Silicon Towers,  
Kondapur Hyderabad, Telangana - 500084

Sd/-

**Mr. Amir Ali Bhavani**  
Chairman appointed for the meeting

### **Notes for the meeting of the Unsecured Creditors of the Applicant Company:**

1. This notice together with the documents is being sent to the Unsecured Creditors of the Applicant Company as on the close of business hours on 30<sup>th</sup> June 2018 either by registered post / speed post / courier / email. This Notice is being sent by email to the Unsecured Creditors whose email address is registered with the Company for communication.
2. An Unsecured Creditor of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Applicant Company. The proxy form duly completed should, however, be deposited at the registered office of the Applicant Company not less than 48 (forty-eight) hours before the commencement of the meeting.
3. All alterations made in the form of proxy should be initialled.
4. A person who is a minor cannot be appointed as proxy.
5. A proxy can only cast vote but cannot speak at the meeting.
6. Only Unsecured Creditors of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under Section 113 of the Companies Act, 2013) at the Unsecured Creditors' meeting. The authorised representative of a body corporate which is an unsecured creditor of the Applicant Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board or other governing body of the body corporate is deposited at the registered office of the Applicant Company not later than 48 (forty eight) hours before the meeting authorising such representative to attend and vote at the Unsecured Creditors' meeting. The form of proxy can be obtained free of charge at the registered office of the Applicant Company.
7. Unsecured creditor or his proxy, attending the meeting, is requested to bring the Attendance Slip duly completed and signed.
8. The Applicant Company has provided the facility of ballot/poll paper at the venue of the meeting.
9. The notice convening the aforesaid meeting, will be published through advertisement in Business Standard in the English language and translation thereof in Nava Telangana in Telugu both having circulation in Hyderabad, indicating the day, date, place and time of the meeting and stating that the copies of the Scheme, explanatory statement required to be furnished under section 230 to 232 of the Act and the form of proxy shall be provided free of charge at the registered office of the Applicant Company.
10. Relevant documents referred to in the notice and the explanatory statement are open for inspection by the Unsecured Creditors of the Applicant Company at the registered office of the Applicant Company at Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana - 500084 between 10 A.M. to 5 P.M. on any working day up to the date of the meeting. The said documents shall also be available for inspection at the venue of the meeting.
11. The quorum of the meeting of the Unsecured Creditors of the Applicant Company shall be as prescribed under section 103 of the Companies Act, 2013.
12. The NCLT has appointed Mr. Rajeev Ratna Surya Vamshi, Advocate, Practicing Company Secretary to act as scrutinizer to scrutinize votes cast and submit a report on votes cast to the Chairman of the meeting.
13. The scrutinizer will submit a report to the Chairperson of the NCLT convened meeting after scrutinizing the voting made by Unsecured Creditors, of the Applicant Company at the meeting.
14. The notice will be displayed on the website of the Applicant Company.
15. The result of the voting shall be announced by the Chairman, upon receipt of scrutinizer's report and the same shall be placed on the Company's website at [www.pennarindia.com](http://www.pennarindia.com) within two days of the passing of the resolution at the meeting on 15 December 2018, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Applicant Company are listed.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH  
COMPANY SCHEME APPLICATION NO.932/230/HDB/2018**

**In the matter of the Companies Act, 2013;**

**AND**

**In the matter of Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder;**

**AND**

**In the matter of Scheme of Amalgamation of Pennar Engineered Building Systems Limited ('First Transferor Company') and Pennar Enviro Limited ('Second Transferor Company') with Pennar Industries Limited ('Transferee Company') and their respective shareholders;**

<b>Pennar Industries Limited</b> , a Company Incorporated under the provisions of the Indian Companies Act, 1956 and having its registered office at Floor No. 3 DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana – 500084	...Applicant Company / Transferee Company
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**EXPLANATORY STATEMENT UNDER SECTION 230(3), 232(1) AND (2) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATION) RULES, 2016 FOR THE MEETING OF THE UNSECURED CREDITORS OF PENNAR INDUSTRIES LIMITED TO BE CONVENED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH**

Details of the Companies involved in the Scheme:

1. **Pennar Engineered Building Systems Limited** is referred to as '**First Transferor Company**' or '**PEBS**';
2. **Pennar Enviro Limited** is referred to as '**Second Transferor Company**' or '**PEL**'
3. **Pennar Industries Limited** is referred to as '**Transferee Company**' or '**PIL**'.

The Scheme of Amalgamation of the First Transferor Company and the Second Transferor Company with the Transferee Company is referred to as "the Scheme" or "this Scheme" or "Scheme". The First Transferor Company and the Second Transferor Company are hereinafter collectively referred to as Transferor Companies. The First Transferor Company, Second Transferor Company and the Transferee Company is within the jurisdiction of National Company Law Tribunal, Hyderabad bench. Other definitions contained in the enclosed Scheme will apply to this Statement.

1. This is a Statement accompanying the Notice convening the meeting of the Unsecured Creditors of the Transferee Company, pursuant to an order dated 1 November 2018 ("Order") passed by the Hyderabad Bench of the National Company Law Tribunal ("NCLT") in the Company Application No. 932/230/HDB/2018 referred to hereinabove. The meeting of the Unsecured Creditors of the Applicant Company is being convened and held at Hotel Raddison, Gachibowli-Miyapur Road, Chhota Anjaiah Nagar, Gachibowli, Hyderabad – 500032 on Saturday, the 15<sup>th</sup> day of December 2018 at 2.30 PM IST, for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme.
2. A copy of the Scheme as approved by the Board of Directors of the Applicant Company, after undertaking necessary modifications recommended by BSE Limited and National Stock Exchange of India Limited

(‘Stock Exchanges’) is enclosed as **Annexure 1**. The proposed Scheme is envisaged to be effective from the Appointed Date (as defined in the Scheme) but shall be made operative from the Effective Date (as defined in the Scheme).

3. The proposed Scheme was placed before the Audit Committee of the Applicant Company at its meeting held on 9<sup>th</sup> November 2017. The Audit Committee recommended the Scheme to the Board of Directors of the Applicant Company for its favorable consideration after inter alia taking into account the following:
  - The Valuation report on recommendation of Share Exchange Ratio dated 9<sup>th</sup> November 2017 issued by M/s Walker Chandiok & Co LLP, an Independent valuer, for issue of shares pursuant to the Scheme;
  - The Fairness Opinion dated 9<sup>th</sup> November 2017 issued by Keynote Corporate Services Limited, a Category - I Merchant Banker, on the fairness of the report on recommendation of Share Exchange Ratio.
  - Certificate dated 9<sup>th</sup> November 2017 issued by the Statutory Auditors of the Company, M/s. Deloitte Haskins & Sells, Chartered Accountants, certifying that the accounting treatment in the draft Scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 133 of the Companies Act, 2013;
  - Audited financial statements of the Transferor Companies and the Transferee Company for the year ending 31 March 2017, 31 March 2016 and 31 March 2015.
4. In accordance with the provisions of Sections 230 to 232 of the Act, the Scheme shall be considered approved by the Unsecured Creditors only if the Scheme is approved by majority of persons representing three-fourth in value of the Unsecured Creditors, as the case may be, of the Applicant Company, voting in person or by proxy.
5. In terms of the said order, the quorum for the said meeting of the Unsecured Creditors shall be as prescribed under section 103 of the Act. Further in terms of the said Order, NCLT has appointed Mr. Amir Ali Bhavani, Advocate, to be the chairman of the said meeting including for any adjournment of adjournments thereof.
6. **Background of the Companies:**
  - A. **PIL**
    - i. PIL was originally incorporated as a public limited company under the name and style of ‘Pennar Steels Limited’ in the State of Andhra Pradesh on 8 August 1975 vide Corporate Identity Number L27109AP1975PLC001919. Subsequently, the name was changed to ‘Pennar Industries Limited’ and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh on 30 September 1998. The equity shares of the PIL are listed on the BSE Limited and the National Stock Exchange of India Limited.
    - ii. The Permanent Account Number of PIL is AABCP3074H.
    - iii. The Registered Office of PIL is situated at Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084. E-mail id: corporatecommunications@pennarindia.com.
    - iv. PIL is primarily engaged in the business of manufacturing cold rolled steel strips, precision tubes, cold rolled formed sections, electro static precipitators, profiles, railway wagons and coach components, press steel components and road safety systems.



v. The main objects of PIL as set out in the Memorandum of Association are as under:

- “1. To carry on business as manufacturers and sellers of steel strips and sheets of all kinds, sizes, grades varieties, box strapping, stainless steel, strips and sheets, non-ferrous strips and sheets, tubes, doubled walled tubes, precision tubes, pipes, tin plates. Galvanized sheets and coils, colour coated strips and sheets, cold formed sections such as: door frames, window frames, collecting electrodes, structural, auto body components and welded and non-welded profile sections, panel boards, bimetal strips, cladded strips, line blanking strips, nickel silver strips, hot rolled strips, foils, strips and formed components.*
- 2. To establish own or acquire ferrous and metal-melting furnaces and rolling mills and to carry on business as traders and manufacturers of ferrous and non-ferrous ingots, blooms, billets, slabs, sheets, round bars, auto parts, components, tubes of all kinds, tools and implements, machine parts, hardware, utensils, containers, vessels of every description, cycle parts of all kinds and other engineering goods as well as to buy, sell, import, export, trade or deal in aforesaid goods and materials.*
- 3. To carry on the business of traders or manufacturers of steels founders, steel engineering goods steel makers, steel converters, iron-founders, steel fabricators, mechanical engineers, manufacturers of machinery and implements of all kinds, tool makers, brass founders, metal workers, boiler makers, mill weights, iron and steel converters, smiths, metallurgists and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery, implements, rolling stock and hardware of all kinds.*
- 4. To produce, manufacture, purchase, refine, prepare, import, export, sell and generally to deal in iron and steel in all forms and / or the by-products thereof.*
- 5. To search for, get work, raise, make merchantable, sell and deal in iron, steel and other metals and to deal in coal, minerals and other substances.*
- 6. To act as stockists, commission agents, manufacturers, representatives or agents, selling and purchasing agents, distributors, trustees, attorneys, brokers of all kinds of steel, engineering and industrial requirements.*
- 7. To carry on all or any of the businesses of procurers, generators, suppliers, distributors, transformers, converters, transmitters, producers, manufacturers, processors, developers, stores, carriers, importers and exporters of and dealers in electricity and any products or by-products or services derived from any such business and any products derived from or connected with any other form of energy including without limitation nonconventional energy resources, heat, solar, wind, hydro thermal, geohydel, wave, tidal, geothermal, biological, integrated coal gasification combined cycle, fuel, oil, gas and various forms of waste or any other.*
- 8. To undertake projects in roads, bridges, tunnels, ports and to acquire, build, construct, alter, superintend, maintain, enlarge, pull down, remove or replace and to work, manage and control any buildings, offices factories, mills, foundries, refineries, furnaces, godowns, structures, warehouses, shops, machinery, engines, roadways, railways, branches o sidings, bridges, reservoirs, drains, water courses, wharves, electrical works, gas works or other works and also such other machinery equipment, conveyance works and conveniences and to subsidise contribute to or otherwise or take part in doing any or these things and to join with any other person or company, or with any Government or Governmental authority in doing any of these things.*

9. *To carry on the business of design, development, manufacture and trade of all types of Computer Software, which include CAD, CAM, Data Communications, Office Automation, Artificial Intelligence, Simulation, Modeling, Bio-Medical Computing, Image Processing, Software Engineering, Operating Systems, Computer Graphics including multimedia, Business information processing, Computer Science Education, Computers in Education and all other fields related to computers and to render consultancy and services in the fields of Information Technology, Computer Sciences, Data Processing, Computer Systems and Software, Operations Research and Management Sciences, in India and abroad and to act as dealers, distributors, authorised representatives for such services in India and abroad.*
10. *To provide a package of investment / merchant banking services by acting as Managers to public Issue of securities, by underwriting securities, act as issue house and to carry on the business of Registrars to investment schemes, carry on investments and deal / trade in shares, debentures, debenture stock, bonds, mortgages, obligations, stocks, units, notes, warrants, exam scrip's or any other instrument whether or not transferable or negotiable, commercial or other paper, or scrip's (here-in-after collectively referred to as securities), to act as agents of and / or dealers in the securities to act as financial consultants, managers and counselors in investment and capital: markets, to issue guarantees or to give any other commitments for subscribing or agreeing to subscribe / or agree to procure subscription for the securities, to manage portfolio investments, to provide financial and investment assistance for the purposes herein, to act as agents and purchasers for or of any of the securities to acquire and hold one or more memberships in stock / security exchanges, trade associations, commodity exchanges, clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connection with the securities, bullion's and precious metals, currency or others to syndicate any financial arrangements whether in the domestic market or in the international market and whether by way of loans or guarantees or and yard credits to arrange/extend suppliers credit, cross-border leases, counter trade and to acquire and hold membership in any association of bankers, merchant bankers, insurance companies, brokers, security dealers or commodity dealers or any other association will or is likely in any way to facilitate the conduct of the Company's business, to under the work of factoring of bill and other commercial papers and to arrange and or coordinate documentation and negotiation this regard both in the domestic and international market, undertake trading/dealing in foreign exchange (in all markets both domestic and international) and to conduct any other activities related to these markets.*
11. *To carry on the business as manufacturers of, dealers in, traders, importers and exporters for all kinds of chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and kind whatsoever, drugs, pharmaceuticals, pesticides, dyestuffs and all by-products, jointproducts and other intermediaries, chemical engineers, analytical chemists, traders, imports, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalizes, petro chemicals, tannins and tannin extracts, essences, solvents, plastic of all types intermediaries, textile auxiliaries, cellophane colours, dyes, paints, varnishes, chemical auxiliaries, disinfectants, deodorants, biochemicals, medicinal, sizing, bleaching, photographically and other preparations and articles and chemicals of all kinds.*
12. *To carry on the Business of and Generate, develop, accumulate, distribute and supply Electricity by setting up Thermal Hydel power plants, by use of liquid gaseous or solid*

*fuels and other products and others to be used as fuels for the purpose of light heat motive power and for all other purposes for which Electric Energy can be employed;*

*To carry on and Generate power supply either by Hydro, Thermal, Gas, Air, Diesel Oil Atomic or through Renewable energy sources such as Solar, Photovoltaic, Windmill and/or any other means;*

*To transmit, distribute, supply and sell such power either directly or through transmission lines and facilities of state/central governments or private companies or Electricity Boards to Industries, to central and state Governments, other consumers of Electricity including for captive consumption for any industrial projects promoted by this company or promoter, engage in the business of supply and distribution of electricity, purchasing, selling, importing, exporting, wheeling, and trading of electrical energy, operation of distribution system including finalization of tariff, billing and collection thereof and to enter into any agreements for the carrying on of such business.”*

Clause III (B) (28) of the Memorandum of Association of PIL permits it to enter into a Scheme of Amalgamation:

*“28. To amalgamate with any other Company having objects altogether or in part similar to those of this Company. To amalgamate/merge and/or enter in to arrangement/demerger with any other body corporate whether they be subsidiary, Associate or Group Company or otherwise in the best interest of the Company.”*

- vi. There has been no change in the name, registered office and objects of PIL during the last 5 years.
- vii. The authorised, issued, subscribed and paid-up share capital of PIL as on 31 March 2018 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
<b>Equity shares:</b> 15,00,00,000 Equity Shares of Rs 5/- each	75,00,00,000
<b>Preference Shares:</b> Series - A : 5,00,000 Cumulative Redeemable Preference Shares of Rs 100/- each	5,00,00,000
Series - B : 4,00,00,000 Cumulative Redeemable Preference Shares of Rs 5/- each	20,00,00,000
<b>TOTAL</b>	<b>100,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity shares:</b> 12,03,49,514 Equity Shares of Rs 5/- each	60,17,47,570
<b>TOTAL</b>	<b>60,17,47,570</b>

Subsequent to 31 March 2018, there is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

- viii. The Board of Directors of PIL have at their meeting held on 10 November 2017 unanimously approved the Scheme.
- ix. The names of the Promoters and the present directors of PIL along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter</b>		
1	Kondapally Lavanya Kumar Rao	2-1-73/1, Nallakunta, Hyderabad - 500 044
2	Kondapalli Lakshman Rao	2-1-73/1, Nallakunta, Hyderabad - 500 044
3	Y Muralidhar Rao	1-2-593/37, Domalguda, Hyderabad - 29
4	Y Rekha Rao	1-2-593/37, Domal Guda, Hyderabad – 29
5	J Rajyalakshmi	H.NO. 442, Plot No-381 Road No. 10 Jubilee Hills, Hyderabad – 33
6	J Nrupender Rao	H.NO. 442, Plot No-381 Road No. 11 Jubilee Hills, Hyderabad – 33
7	Aditya Narsing Rao	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad – 33
8	J Avanti Rao	H.NO. 442, Plot No-381 Road No. 10 Jubilee Hills, Hyderabad – 33
9	Kondapally Sandhya	2-1-73/1, Nallakunta, Hyderabad - 500 044
10	Kondapalli Sumatha Devi	2-1-73/1, Nallakunta, Hyderabad - 500 044
11	Jayanthi Puljal	6-3-890/1, Flat No-206, II Floor, My Homes Fern Hills Apartments, Rajbhavan Road, Hyderabad – 82
12	Bhavana Puljal	Flat No-206, My Homes Fern Hills Apartments, Rajbhavan Road, Hyderabad – 82
13	Kalpana Puljal	Flat No-206, My Homes Fern Hills Apartments, Rajbhavan Road, Hyderabad – 82
14	Pennar Holdings Private Limited	Flat No 501 Sri Rama Chandra Residency, Madhapur, Kondapur, Hyderabad – 500084
<b>Directors</b>		
1	Kamalakar Rao Bandari	603, Bandari Residency Umanagar, Kundanbagh, Begumpet, Hyderabad – 500016
2	Comandur Parthasarathy	D No 8-2-293/82/A/648, Plot No 648, Road No 34, Jubilee Hills, Hyderabad - 500 034
3	Joginapally Nrupender Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
4	Manish Mahendra Sabharwal	Office No.6, 3rd Floor, C Wing, Laxmi Tower, Bandra Kurla Complex, Bandra East, Mumbai 400 051
5	Ravi Chachra	Eight Capital, 8 Wright, 1 <sup>st</sup> Floor, Westport, CT 06880

6	Aditya Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
7	Lavanya Kumar Rao Kondapally	2-1-73/1, Nallakunta, Hyderabad - 500 044
8	Vishal Satinder Sood	Unit 510-511, Time Tower M G Road, Gurgaon
9	Varun Chawla	91 Springboard E43/1, Okhla phase 2, New Delhi - 20
10	Potluri Venkateswara Rao	Villa No 42, Aparna Hill Park Gardenia, Survey Number 272, Chanda Nagar, Tirumalagiri, Hyderabad - 500050
11	Sita Vanka	2-2-1137/3/1/1, New Nallakunta, Hyderabad - 500 044
12	Eric James Brown (Additional Director)	18 Rosedown PI Woodlands TX USA 773820000

## B. PEBS

- i. PEBS was incorporated on 17 January 2008 as a public limited company with the Registrar of Companies, Andhra Pradesh under the provisions of Companies Act, 1956 vide Corporate Identity Number L45400TG2008PLC057182. The equity shares of the PEBS are listed on BSE Limited and the National Stock Exchange of India Limited.
- ii. The Permanent Account Number of PEBS is AAACP6047P.
- iii. The Registered Office of PEBS is situated at 9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084. E-mail id: contact@pebspennar.com
- iv. PEBS is primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing, fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects.
- v. The main objects of PEBS as set out in the Memorandum of Association are as under:
  - “1. To carry on the business of selling buildings systems including pre-engineered buildings, prefabricated structures, pre-stressed concrete assemblies and structures, high rise metal buildings, framing systems, heavy steel and metal structures for use as warehouses, commercial buildings, factories, aircraft hangers, sports facilities, insulated cold chains and including subassemblies such as wall systems, roofing assemblies, solar panel systems and building facades.
  2. To carry on the business of selling components and building materials such as roof panels, wall panels, polyurethane foam filled panels, mineral wool insulated panels, ‘standing seam’ roofing solutions, gutters, downspouts, secondary framing components (z-purlins, c-purlins and girts), primary framing members and systems and various accessories including fasteners, trims, walk doors, roll up doors, windows, louvers, skylights, ridge ventilators, roof jacks, roof curbs and sealers.
  3. To carry on the business of providing supervisory, consulting and contract services for building erection, civil works, foundations, concrete works, finishing, electrical, mechanical, lighting solutions, heating, ventilation, air conditioning and ducting.

4. *To carry on the business of providing engineering services including the generation of initial building designs, detailed Computer Aided Design (CAD), structural detailing, 3d modelling, shop drawings, erection drawings bill of materials, elevations, architectural designs and other Information Technology (IT) enabled services. The company will also utilize and develop software for engineering design and detailing, 3d modelling and price estimation.*
5. *To carry on the business of trading and marketing by the purchase or sale of components, systems, building components, colored sheets, insulated panels, software licenses, drawings and designs from an overseas source or nationally for use in the manufacture of the above products or for the purpose of sale to customers.*
6. *To engage, employ, suspend and dismiss executives, engineers, mechanics, skilled and unskilled labour, computer operators, programmers, supervisors, clerks, contractors, sub-contractors, technical experts and such other persons as may be required to carry out the objects of the Company and to remunerate them at such rate and in such manner as shall be thought fit.*
7. *To purchase, import, assemble, develop and promote the raw materials, spare parts, components, machinery required in the business and to sell the above on commission, profits sharing or any other basis in connection with the business of the company.*
8. *To take on lease or acquire by license or any lands, buildings, rights over and connected with lands, plants, buildings, works, lorries, cars, wagons, cart, machinery, apparatus, stock-in-trade, copy right, patents, license, technical information, inventories, trademarks, rights, privileges, plans, layouts and movable or immovable properties of any description which may be deemed necessary or convenient for any business of the company.*
9. *To obtain licenses, concessions and privileges for all purposes from any person, local authorities and the Central and State Government and to renew the same.*
10. *To enter into agreements, tie-ups, joint ventures, collaboration and contracts with foreign individuals, companies or other organizations for technical, financial marketing, know-how and or any other assistance for carrying out all or any of the objects of the company.*
11. *To establish and maintain any agencies, branches for the conduct of the business of the Company or for the sale of any products, materials or things for the time being at the disposal of the Company for sale.*
12. *To advertise and adopt means of making known or promoting the use of all or any of the products of the Company in any manner as may be expedient and in particular by advertising in paper, books, magazines, radio, television, video, internet and other similar medias.*
13. *To insure with any person, company or corporation against losses, damages, and risks of all kinds which may affect the Company, including its profit generating capacity, property, machinery, stocks, plant and machinery and other movable and immovable assets.*
14. *To apply for register, purchase or acquire and protect, prolong and renew trademarks, trade names, designs, secret processes, copy right, patent right, brevets d 'inventions, licenses, protections and concessions which may appear likely to be advantageous or*

*useful to the Company and to spend money in experimenting upon and researching testing and improving or seeking to improve any patents, inventions or rights which may acquire or propose to acquire or develop.*

- 15. To buy, let on hire and repair all kinds of machinery, components parts, accessories and other spare parts and fittings, furniture which can be profitably dealt with in connection with the business of the Company.*
- 16. To construct, erect, take over, improve, develop maintain and manage any buildings, gasworks, reservoirs, electric or other power Plant, heat producing and supplying plants and works for the purposes of the Company's business.*
- 17. To enter into any agreement with any Government or authorities (Municipal, local or otherwise) or any corporations, companies, or persons, which may seem conducive to the Company's objects and to obtain from any such government, authority, corporation, company or person any contracts, rights, franchise, privileges and concessions which the Company may think desirable and to carry on exercise and comply with any such contracts, rights, franchise, privileges and concessions.*
- 18. To apply for, promote and obtain any statue, order regulation or other authorisation or enactment that may be directly or indirectly benefit the Company's interests.*
- 19. To purchase or acquire and to undertake the whole or any part of the business, property, goodwill, and liabilities of any person, firm or company carrying on any business which this company is authorised to carry on or to possess property or rights, suitable for the Company to purchase, acquire, apply for, hold, sell and seal in shares, stock, debenture-stock, of any such persons, firms or companies, to conduct, make or carry into effect any arrangements in regard to the winding up of the business of any such persons, firms of companies.*
- 20. To construct, acquire, establish, provide, maintain and administer factories, estates, buildings, erect plant and machinery, water reservoirs, sheds, channels, pumping installations, generating installations, pipelines, garages, storages, and accommodations of all descriptions in connection with the business of the Company and to dispose of such of them as are required for the purpose of the Company.*
- 21. To apply to tender or acquire contracts, sub-contract all or any of the contracts and to appoint stockists, after sales service centres, agents, brokers and constitute agencies for goods manufactured or dealt in or services provided by the Company.*
- 22. Subject to sections 230 to 232 of the Act, to amalgamate with or to take or acquire and hold shares in any company or companies having objects altogether or in part similar to those of this company.*
- 23. To obtain under any Act of the Central or State Legislature, provisional orders, license or autonomous bodies, or authorities for enabling the Company to carry out any of its objects in to effect, or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose and make representation against any proceedings or application or representation which may seem calculated directly or indirectly to prejudice the Company's interests.*
- 24. To pay all the costs, charges and expenses of and incidental to the promotion and formation registration and establishment of the Company and the issue of its capital*

*including costs, charges, expenses of negotiations and contracts, and arrangements made prior to, and in anticipation of the formation and incorporation of the Company.*

25. *To draw, issue, accept and to endorse, discount and negotiate promissory notes, hundies, bills of exchange, bills of lading, delivery orders, warrants and other negotiable or commercial or mercantile instruments connected with the business of the Company.*
26. *To open and operate current overdraft, loan, cash credit or deposit account or accounts with any bank, or banks and to pay into and to withdraw money from such account or accounts.*
27. *Subject to the provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956, to deal and invest out of the surplus funds of the Company not immediately required, apply for and acquire or otherwise employ money belonging to or entrusted to at the disposal of the company, upon securities and shares (other than Company's own shares) upon such terms as may be thought proper and from time to time vary such terms in such manner as Company may think fit.*
28. *To lend out of the surplus funds of the Company not immediately required or deposit money belonging to or entrusted to, or at the disposal of the Company, to such persons, or Company, and in particular to customers and others, having dealing with the Company, with or without security upon such terms as may be thought proper and to guarantee the performance of contract, by such persons or Company, subject to the provisions of the Companies Act, 2013 and other applicable provisions of the Companies Act, 1956 and the direction issued by the Reserve Bank of India from time to time provided that the Company shall not carry on the business of banking, within the meaning of Banking Regulation Act, 1949.*
29. *To incur debts and obligations for the conduct of any business of the Company and to purchase or hire goods, materials or machinery on credit for any business of this Company.*
30. *To make advances upon or finance any person or Company for the purpose of supply of materials, goods, machinery, stores and other articles required for the purpose of the Company's business for rendering services to the Company.*
31. *To borrow or raise money, or to receive money at interest, or in such manner as the Company may think fit for the purpose of financing the business of the Company from Banks, financial institutions and other parties or by the issue of debentures and debentures-stock perpetual or otherwise including debentures or debenture-stock, convertible into shares of this or any other Company or perpetual annuities and in security of any such money so borrowed, raised or received mortgage, pledge or charge upon whole or any part of the property, assets or revenue of the Company, both present and future. The acceptance of deposits shall be subject to provisions of Sections 58A of the Companies Act, 1956 or 2(73), 73, 74 and 179, 180, 185 of the Companies Act, 2013 and the Rules framed thereunder and the directions issued by the Reserve Bank of India as may be applicable.*
32. *Subject to Section 52 of the Companies Act, 2013 to place to reserve or to distribute as dividend or bonus shares among the members any money's belonging to the Company.*



33. *To procure the registration, incorporation or recognition of the Company under the laws or regulations of any other country and to do all acts necessary for carrying on any business or activity of the Company in any foreign country.*
34. *To mortgage and assign in any manner, or dispose of, the undertakings of property of the Company, or any part thereof, whether movable or immovable for such consideration as the Company may think fit, and in particular for shares, debentures, and other securities of any other such Company, having objects, altogether, or in part, similar to those of this Company.*
35. *To improve, manage, work, develop, alter, exchange, or mortgage abandon all or any part of the property, rights and concessions of the Company.*
36. *To carry on any scientific research or other research which may be of benefit to the Company and to establish any education or other institutions for research or such other activities for the attainment of the main objects.*
37. *To provide for the welfare of the Directors, officers, employees, and ex-Directors, exofficers, and ex-employees of the Company and the wives, widows, and families or relations of such persons, by building or contributing to the building of houses dwellings or chawls by grants of money, awards, pensions, allowances, gratuities, annuities, or other payments, or by creating and from time to time subscribing or contributing to provident fund or other association, institutions, funds, or trust, and by providing, subscribing or contributing towards places of recreation, hospitals and dispensaries, medical and other assistance as the Company shall think fit, and to subscribe or contribute or otherwise to assist or guarantee money to charitable, benevolent, religious, scientific, national or other institutions which shall have any moral objects.*
38. *Subjects to the provisions of the Section 180, 181, 182and 183, of the Companies Act, 2013, to subscribe, to donate, to contribute, or otherwise to assist, or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects or for any exhibition or for any public general or useful objects.*
39. *Subject to Section 100 to 105 of the Companies Act, 1956 and Section 66 of the Companies Act, 2013, to distribute any of the property of the Company amongst the members in specie, or kind, upon winding up of the Company.*
40. *To create any Depreciation Fund, Reserve Fund, Sinking Fund, Provident Fund, Superannuation Fund, Insurance Fund or any special fund whether for depreciation or for repairing improving, extending or maintaining any of the property of the Company or redemption of debentures /preference shares, workers welfare or for other purpose conducive to interests of the Company.*
41. *To establish, acquire, run and take on lease or hire satellite line for communication services in India and abroad and to establish an international communication link.*
42. *To organize and participate in, conventions, trade exhibitions and similar and other expositions in India and abroad.*
43. *To do all or any of the above things, and all such things, as are incidental, or may be thought conducive, to the attainment of the above objects or any of them in any part of the world, and as principals, agents, contractors, trustees or otherwise and either alone or in conjunction with others.*

44. *To accept gifts, bequests, devices and donations from members and others.*
45. *To carry on the trade in lands, buildings, factories, houses, flats, godowns, warehouses, and other residential, commercial, agricultural and mining properties, and all types of Plant and Machinery, motor vehicles, marine engines and boats, industrial gas cylinders, or any other related equipment that the Company may think fit and deal in the above agents. To transact and carry on all kinds of agency and distribution business and act as selling agents of joint stock limited companies, private or public and firms or individuals and to enter into working arrangements of all kinds with companies, corporations, firms or individuals.*
46. *To carry on the business as manufacturers of, dealers in, traders, importers and exporters of all kinds of chemicals, chemical compounds (organic and inorganic) in all forms and chemical products of any nature and kind whatsoever, drugs, pharmaceuticals, pesticides, dyestuffs and all by products, joint products and other intermediaries.”*

Clause III (22) of the Memorandum of Association of PEBS permits it to enter into a Scheme of Amalgamation:

*“(22) Subject to sections 230 to 232 of the Act, to amalgamate with or to take or acquire and hold shares in any company having objects altogether or in part similar to those of this company.”*

- vi. There has been no change in the name, registered office and objects of PEBS during the last 5 years.
- vii. The authorised, issued, subscribed and paid-up share capital of PEBS as on March 31, 2018 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
360,00,000 Equity Shares of Rs.10/- each	36,00,00,000
60,00,000 Compulsorily convertible preference shares of Rs.10/- each	6,00,00,000
<b>TOTAL</b>	<b>42,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
3,42,74,911 Equity Shares of Rs. 10/- each fully paid-up	34,27,49,110
<b>TOTAL</b>	<b>34,27,49,110</b>

Subsequent to 31 March 2018, there is no change in the authorised, issued, subscribed and paid-up share capital of PEBS.

- viii. The Board of Directors of PEBS have at their meeting held on 10 November 2017 unanimously approved the Scheme.

- ix. The names of the Promoters and the present directors of PEBS along with their addresses are as follows:

<b>Sr. No.</b>	<b>Name</b>	<b>Address</b>
<b>Promoter</b>		
1	JoginpallyNrupender Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
2	J Rajyalakshmi	H.NO. 442 , Plot No-381 Road No. 10 Jubilee Hills, Hyderabad – 33
3	Joginapally Venkata Nrupender Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
4	Aditya Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
5	J Avanti Tao	H.NO. 442 , Plot No-381 Road No. 10 Jubilee Hills, Hyderabad – 33
6	DanapuneniSudeepta Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
7	Pennar Industries Limited	Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084
8	Pennar Holdings Private Limited	Flat No 501 Sri Rama Chandra Residency, Madhapur, Kondapur, Hyderabad – 500084
<b>Directors</b>		
1	Kamalakar Rao Bandari	603,Bandari Residency Umanagar, Kundanbagh, Begumpet, Hyderabad – 500016
2	Comandur Parthasarathy	D No 8-2-293/82/A/648, Plot No 648, Road No 34, Jubilee Hills, Hyderabad - 500 034
3	Joginapally Venkata Nrupender Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
4	Mukul Gulati	Villa 290, Phase 2 Airport Varthur Road, Adarsh Palm Meadows, Ramagondanahalli, Bangalore, Karnataka – 560066
5	Manish Mahendra Sabharwal	Office No.6, 3rd Floor, C Wing, Laxmi Tower, Bandra Kurla Complex, Bandra East, Mumbai 400 051
6	Aditya Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
7	Varun Chawla	91springboard E43/1, Okhla phase 2, New Delhi - 20
8	Potluri Venkateswara Rao	Villa No 42, Aparna Hill Park Gardenia, Survey Number 272, Chanda Nagar, Tirumalagiri, Hyderabad - 500050
9	Sita Vanka	2-2-1137/3/1/1, New Nallakunta, Hyderabad - 500 044
10	Eric James Brown	18 Rosedown PI Woodlands TX USA 773820000

### C. PEL

- i. PEL was originally incorporated on 14 March 2008 as a public limited company with the Registrar of Companies, Andhra Pradesh under the name and style of 'Pennar Chemical Limited' under the provisions of Companies Act, 1956. Subsequently, the name was changed to 'Pennar Enviro Limited' on 16 December 2011. The Corporate Identification Number of PEL is U74900TG2008PLC058171.
- ii. The Permanent Account Number of PEL is AAECF5982F.
- iii. The Registered Office of PEL is situated at 186/A, IDA Mallapur, Mallapur, Hyderabad, Telangana, India, 500076. E-mail id: pel@pennarenviro.com
- iv. PEL is primarily engaged in the business of design, manufacturing, supply, erection and maintenance of water and waste water treatment plants and EPC contracts. It also manufactures and distributes fuel additives and water treatment chemicals.
- v. The main objects of PEL as set out in the Memorandum of Association are as under:
  - “1. To carry on business as general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors and to enter into contracts, joint ventures and special purpose vehicles (SPVs) in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions including plants of all descriptions, water works, water treatment plants, factories, mills, refineries, pipelines, gas works, electric works, power plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business.*
  - 2. To collect, transport, treat, process, purify, store, recycle, reuse, dispose off all types of wastes generated by various industries, municipalities hospitals and other health care establishments, commercial establishments including solids, semi-solids, aqueous, non-aqueous liquids by establishing treatment, storage and disposal facilities or such other facilities required therefore.*
  - 3. To establish, run and maintain laboratory facilities for carrying out analysis of water, waste water, air, noise, soil, all types of solid and liquid wastes and to carry out research and treatability studies of all types of pollutants; preparation of environmental impact assessments, environmental audits and other risk assessments pertaining to environmental management.*
  - 4. To manufacture, process, buy, sell blend import or export water treatment chemicals of all types and categories for softening, purification or other treatment of water for industrial domestic and other purposes and prevention of scale in boilers and pipes.*
  - 5. To manufacture and deal in all kinds of fuel additives and compounds for improving the performance and for energy saving, cleaning, purification, anti-pollutant and manufacture of Bio-fuels like Bio-diesel, Ethanol and such other fuels including cultivation of agricultural produce to meet end user requirement.*
  - 6. To carry on the business as manufactures of, dealers in, traders, importers and exporters of all kinds of chemicals, chemical compounds(organic and inorganic) in all forms and chemical products of any nature and kind whatsoever, Drugs, Pharmaceuticals, Pesticides, Dyestuffs and all by-products, joint-products and other intermediaries.*

7. *To carry on business as chemical engineers, analytical chemists, traders, importers, exporters, manufactures of and dealers in heavy chemicals, acids, alkalies, petrochemicals, tannins and tannin extracts, essences, solvents, plastic of all types, intermediaries, textile auxiliaries, cellophanes, colours, dyes, paints, varnishes, chemical auxiliaries, disinfectants, deodorants, bio-chemicals, medicinal, sizing, bleaching, photographic and other preparations and articles and chemicals of all kinds.*
8. *To carry on the business of renewable and non renewable energy generation by several processes including wind turbines, solar energy systems including photovoltaic, thermal solar systems, Bio-mass conversion including generation of electricity from waste.*
9. *To manufacture, process, buy, sell exchange, alter, improve, import or export or otherwise deal in all kinds of energy saving devices, solar energy products, gadgets and components for industrial, business and household applications.*
10. *To provide advisory and counseling services in all areas relating to energy saving applications.*
11. *To carry on the business of any or all the objects of the company by way of entering into an agreement with the central Government or a state Government or a local authority or any other statutory body on build-Operate-Transfer (BOT) or on Build-Own-Operate-Transfer (BOOT) basis, Build-own-Lease-Transfer (BOLT) scheme wherein the company will provide the necessary and crucial components of infrastructure system, own them for a stipulated period and may or may not maintain or operate the same. Also the company will lease the asset of all or necessary and crucial components of the Infrastructure for maintenance and operation and shall ultimately transfer to the Government bodies or authorities.*
12. *To undertake feasibility study, provide technical, commercial and financial consultancy and also undertake engineering procurement contracts (EPC), project management, related civil construction and maintenance contracts for all the projects, mentioned in the main objects.”*

Clause III (B)(13) of the Memorandum of Association of PEL permits it to enter into a Scheme of Amalgamation:

*“13. To amalgamate with any company or companies having objects altogether or in part similar to those of this Company.”*

- vi. There has been no change in the name, registered office and objects of PEL during the last 5 years.
- vii. The authorised, issued, subscribed and paid-up share capital of PEL as on 31 March 2018 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
90,00,000 Equity Shares of Rs.10/- each	9,00,00,000
<b>TOTAL</b>	<b>9,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
83,68,259 Equity Shares of Rs. 10/- each fully paid-up	8,36,82,590
<b>TOTAL</b>	<b>8,36,82,590</b>

Subsequent to 31 March 2018, there is no change in the authorised, issued, subscribed and paid-up share capital of PEL.

- viii. The Board of Directors of PEL have at their meeting held on 10 November 2017 unanimously approved the Scheme.
- ix. The names of the Promoters and the present directors of PEL along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter</b>		
1	Aditya Narsing Rao	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
2	JoginapallyRajyalakshmi Rao	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
3	Jayanthi Puljal	Flat 404, My Home Fern Hills Apartments, Rajbhavan Road, Somajiguda, Hyderabad - 500 082
4	Bhavana Puljal	Flat 206, My Home Fern Hills Apartments, Rajbhavan Road, So majiguda, Hyderabad - 500 082
5	Kalpana Puljal	Flat 404, My Home Fern Hills Apartments, Rajbhavan Road, Somajiguda, Hyderabad - 500 082
6	Joginapally Venkata Nrupender Rao (HUF) &JoginapallyRajyalakshmi Rao	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
7	JoginapallyRajyalakshmi Rao &ArathiChellikani	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
8	DanapuneniSudeepta Rao	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
9	Avanti Rao Joginapally	Plot No. 381, Road No. 10, Jubilee Hills, Hyderabad - 500 034
10	Pennar Industries Limited	Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084
11	Fort Kochi Holdings Limited	C/o. Gfin Corporate Services Limited, 9th Floor, Orange Towers, Cybercity, Ebene, Mauritius
<b>Directors</b>		
1	Avula Bharath Bhushan	38, Krishnapuri Colony, West Marredpally, Secundrabad - 500026
2	Joginapally Venkata Nrupender Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
3	Aditya Rao	Plot No. 381, Road No.10, Jubilee Hills, Hyderabad - 500 033
4	Potluri Venkateswara Rao	Villa No 42, Aparna Hill Park Gardenia, Survey Number 272, Chanda Nagar, Near P J R Road, Seriligampally, Tirumalagiri, Hyderabad – 500050

- x. The applicable information pertaining to Pennar Enviro Limited as per format specified for Abridged Prospectus as provided in Part D of Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 has been provided in **Annexure 16**.

**7. Relationship between the Companies involved in the Scheme:**

PIL, PEBS and PEL are part of the same promoter group and PIL presently holds 1,85,00,000 (i.e. ~ 54%) and 42,70,000 (i.e. ~ 51%) equity shares in PEBS and PEL respectively. Hence, PIL is the holding company of PEBS and PEL.

**8. Rationale/Benefits of the Scheme:**

PIL holds ~ 54% stake in PEBS since October 2009. One of PIL's most successful initiatives since its inception, PEBS was set up in 2008 with a vision to emerge as a leader in the pre-engineered buildings and structural steel industry space.

PIL acquired ~ 51% stake in PEL in 30 November 2012 with the objective of entering new areas of engineering services. PEL has strong references in a range of technologies including desalination, effluent treatment and recycling, demineralization and instrumentation.

Accordingly, the merger of the PEBS and PEL with the PIL would have the following benefits:

- Enable shareholders of all the companies to get direct participation in the promising combined business of PIL, PEBS & PEL
- Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
- Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
- Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.
- PIL will have an improved capital structure, which would enable it to access the Capital Market at better terms and will afford easier access to other resources and at a lower cost.
- The merger in general will have beneficial results for the Companies, their shareholders, employees and all concerned.

**9. Salient features of the Scheme:**

- i. This Scheme is between Pennar Engineered Building Systems Limited and Pennar Enviro Limited and Pennar Industries Limited and their respective shareholders under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 and rules framed thereunder.
- ii. The Transferee Company and the Transferor Companies shall make petitions under Sections 230 to 232, other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder, to the Hyderabad Bench of the National Company Law Tribunal for sanction of the Scheme and all matters ancillary or incidental thereto.

- iii. "Appointed Date" means the 1<sup>st</sup> day of April 2018.
- iv. "Effective Date" means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the NCLT, are filed with the Registrar of Companies, Hyderabad by the Transferor Companies and the Transferee Company collectively.
- v. Upon this Scheme becoming effective and in consideration of the amalgamation of the Transferor Companies with the Transferee Company, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Companies whose name is recorded in the register of members of the Transferor Companies on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, equity shares in the Transferee Company in the following ratio (the "Share Entitlement Ratio"):
- 23 (Twenty Three) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and
  - 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company
- vi. The Scheme is conditional upon and subject to the following:
- The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and the Transferee Company, as required under the Act or as may be directed by the NCLT;
  - Approval by the public shareholders of the First Transferor Company and the Transferee Company through postal ballot and / or e-voting in terms of Para 9(a) & (b) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it by the respective company.
  - The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act in favour of Transferor Companies and Transferee Company, as the case may be, under the said provisions and to the necessary order sanctioning the Scheme being obtained.
  - The requisite consent, approval or permission of Securities and Exchange Board of India, Stock Exchanges or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
  - Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Telangana at Hyderabad, collectively by Transferor Companies and Transferee Company
  - The completion of the unexpired period for which the shareholding of the promoters of the First Transferor Company is locked-in, as per Regulation 36 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, such period expiring on 10 September 2018.



vii. The Scheme, inter-alia, provides for the following matters:

- The transfer of all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature of the Transferor Companies to the Transferee Company;
- The transfer of all employees of Transferor Companies to the Transferee Company;
- The transfer of all legal proceedings by or against the Transferor Companies to the Transferee Company;
- The Transferor Companies to stand dissolved without winding up;
- The transfer of all benefits and liabilities, including under the income tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & Service tax, etc., to which the Transferor Companies are entitled to vest with the Transferee Company;
- All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed), incurred in carrying out and implementing this Scheme and matters incidentals thereto, shall be borne by the Transferee Company.

**THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE UNSECURED CREDITORS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.**

#### **10. Summary of Valuation Report (including basis of valuation) and Fairness opinion**

- i. Summary of Valuation Report obtained from M/s Walker Chandiok & Co LLP, Chartered Accountants, an independent valuer.

The valuer varied out independent analysis using standard, generally accepted valuation methods which are described hereunder:

- Under the income approach, the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used when the business is a 'Going Concern'. Since the 'Going Concern' assumption is valid in the case of PIL, PEBS and PEL this method has been adopted by the valuer.
- The asset approach is mainly used where the "Going Concern" assumption is not appropriate or where the asset base dominates the earnings capability. Since PIL, PEBS & PEL are operating entities and have been valued on a "Going Concern" basis, the asset approach has not been adopted.
- Under the Market Approach, where companies involved in swap ratio are listed, Market Price method is used and where the companies are unlisted, Comparable Companies method is used. Accordingly, Market Price method has been considered for PIL & PEBS since they are listed on stock exchanges and Comparable Companies method has been used for PEL since it is not listed on any stock exchange.

The valuer has considered the Market Approach in combination with the Income Approach for the purpose of the valuation exercise. Equal weightage has been given to both the approaches and the relative value per share is arrived basis such weighted average.

- ii. Summary of Fairness Opinion obtained from Keynote Corporate Services Limited, Category - I Merchant Banker.

The Merchant Banker, in their fairness opinion dated 9<sup>th</sup> November 2018, has suggested that the valuation done by M/S Walker Chandio & LLP, Chartered Accountants for the purpose of the Scheme is fair in their opinion.

- iii. The Valuation Report and Fairness Opinion are available for inspection at the Registered office of the Applicant Company.
- iv. A copy of the Valuation Report and Fairness Opinion are enclosed to this notice as **Annexure 2** and **Annexure 3** respectively.

**11. Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other governmental authorities required, received or pending for the proposed Scheme:**

- i. The Applicant Company has received, in terms of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Observation letters dated 26 April 2018 from the BSE Limited and from the National Stock Exchange of India Limited giving their no-objection to the Scheme. Copies of the observation letters are enclosed as **Annexure 4 and Annexure 5** respectively.
- ii. Additionally, PEBS, the First Transferor Company has also received, in terms of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Observation letters dated 26 April 2018 from the BSE Limited and from the National Stock Exchange of India Limited giving their no-objection to the Scheme. Copies of the observations letters are enclosed as **Annexure 6 and Annexure 7** respectively.
- iii. As required by the SEBI Circular, the Applicant Company has filed the Complaints Reports dated 9<sup>th</sup> February 2018 with the BSE Limited and 30<sup>th</sup> January 2018 with the National Stock Exchange of India Limited. These reports indicate that PIL received NIL complaints. After filing of the Complaint Reports, the Applicant Company has not received any complaint. Copies of the said reports, are enclosed as **Annexure 8 and Annexure 9** respectively.
- iv. Further, it is confirmed that the copy of the draft Scheme has been filed with the Registrar of Companies, Telangana by the Transferor Companies and the Transferee Company.
- v. The Scheme was filed by the Applicant Company with the Hyderabad Bench of the NCLT on 14 September 2018 and the Hyderabad Bench of NCLT has given directions to convene a meeting of the Unsecured Creditors of the Applicant Company vide an Order dated 1 November 2018.
- vi. In compliance with the requirement of Section 230(5) of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, a notice in the prescribed form and seeking approvals, sanctions or no-objections shall be served to the concerned regulatory and government authorities for the purpose of the proposed Scheme.
- vii. The Scheme is subject to approval by majority of shareholders representing three-fourth in value of the equity shareholders, of the Applicant Company, voting in person or by proxy or by e-voting or by postal ballot, in terms of Section 230 to 232 of the Companies Act, 2013.
- viii. Further, the Scheme is subject to approval by the requisite majority of the Public Shareholders of the Applicant Company, as set out under the SEBI Circular. For this purpose, the term "Public" shall have the meaning assigned to it in Rule 2(d) of the Securities Contracts (Regulation) Rules, 1957 and the term "Public Shareholders" shall be construed accordingly. The SEBI Circular provides that

the Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.

## 12. Amounts due to creditors as on 30 June 2018 (provisional)

Particulars of amounts due to Secured & Unsecured Creditors from respective Companies involved in the Scheme as at 30 June 2018 are detailed herein:

Name of Company	Secured Creditors Amount (in Rs.)	Unsecured Creditors Amount (in Rs.)
Pennar Industries Limited	3,57,92,38,527	2,63,54,38,766
Pennar Engineered Building Systems Limited	1,60,12,68,252	58,37,37,892
Pennar Enviro Limited	7,90,51,207	23,15,70,709

## 13. Pre and post amalgamation shareholding pattern:

Pre-scheme shareholding pattern of PIL as on 30 June 2018 is as under:

Sr. No.	Description	Pre-Scheme shareholding pattern	
		No. of equity shares held	Shareholding as % of total no. of shares
<b>(A)</b>	<b>Promoter and promoter group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individual / Hindu Undivided Family	22,777,886	18.93
(b)	Body Corporate	20,994,311	17.44
	<b>Sub-Total A(1):</b>	<b>43,772,197</b>	<b>36.37</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Body Corporate	-	-
	<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>43,772,197</b>	<b>36.37</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	8,690,304	7.22
(b)	Foreign Portfolio Investors	15,387,137	12.79
(c)	Financial Institutions / Banks	253,385	0.21
(d)	Insurance Companies	-	-

(e)	Venture Capital Funds	100	0.00
(f)	Alternate Investment Funds	1,503,165	1.25
	<b>Sub-Total B(1) :</b>	<b>25,834,091</b>	<b>21.47</b>
(2)	<b>Central Government/State Government(s)/President of India</b>	-	-
	<b>Sub-Total B(2) :</b>	-	-
(3)	<b>Non-Institutions</b>		
(a)	Individuals		
(i)	Individuals holding nominal share capital upto Rs. 2 lakhs	32,396,841	26.92
(ii)	Individuals holding nominal share capital in excess of Rs. 2 lakhs	8,576,286	7.13
(b)	NBFCs registered with RBI	631,504	0.52
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	9,138,595	7.59
	Trust	8,177	0.01
	Non-Resident Indians	25,67,107	2.13
	Clearing Members	2,68,220	0.22
	Non-Resident Indian Non-Repatriable	8,90,279	0.74
	Bodies Corporate	48,66,018	4.04
	Investor Education & Protection Fund	5,38,794	0.45
	<b>Sub-Total B(3) :</b>	<b>50,743,226</b>	<b>42.16</b>
	<b>Total Public Shareholding B= B(1)+B(2)+ B(3)</b>	<b>76,577,317</b>	<b>63.63</b>
	<b>Total Shareholding (A+B):</b>	<b>120,349,514</b>	<b>100.00</b>

Pre-scheme shareholding pattern of PEBS as on 30 June 2018 is as under:

Sr. No.	Description	Pre-Scheme shareholding pattern	
		No. of equity shares held	Shareholding as % of total no. of shares
(A)	<b>Promoter and promoter group</b>		
(1)	<b>Indian</b>		
(a)	Individual / Hindu Undivided Family	3,244,058	9.46

(b)	Body Corporate	18,506,299	53.99
	<b>Sub-Total A(1):</b>	<b>21,750,357</b>	<b>63.46</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Body Corporate	-	-
	<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>21,750,357</b>	<b>63.46</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	4,198,384	12.25
(b)	Foreign Portfolio Investors	303,023	0.88
(c)	Financial Institutions / Banks	32,637	0.10
(d)	Insurance Companies	-	-
(e)	Venture Capital Funds	-	-
(f)	Alternate Investment Funds	509,965	1.49
(g)	Any others	4,210	0.01
	<b>Sub-Total B(1) :</b>	<b>5,048,219</b>	<b>14.73</b>
<b>(2)</b>	<b>Central Government/State Government(s)/President of India</b>	-	-
	<b>Sub-Total B(2) :</b>	<b>-</b>	<b>-</b>
<b>(3)</b>	<b>Non-Institutions</b>		
(a)	Individuals		
(i)	Individuals holding nominal share capital upto Rs. 2 lakhs	3,066,177	8.95
(ii)	Individuals holding nominal share capital in excess of Rs. 2 lakhs	2,011,319	5.87
(b)	NBFCs registered with RBI	-	-
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	2,398,839	7.00
	Non-resident Indians	1,31,485	0.38
	Clearing members	13,427	0.04
	Non-resident Indian Non Repatriable	92,306	0.27

	Bodies Corporates	21,61,621	6.31
	<b>Sub-Total B(3) :</b>	<b>7,476,335</b>	<b>21.81</b>
	<b>Total Public Shareholding B= B(1)+B(2)+ B(3)</b>	<b>12,524,554</b>	<b>36.54</b>
	<b>Total Shareholding (A+B) :</b>	<b>34,274,911</b>	<b>100.00</b>

Pre-scheme shareholding pattern of PEL as on 30 June 2018 is as under:

Sr. No.	Description	Pre-Scheme shareholding pattern	
		No. of equity shares held	Shareholding as % of total no. of shares
<b>(A)</b>	<b>Promoter and promoter group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individual / Hindu Undivided Family	3,998,259	47.78
(b)	Body Corporate	4,370,000	52.22
	<b>Sub-Total A(1):</b>	<b>8,368,259</b>	<b>100.00</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Body Corporate	-	-
	<b>Sub-Total A(2) :</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>8,368,259</b>	<b>100.00</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	-	-
(b)	Foreign Portfolio Investors	-	-
(c)	Financial Institutions / Banks	-	-
(d)	Insurance Companies	-	-
(e)	Venture Capital Funds	-	-
(f)	Alternate Investment Funds	-	-
	<b>Sub-Total B(1) :</b>	<b>-</b>	<b>-</b>
<b>(2)</b>	<b>Central Government/State Government(s)/President of India</b>	<b>-</b>	<b>-</b>
	<b>Sub-Total B(2) :</b>	<b>-</b>	<b>-</b>

<b>(3)</b>	<b>Non-Institutions</b>		
(a)	Individuals		
(i)	Individuals holding nominal share capital upto Rs. 2 lakhs	-	-
(ii)	Individuals holding nominal share capital in excess of Rs. 2 lakhs	-	-
(b)	NBFCs registered with RBI	-	-
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	-	-
	<b>Sub-Total B(3) :</b>	-	-
	<b>Total Public Shareholding B= B(1)+B(2)+ B(3)</b>	<b>8,368,259</b>	<b>100.00</b>
	<b>Total Shareholding (A+B) :</b>	<b>8,368,259</b>	<b>100.00</b>

The post-scheme (expected) shareholding pattern of PIL (based on 30 June 2018 figures) will be as follows:

Sr. No.	Description	Post-Scheme shareholding pattern	
		No. of equity shares held	Shareholding as % of total no. of shares
<b>(A)</b>	<b>Promoter and promoter group<sup>1</sup></b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individual / Hindu Undivided Family	32,515,632	21.34
(b)	Body Corporate	21,105,455	13.85
	<b>Sub-Total A(1):</b>	<b>53,621,087</b>	<b>35.19</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Body Corporate	-	-
	<b>Sub-Total A(2) :</b>	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>53,621,087</b>	<b>35.19</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds	16,118,214	10.58
(b)	Foreign Portfolio Investors	15,923,255	10.45
(c)	Financial Institutions / Banks	311,127	0.20
(d)	Insurance Companies	-	-
(e)	Venture Capital Funds	100	0.00

(f)	Alternate Investment Funds	2,405,411	1.58
(g)	Any others	7,448	0.00
	<b>Sub-Total B(1) :</b>	<b>34,765,555</b>	<b>22.82</b>
(2)	<b>Central Government/State Government(s)/ President of India</b>	-	-
	<b>Sub-Total B(2) :</b>	-	-
(3)	<b>Non-Institutions</b>		
(a)	Individuals		
(i)	Individuals holding nominal share capital upto Rs. 2 lakhs	37,821,616	24.82
(ii)	Individuals holding nominal share capital in excess of Rs. 2 lakhs	12,134,773	7.96
(b)	NBFCs registered with RBI	631,504	0.41
(c)	Overseas Depositories (holding DRs)	-	-
(d)	Any Other	13,382,695	8.78
	Trust	8,177	0.01
	Non-Resident Indians	2,799,735	1.84
	Clearing Members	291,975	0.19
	Non-Resident Indian Non-Repatriable	1,053,590	0.69
	Bodies Corporate	8,690,424	5.70
	Investor Education & Protection Fund	538,794	0.35
	<b>Sub-Total B(3) :</b>	<b>63,970,588</b>	<b>41.99</b>
	<b>Total Public Shareholding B= B(1)+B(2)+ B(3)</b>	<b>98,736,143</b>	<b>64.81</b>
	<b>Total Shareholding (A+B) :</b>	<b>152,357,230</b>	<b>100.00</b>

The post-Scheme (expected) capital structure of PIL, the Transferee Company will be as follows:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
<b>Equity shares:</b>	
25,20,00,000 Equity Shares of Rs 5/- each	
<b>Preference Shares:</b>	
Series - A : 5,00,000 Cumulative Redeemable Preference Shares of Rs 100/- each	126,00,00,000
Series - B : 4,00,00,000 Cumulative Redeemable Preference Shares of Rs 5/- each	5,00,00,000
	20,00,00,000
<b>TOTAL</b>	<b>151,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity shares:</b>	
15,23,57,230 Equity Shares of Rs 5/- each	76,17,86,150
<b>TOTAL</b>	<b>76,17,86,150</b>



#### 14. Effect of the Scheme on various parties:

##### i. Directors and Key Managerial Personnel (KMP)

The Directors, KMP and relatives of the respective Transferor Companies and the Transferee Company may be affected only to the extent of their shareholding in the Transferor Companies and / or Transferee Company, or to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in Transferor Companies and / or Transferee Company, if any. Save as aforesaid, none of the Directors / KMP of the Transferor Companies and / or Transferee Company have any material interest in the Scheme.

**The details of the shareholding of the Directors and KMP of the PIL as on 30 June 2018 are as follows:**

Name	Position	Equity shares held in		
		PIL	PEBS	PEL
Kamalakar Rao Bandari	Director	-	-	-
Comandur Parthasarathy	Director	-	-	-
JoginapallyNrupender Rao	Wholetime Director	50,97,863	7,13,989	3,09,826
Manish Mahendra Sabharwal	Director	-	-	-
Ravi Chachra	Director	-	-	-
Aditya Rao	Managing Director	49,79,008	10,74,306	15,00,000
Lavanya Kumar Rao Kondapally	Wholetime Director	82,200	-	-
Vishal Satinder Sood	Director	-	-	-
Varun Chawla	Director	-	-	-
Potluri Venkateswara Rao	Director	36,920	3,00,000	-
Sita Vanka	Director	-	-	-
Eric James Brown	Additional Director	-	-	-

**The details of the shareholding of the Directors and KMP of the PEBS as on 30 June 2018 are as follows:**

Name	Position	Equity shares held in		
		PIL	PEBS	PEL
Kamalakar Rao Bandari	Director	-	-	-
Comandur Parthasarathy	Director	-	-	-
Joginapally Venkata Nrupender Rao	Director	50,97,863	7,13,989	3,09,826
Mukul Gulati	Director	-	-	-
Manish Mahendra Sabharwal	Director	-	-	-
Aditya Rao	Director	49,79,008	10,74,306	15,00,000

Varun Chawla	Director	-	-	-
Potluri Venkateswara Rao	Managing Director	36,920	3,00,000	-
Sita Vanka	Director	-	-	-
Eric James Brown	Director	-	-	-

**The details of the shareholding of the Directors and KMP of the PEL as on 30 June 2018 are as follows:**

Name	Position	Equity shares held in		
		PIL	PEBS	PEL
Avula Bharath Bhushan	Director	1,600	-	-
Joginapally Venkata Nrupender Rao	Director	50,97,863	7,13,989	3,09,826
Aditya Rao	Director	49,79,008	10,74,306	15,00,000
Potluri Venkateswara Rao	Director	36,920	3,00,000	-

**ii. Promoter and Non-Promoter Members**

- **PEBS** – Promoter and Non-promoter members of PEBS will get direct shareholding in the Transferee Company based on the valuation report obtained from M/s Walker Chandiok and Co LLP, Chartered Accountants
- **PEL** – Promoter and Non-promoter members of PEL will get direct shareholding in the Transferee Company based on the valuation report obtained from M/s Walker Chandiok and Co LLP, Chartered Accountants
- **PIL**– Promoter and Non-promoter members of PIL are currently holding entire share capital of PIL. Pursuant to the Scheme, Promoter and Non-promoter members of PEBS and PEL will become shareholders of PIL.

Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

**iii. Depositors**

As of date, the Transferor Companies and/or the Transferee Company does not have any depositors, therefore, the effect of the Scheme on any depositors does not arise.

**iv. Creditors**

The creditors of the Transferor Companies and the Transferee Company will not be affected by the Scheme, since post the Scheme, all the liabilities of the Transferor Companies will get transferred to the Transferee Company and the Transferee Company will discharge all such liabilities in the normal course of business without jeopardizing the rights of the creditors. The creditors of the Transferor Companies and the Transferee Company will not be affected by the Scheme, since post the merger, the assets of the Transferee Company will be sufficient to discharge all its liabilities.

**v. Debenture holders**

As of date, the Transferor Companies and/or the Transferee Company does not have any debenture holders, therefore, the effect of the Scheme on debenture holders does not arise.

vi. **Deposit trustee and debenture trustee**

As of date, the Transferor Companies and/or the Transferee Company does not have any deposit or debenture trustee, therefore, the effect of the Scheme on deposit and debenture trustee does not arise.

vii. **Employees**

All Employees of the Transferor Companies shall become the employees of the Transferee Company, on terms and conditions not less favorable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service. Hence, the rights and interests of the employees of the Companies involved in the Scheme will not be prejudicially affected by the Scheme.

**14. Effect of the Scheme on various parties:**

15. No investigation or proceedings under the Companies Act, 1956 and /or Companies Act, 2013 have been instituted or are pending in relation to the Transferor Companies and the Transferee Company.
16. There are no winding up proceedings pending against the Transferor Companies and the Transferee Company as on date.
17. The Transferor Companies and the Transferee Company have made separate applications before the Hyderabad Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with other relevant provisions of the Companies Act, 2013.
18. Following documents will be available for obtaining extract from or for making or obtaining copies of or inspection by the members and creditors of the Applicant Company at its registered office between 10:00 a.m. to 5:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays, up to 1 (one) day prior to the date of the meeting namely:
  - a. Audited Financial Statements of the Transferor Companies and the Transferee Company, including Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2018;
  - b. Copy of supplementary unaudited accounting statement of the Transferor Companies and the Transferee Company for the quarter ended June 2018
  - c. Copy of Memorandum of Association and Articles of Association of the Transferor Companies and the Transferee Company;
  - d. Copy of the order(s) of NCLT dated 1 November 2018 in pursuance of which the meeting is to be convened or has been dispensed with;
  - e. Copy of separate Company Application Scheme Application Nos. 928/230HDB/2018, 930/230HDB/2018 & 932/230HDB/2018 of 2018 dated 14<sup>th</sup> day of September, 2018 along with annexures filed by the Transferor companies and the Transferee Company;
  - f. Copy of the Scheme of Amalgamation;
  - g. Contracts or Agreements material to the Scheme, if any;
  - h. Certificate issued by the Auditor of the Transferee Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013;

- i. Copies of the resolutions passed by the respective Board of Directors of Transferor Companies and the Transferee Company;
- j. Audit Committee Report dated 9<sup>th</sup> November 2017 of PEBS and PIL
- k. Report adopted by the Board of Directors of Transferor Companies and the Transferee Company at its meeting held on 10<sup>th</sup> November 2017 pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013;
- l. Valuation Report on recommendation of share exchange ratio dated 9<sup>th</sup> November 2017 issued by M/s Walker Chandiook & Co LLP, chartered Accountants
- m. Fairness Opinion dated 9<sup>th</sup> November 2017 issued by Keystone Corporate Services Limited
- n. Observation letters received by PIL, dated 26 April 2018 from BSE Limited and National Stock Exchange of India Limited.
- o. Observation letters received by PEBS, dated 26 April 2018 from BSE Limited and National Stock Exchange of India Limited.
- p. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme;

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of the Applicant Company.

**Dated** this 5<sup>th</sup> day of November, 2018

**Place:** Hyderabad

**Registered Office:**

Floor No. 3, DHFLVC Silicon Towers, Kondapur,  
Hyderabad, Telangana - 500084

**SCHEME OF AMALGAMATION**

**OF**

**PENNAR ENGINEERED BUILDING SYSTEMS LIMITED**  
(FIRST TRANSFEROR COMPANY)

**AND**

**PENNAR ENVIRO LIMITED**  
(SECOND TRANSFEROR COMPANY)

**WITH**

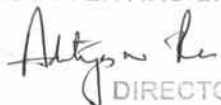
**PENNAR INDUSTRIES LIMITED**  
(TRANSFEREE COMPANY)

**AND**

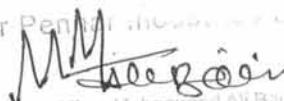
**THEIR RESPECTIVE SHAREHOLDERS**

**UNDER SECTION 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER  
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES  
FRAMED THEREUNDER**

For PENNAR ENVIRO LTD

  
DIRECTOR



for Pennar Industries Ltd.  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer

For Pennar Engineered Building Systems L.

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

**(A) PREAMBLE**

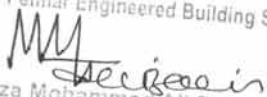
This Scheme of Amalgamation (“Scheme”) is presented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for the amalgamation of **Pennar Engineered Building Systems Limited** (“PEBS” or “First Transferor Company”) and **Pennar Enviro Limited** (“PEL” or “Second Transferor Company”) (hereinafter collectively referred to as “Transferor Companies”) with **Pennar Industries Limited** (“PIL” or “Transferee Company”).

**(B) BACKGROUND OF THE COMPANIES**

- a) Pennar Engineered Building Systems Limited, the First Transferor Company, was incorporated as a public limited company under the name and style of ‘**Pennar Engineered Building Systems Limited**’ in the State of Andhra Pradesh on 17 January 2008 vide Corporate Identity Number L45400TG2008PLC057182. The equity shares of the First Transferor Company got listed on the BSE and the National Stock Exchange of India Limited in September 2015 via an initial public offer process. PEBS raised fund of Rs. 58 Crores in the initial public offer, out of which Rs. 52.62 Crores have been utilized till 31 December, 2017 for the objects for which amount was raised in the initial public offer. The unutilised amount has been temporarily invested / parked in liquid mutual funds and banks.
- b) Further, as per Regulation 36 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, 20% of the post initial public offer equity share capital held by the promoters of the First Transferor Company is locked-in, which will be expiring on 10 September 2018.

The First Transferor Company is primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing,

For PENNAR ENVIRO LTD  
  
DIRECTOR

For Pennar Engineered Building Systems Limited  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited  
  
Company Secretary & Compliance Officer  


fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects.

- c) Pennar Enviro Limited, the Second Transferor Company, was originally incorporated as a public limited company under the name and style of '**Pennar Chemical Limited**' in the State of Andhra Pradesh on 14 March 2008 vide Corporate Identity Number U74900TG2008PLC058171. Subsequently, the name was changed to '**Pennar Enviro Limited**' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh on 16 December 2011.

The Second Transferor Company is primarily engaged in the business of design, manufacturing, supply, erection and maintenance of water and waste water treatment plants and EPC contracts. It also manufactures and distributes fuel additives and water treatment chemicals.

- d) Pennar Industries Limited, the Transferee Company, was originally incorporated as a public limited company under the name and style of '**Pennar Steels Limited**' in the State of Andhra Pradesh on 8 August 1975 vide Corporate Identity Number L27109AP1975PLC001919. Subsequently, the name was changed to '**Pennar Industries Limited**' and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh on 30 September 1998. The equity shares of the Transferee Company are listed on the BSE and the National Stock Exchange of India Limited.

The Transferee Company is primarily engaged in the business of manufacturing cold rolled steel strips, precision tubes, cold rolled formed sections, electro static precipitators, profiles, railway wagons and coach components, press steel components and road safety systems.

- e) There are no proceedings/investigation pending against the Transferor Companies and the Transferee Company under Sections 210 to 217, 219, 220, 223, 224, 225, 226 & 227 of the Act.

For PENNAR ENVIRO LTD

*Aditya Rao*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*Mirza Mohammed Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited  
*Mirza Mohammed Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer

**(C) RATIONALE OF THE SCHEME**

PIL holds ~ 54% stake in PEBS since October 2009. One of PIL's most successful initiatives since its inception, PEBS was set up in 2008 with a vision to emerge as a leader in the pre-engineered buildings and structural steel industry space.

PIL acquired ~51% stake in PEL in 30 November 2012 with the objective of entering new areas of engineering services. PEL has strong references in a range of technologies including desalination, effluent treatment and recycling, demineralization and instrumentation.

Accordingly, the merger of the Transferor Companies with the Transferee Company would have the following benefits:

- Enable shareholders of all the companies to get direct participation in the promising combined business of PIL, PEBS & PEL
- Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
- Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
- Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.
- The Transferee Company will have an improved capital structure, which would enable it to access the Capital Market at better terms and will afford easier access to other resources and at a lower cost.
- The merger in general will have beneficial results for the Companies, their shareholders, employees and all concerned.

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

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for Pennar Industries Limited  
  
Company Secretary & Compliance Officer



**(D) PARTS OF THE SCHEME**

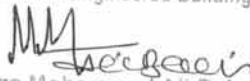
This Scheme is divided into the following parts:

**PART I** deals with the definitions and Share Capital;

**PART II** deals with the amalgamation of the Transferor Companies with the Transferee Company; and

**PART III** deals with the General Terms and Conditions applicable to this Scheme.

For Pennar Engineered Building Systems Limited



Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

For PENNAR ENVIRO LTD

  
DIRECTOR

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for Pennar Industries Limited

  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer

**PART I – DEFINITIONS AND SHARE CAPITAL**

**1. DEFINITIONS**

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 2013 and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force. References in this scheme to particular provisions of the Act are references to particular provisions of the Companies Act, 2013, unless stated otherwise.
- 1.2 “**Appointed Date**” means the 1<sup>st</sup> day of April 2018
- 1.3 “**Board of Directors**” or “**Board**” means and includes the respective Board of Directors of the Transferor Companies or the Transferee Company as the case may be, and shall include a duly constituted committee thereof.
- 1.4 “**Effective Date**” means the last of the dates on which the certified copies of the orders sanctioning this Scheme, passed by the NCLT, are filed with the Registrar of Companies, Hyderabad by the Transferor Companies and the Transferee Company collectively. Any references in this Scheme to the date of “**coming into effect of this Scheme**” or “**upon the Scheme being effective**” shall mean the Effective Date.

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

For PENNAR ENVIRO LTD

  
DIRECTOR

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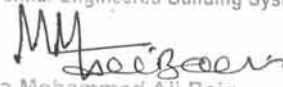
for Pennar Industries Limited  
  
Company Secretary & Compliance Officer

- 1.5 **“Encumbrance”** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term **“encumber”** or **“encumbered”** shall be construed accordingly.
- 1.6 **“Governmental Authority”** means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority.
- 1.7 **“NCLT”** or **“Tribunal”** means National Company Law Tribunal, Hyderabad bench having jurisdiction in relation to the Transferor Companies and the Transferee Company and shall be deemed to include, if applicable, such other forum or authority as may be vested with the powers of a Tribunal for the purposes of Sections 230 to 232 of the Act.
- 1.8 **“PEBS”** or **“First Transferor Company”** means Pennar Engineered Building Systems Limited, (E-mail id – contact@pebspennar.com), (CIN No. - L45400TG2008PLC057182), (PAN No. – AAACP6047P), a listed company incorporated under the Companies Act, 1956, on 17 January 2008 having its registered office at 9<sup>th</sup> Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084.
- 1.9 **“PEBS ESOP Scheme”** means Employee Stock Option Plan 2014 of PEBS.
- 1.10 **“PEL”** or **“Second Transferor Company”** means Pennar Enviro Limited, (E-mail id – pel@pennarenviro.com), (CIN No. - U74900TG2008PLC058171), (PAN No. - AAACP5982F), a public limited company incorporated under the Companies Act, 1956, on 14 March 2008 having its registered office at 186/A, IDA Mallapur, Mallapur, Hyderabad, Telangana, India, 500076.

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

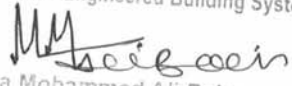
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058 7

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary

- 1.11 **“PIL” or “Transferee Company”** means Pennar Industries Limited, (E-mail id - corporatcommunications@pennarindia.com), (CIN No. - L27109AP1975PLC001919), (PAN No. - AABCP3074H), a listed company incorporated under the Companies Act, 1956, on 8 August 1975, having its registered office at Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084.
- 1.12 **“Record Date”** means such date to be fixed by the Board of Directors of the Transferee Company for the purpose of determining the members of the Transferor Companies to whom shares of the Transferee Company will be allotted pursuant to this Scheme in terms of Clause 12.
- 1.13 **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation including Schedules in its present form or with any modification(s) made under Clause 20 of this Scheme as approved or directed by the NCLT or such other competent authority, as may be applicable.
- 1.14 **“Stock Exchanges”** shall mean BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the First Transferor Company and the Transferee Company are currently listed;
- 1.15 **“Transferor Companies”** means collectively the First Transferor Company and the Second Transferor Company. Reference to Transferor Companies shall include, where the context so requires, each of the Transferor Company.
- 1.16 **“Undertaking”** shall mean the entire business and the whole of undertakings of the Transferor Companies as a going concern, all their assets, rights, licenses and powers and all

For PENNAR ENVIRO LTD  
  
 DIRECTOR

For Pennar Engineered Building Systems Limited  
  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer  
 ACS No. 29058  
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for Pennar Industries Limited  
  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer  


their debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date including, but not in any way limited to, the following:

- (a) All the assets and properties (whether movable or immovable, tangible or intangible, real or personal, corporeal or incorporeal, in possession or reversion, present, future or contingent of whatsoever nature) of the Transferor Companies, including, without being limited to land, plant and machinery, computers, equipment, buildings and structures, offices, residential and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, vehicles, appliances, accessories, power lines, deposits, all stocks, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank balances, loans, advances, contingent rights or benefits, book debts, receivables, actionable claims, earnest moneys, advances or deposits paid by the Transferor Companies, financial assets, leases (including but not limited to lease rights of the Transferor Companies), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements, municipal permissions, tenancies or licenses in relation to the office and/or residential properties, warehouses, intangible assets (including but not limited to software), trade and service names and marks, patents, copyrights, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), incentives, credits (including tax credits benefits of any unutilised MODVAT/CENVAT/Service tax credits, unutilised input tax credit of Central Goods and Services Tax ('CGST'), Integrated Goods and Services Tax ('IGST'), State Goods and Services Tax ('SGST'), Goods, Union Territory Goods and Services Tax ('UTGST') and Services Tax Compensation Cess ('GST Compensation Cess') etc.)), Minimum Alternate Tax Credit entitlement, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited

  
Company Secretary & Compliance Officer

control of or vested in or granted in favour of or enjoyed by the Transferor Companies or in connection with or relating to the Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies, whether in India or abroad.

- (b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quota rights, engagements, arrangements, authorities, allotments, security arrangements (to the extent provided herein), benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to business activities and operations of the Transferor Companies.
- (c) All statutory and regulatory permissions, factory licenses, environmental approvals and consents, sales tax, service tax, excise registrations, CGST, SGST, IGST, UTGST or other licenses and incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Transferor Companies.
- (d) All intellectual property rights of any nature whatsoever, records, files, papers, computer programmes, manuals, data, catalogues, sales material, lists of customers and suppliers, other customer information and all other records and documents relating to business activities and operations of the Transferor Companies.

For PENNAR ENVIRO LTD  
*Aditya Rao*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*Mirza Mohammed Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited  
*Mirza Mohammed Ali Baig*  
Company Secretary & Compliance Officer



- (e) Amounts claimed by the Transferor Companies whether or not so recorded in the books of account of the Transferor Companies from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.
- (f) Right to any claim not preferred or made by the Transferor Companies in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Companies and any interest thereon, with regard to any law, act or rule or Scheme made by the Governmental Authority, and in respect of deferred revenue expenditure, deduction, exemption, rebate, allowance, amortization benefit, etc. under the Income-tax Act, 1961 or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.
- (g) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of the Transferor Companies and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized.
- (h) All other obligations of whatsoever kind, including liabilities of the Transferor Companies with regard to its employees with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.
- (i) The details of assets and liabilities of the Transferor Companies as on 30<sup>th</sup> September 2017 are as per Schedule - 1.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other

For PENNAR ENVIRO LTD

*Aditya Kumar*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*Mirza Mohammed Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

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for Pennar Industries Limited

*Mirza Mohammed Ali Baig*  
Company Secretary & Compliance Officer  


applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

For PENNAR ENVIRO LTD

*Aditya K. Rao*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*MM Mirza*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

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for Pennar Industries Limited

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





2. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by NCLT, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. **SHARE CAPITAL**

3.1 The share capital of the First Transferor Company as on 31 March 2017 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
360,00,000 Equity Shares of Rs.10/- each	36,00,00,000
60,00,000 Compulsorily convertible preference shares of Rs.10/- each	6,00,00,000
<b>TOTAL</b>	<b>42,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
3,42,74,911 Equity Shares of Rs. 10/- each fully paid-up	34,27,49,110
<b>TOTAL</b>	<b>34,27,49,110</b>

Subsequent to 31 March 2017 and as on the date of approval of the Scheme by the Board of Directors of the First Transferor Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the First Transferor Company.

For Pennar Engineered Building Systems Limited  
For PENNAR ENVIRO LTD  
Aditya Kumar  
DIRECTOR

Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



3.2 The share capital of the Second Transferor Company as on 31 March 2017 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
90,00,000 Equity Shares of Rs.10/- each	9,00,00,000
<b>TOTAL</b>	<b>9,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
83,68,259 Equity Shares of Rs. 10/- each fully paid-up	8,36,82,590
<b>TOTAL</b>	<b>8,36,82,590</b>

Subsequent to 31 March 2017 and as on the date of approval of the Scheme by the Board of Directors of the Second Transferor Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Second Transferor Company.

3.3 The share capital of the Transferee Company as on 31 March 2017 is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
<u>Equity shares:</u>	
15,00,00,000 Equity Shares of Rs 5/- each	75,00,00,000
<u>Preference Shares:</u>	
Series - A : 5,00,000 Cumulative Redeemable Preference Shares of Rs	5,00,00,000

For Pennar Engineered Building Systems Limited

*MM Ali Baig*

Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

For PENNAR ENVIRO LTD

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*Aditya*  
DIRECTOR

for Pennar Industries Limited



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

100/- each	
Series - B : 4,00,00,000 Cumulative Redeemable Preference Shares of Rs 5/- each	20,00,00,000
<b>TOTAL</b>	<b>100,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<u>Equity shares:</u>	
12,03,49,514 Equity Shares of Rs 5/- each	60,17,47,570
<b>TOTAL</b>	<b>60,17,47,570</b>

Subsequent to 31 March 2017 and as on the date of approval of the Scheme by the Board of Directors of the Transferee Company, there is no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company.

For Pennar Engineered Building Systems Limited

  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer  
 ACS No. 29058

For PENNAR ENVIRO LTD

  
 DIRECTOR

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for Pennar Industries Limited  
  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer



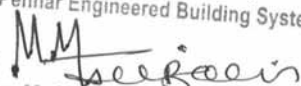
**PART II - AMALGAMATION OF THE TRANSFEROR COMPANIES WITH THE  
TRANSFEEE COMPANY**

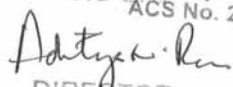
**4. TRANSFER AND VESTING OF UNDERTAKING**

- 4.1 Upon coming into effect of the Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the entire business and whole of the Undertaking of the Transferor Companies, as a going concern, including but not limited to all the debts, liabilities, duties and obligations of every description and also including, without limitation, all the movables, all immovable properties and assets comprising amongst others all freehold and leasehold land, all freehold and leasehold buildings, investments, vehicles, furniture and fixtures, computers, office equipment, permits, licenses, authorisations, if any, rights and benefits of all agreements and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals, shall without any further act or deed, but subject to the charges affecting the same be transferred and/or deemed to be transferred to and vested in the Transferee Company as a going concern so as to become the assets and liabilities of the Transferee Company.

Provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by the Transferor Companies or the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefore after the Effective Date or otherwise.

- 4.2 All the movable assets of the Transferor Companies along with assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash on hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, without the need to execute any separate instrument, to the Transferee Company to the end and intent

For Pennar Engineered Building Systems Limited  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

For PENNAR ENVIRO  
  
DIRECTOR

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for Pennar Industries Limited  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date.

- 4.3 Such delivery and transfer shall be made on a date mutually agreed upon between the Transferor Companies and the Transferee Company.
- 4.4 In respect of any assets of the Transferor Companies, other than those mentioned in Sub Clause 4.2 above, including actionable claims, sundry debtors, outstanding loans, income-tax refunds, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities and bodies and customers, the Transferor Companies shall, if so required by the Transferee Company, issue notices in such form as the Transferee Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, income tax refunds, advance or other asset, be paid or made good or held on account of the Transferee Company, as the person entitled thereto, to the end and intent that the right of the Transferor Companies to recover or realise the same stands transferred to the Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes.
- 4.5 With effect from the Appointed Date, all debts, liabilities, including contingent liabilities, duties and obligations of the Transferor Companies, as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Companies, and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall, pursuant to the orders of the NCLT and other applicable provisions of the Act, without any further act or deed, be transferred or deemed to be transferred to and vested in the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies. For Pennar Engineered Building Systems Limited

For PENNAR ENVIRO

  
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for Pennar Industries Limited  
  
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Company Secretary & Compliance Officer  


- 4.6 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company per se shall be considered as intra-party transactions for all purposes from the Appointed Date.
- 4.7 For purpose of giving effect to the vesting order passed under Section 230 of the Act in respect of this Scheme, the Transferee Company shall at any time pursuant to the orders on this Scheme be entitled to get the recording of the change in the title and appurtenant legal right(s) upon the vesting of the Undertaking of the Transferor Companies in the Transferee Company in accordance with the provisions of Sections 230 and 232 of the Act. Upon the Scheme becoming effective and with effect from the Appointed Date, the filing of certified copies of the order of NCLT sanctioning this Scheme shall constitute a creation / modification of charge in the name of the Transferee Company in accordance with the provisions of Section 77 of the Act and satisfaction of charge in respect of the Transferor Companies in accordance with Section 82 of the Act, if there are any existing charges attached to the over the assets of the Transferor Companies.
- 4.8 The amalgamation of the Transferor Companies with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date and shall be in accordance with provisions of Section 2(1B) of the Income-tax Act, 1961. If any terms of provisions of the Scheme is/ are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) shall prevail and the Scheme shall stand modified to the extent necessary to comply with such provisions. Such modifications will however not affect the other parts of the Scheme.

5. **CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

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*Aditya Kumar*  
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5.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments of whatsoever nature to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favor of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party or beneficiary or obligee thereto or there under.

5.2 The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to which the Transferor Companies are a party in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Companies.

## 6. STAFF, WORKMEN & EMPLOYEES

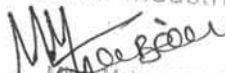
6.1 Upon the coming into effect of this Scheme, all employees of the Transferor Companies shall, become the employees of the Transferee Company, on terms and conditions not less favourable than those on which they are engaged by the Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies with the Transferee Company. For the purpose of payment of all retirement benefits, the past services of such employees with the Transferor Companies shall be taken into account from the date of their appointment with the Transferor Companies and such benefits to which the Employees are entitled in the Transferor

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For PENNAR ENVIRO LTD

  
DIRECTOR

Companies shall also be taken into account, and paid (as and when payable) by the Transferee Company.

6.2 The equitable interest in accounts/funds of the employees, staff and workmen whose services are vested with the Transferor Companies, relating to superannuation, provident fund and gratuity fund shall be identified, determined and vested with the respective trusts/funds of the Transferee Company and such employees shall be deemed to have become members of such trusts/funds of the Transferee Company. Until such time, the Transferor Companies may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Companies to the relevant funds of the Transferor Companies.

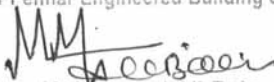
**7. ESOPs**

7.1 The First Transferor Company has an existing PEBS ESOP Scheme in place for eligible employees. As on the date of filing this Scheme with the NCLT, the First Transferor Company has not granted any stock options under the PEBS ESOP Scheme to any of their employees. On and from the date of filing of this Scheme with the NCLT, the First Transferor Company shall not bring into effect any employee stock option plan, issue or enter into any agreements/ arrangements for issuance of employee stock options or grant any options.

7.2 Upon the coming into effect of the Scheme, the Transferee Company shall formulate a new employee stock option scheme ("PIL ESOP Scheme") by adopting an employee stock options scheme similar to or substantially similar to PEBS ESOP Scheme. The terms and conditions applicable to the PIL ESOP Scheme shall be no less favourable than those provided under PEBS ESOP Scheme.

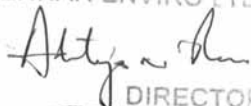
7.3 The First Transferor Company and the Transferee Company and the Board of Directors of the First Transferor Company and the Transferee Company shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause.

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7.4 The approval granted to this Scheme by the shareholders shall be deemed to be approval granted to any modifications made to the PEBS ESOP Scheme by the First Transferor Company and approval granted to the PIL ESOP Scheme to be adopted by the Transferee Company, respectively.

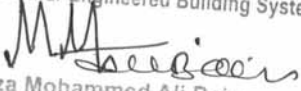
**8. LEGAL PROCEEDINGS**

8.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against the Transferor Companies are pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation of the Transferor Companies with the Transferee Company and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made.

8.2 The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to in Sub Clause 8.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Companies.

8.3 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the Transferor Companies in the same manner and to the same extent as would or might have been initiated by the Transferor Companies.

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9. TAXES

9.1 Any liabilities including all liabilities under the Income-tax Act, 1961, Excise Laws, Service Tax Laws, Central Sales Tax Laws, applicable State Value Added Tax Laws, The Integrated Goods and Services Tax Act, 2017, The Central Goods and Services Tax Act, 2017, Andhra Pradesh Goods and Services Tax Act, 2017 and any other state Goods and Services Tax Act, 2017, The Goods and Services Tax (Compensation to States) Act, 2017, Stamp Laws or other applicable laws/ regulations (hereinafter in this Clause referred to as "Tax Laws") dealing with taxes/ duties/ levies allocable or related to the business of the Transferor Companies to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date shall be transferred to Transferee Company.

9.2 All taxes (including income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, UTGST, GST Compensation Cess, VAT etc.) paid or payable by the Transferor Companies in respect of the operations and/ or the profits of the business on and from the Appointed Date, shall be on account of the Transferee Company and, in so far as it relates to the tax payment (including without limitation income tax, wealth tax, sales tax, excise duty, customs duty, service tax, CGST, SGST, IGST, UTGST, GST Compensation Cess, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operation of the business on and from the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.

9.3 Any refund under the Tax Laws due to the Transferor Companies consequent to the assessments made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

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- 9.4 The Transferee Company shall be entitled to carry forward, avail or set-off any unutilized CENVAT credit, VAT credit, Entry tax, unutilised input tax credit of CGST, IGST, SGST, UTGST, GST Compensation Cess etc. lying unutilized in the Transferor Companies on and from the Effective Date.
- 9.5 Without prejudice to the generality of the above, all benefits including under the income tax, excise duty, service tax, applicable State Value Added Tax Laws, Goods & Service tax, etc., to which the Transferor Companies is entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
- 9.6 The Transferee Company shall be entitled to file/ revise its income-tax returns, TDS certificates, TDS returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credits of all taxes paid/ withheld, if any, as may be required consequent to implementation of this Scheme.

**10. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

With effect from the Appointed Date to the Effective Date:

- 10.1 The Transferor Companies undertake to preserve and carry on its business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- If the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
- If the same is expressly permitted by this Scheme; or

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*Abdul Wahid*  
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for Pennar Industries

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



- If the prior written consent of the Board of Directors of the Transferee Company has been obtained.

10.2 The Transferor Companies shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Transferee Company.

10.3 All profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon), by the Transferor Companies, shall for all purposes, be treated as the profits/ cash, taxes or losses of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit.

#### 11. SAVING OF CONCLUDED TRANSACTION

The transfer and vesting of the assets, liabilities and obligations pertaining to the Transferor Companies to the Transferee Company and the continuance of all contracts or proceedings by or against the Transferee Company shall not affect any contracts or proceedings, already concluded by the Transferor Companies, on or after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds, matters and things done and/or executed by the Transferor Companies in regard thereto as having been done or executed on behalf of the Transferee Company.

#### 12. CONSIDERATION / ISSUE OF SHARES

12.1 Upon the effectiveness of the Scheme, in consideration of the Amalgamation of the Transferor Companies with the Transferee Company, the Transferee Company shall, without any further act or deed, issue and allot to each member of the Transferor Companies whose name is recorded in the register of members of the Transferor Companies on the Record Date

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or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title as the case may be, equity shares in the Transferee Company in the following ratio (the "Share Entitlement Ratio"):

- 23 (Twenty Three) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and
- 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company

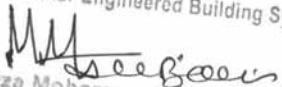
12.2 Without prejudice to the Sub Clause 12.1 above, the Transferee Company shall not allot any equity shares to itself by virtue of its investment in the equity shares of the Transferor Companies.

12.3 The equity shares issued and allotted by the Transferee Company in terms of this Scheme shall rank pari-passu in all respects with the existing equity shares of the Transferee Company.

12.4 The equity shares to be issued and allotted in terms hereof will be subject to the terms and conditions set out in the Memorandum of Association and Articles of Association of the Transferee Company.

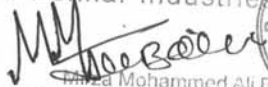
12.5 No fractional certificates, entitlements or credits shall be issued or given by the Transferee Company in respect of the fractional entitlements, if any, to which the shareholders of the Transferor Companies are entitled on the issue and allotment of equity shares by the Transferee Company in accordance with this Scheme. If any

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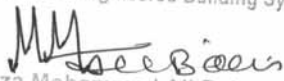
  
DIRECTOR



members of the Transferor Companies have a shareholding such that such members become entitled to a fraction of a new equity share, the board of directors of the Transferee Company shall consolidate all such fractional entitlements to which the shareholders of the Transferor Companies may be entitled on issue and allotment of the equity shares of the Transferee Company as aforesaid and shall, without any further application, act, instrument or deed, issue and allot such fractional entitlements directly to a nominee to be appointed by the board of directors of the Transferee Company who shall hold such fractional entitlements with all additions or accretions hereto in trust for the benefit of the respective shareholders to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such fractional entitlements in the market at such price or prices and at such time or times as the nominee may in its sole discretion decide and on such sale pay to the Transferee Company the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax and expenses, if any, distribute such sale proceeds to the concerned shareholders of the Transferor Companies in proportion to their respective fractional entitlements.

- 12.6 The shares shall be issued to the members of the Transferor Companies in dematerialised form by the Transferee Company.
- 12.7 The issue and allotment of new equity shares by the Transferee Company to the shareholders of the Transferor Companies is an integral part of this Scheme and shall be deemed to have been carried out without any further act or deed and the approval of the shareholders of the Transferee Company to the Scheme shall be deemed to be due compliance of the provisions of Sections 42 and 62 and other relevant or applicable provisions of the Act.
- 12.8 The equity shares of the Transferee Company are listed and admitted to trading on the Stock Exchanges. The Transferee Company shall enter into such arrangements and give such

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confirmation and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issued equity shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/ or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The equity shares allotted pursuant to Clause 12.1, shall remain frozen in the depositories system till listing/ trading permission is given by the Stock Exchanges, respectively.

### 13. CANCELLATION OF EQUITY SHARES

Upon the Scheme being sanctioned and finally effective, and upon the transfer and vesting of all the said assets, liabilities and rights, duties and obligations etc. of the Undertaking of the Transferor Companies in the Transferee Company, in terms of the Scheme, the shares of the Transferor Companies to the extent held by the Transferee Company shall stand cancelled.

### 14. ACCOUNTING TREATMENT

Upon the Scheme becoming effective the Transferee Company shall account for the amalgamation of the Transferor Companies in its books of accounts in accordance with 'Pooling of Interest Method' of accounting as laid down in Appendix C of IND-AS 103 (Business Combinations of entities under common control) as under:

14.1 All the assets, liabilities and reserves in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their carrying amount as appearing in the books of the respective Transferor Company.

14.2 The Transferee Company shall credit to its share capital account, the aggregate face value of the new shares on merger issued by it pursuant to Clause 12.1 of this Scheme.

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- 14.3 The carrying amount of investments in the equity shares of the Transferor Companies to the extent held by the Transferee Company, shall stand cancelled pursuant to Clause 13 of this Scheme and there shall be no further obligation in that behalf.
- 14.4 Upon the Scheme coming into effect, the surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Companies acquired and recorded by the Transferee Company in terms of Clause 14.1 over the sum of (a) the face value of the new shares on merger issued and allotted pursuant to Clause 12.1; and (b) the value of investments cancelled pursuant to Clause 14.3, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.
- 14.5 Inter-company transactions and balances including loans, advances, amount receivable or payable inter-se between the Transferor Companies and the Transferee Company as appearing in their books of accounts, if any, shall stand cancelled.
- 14.6 In case of any differences in the accounting policies between the Transferor Companies, the impact of the same till the Appointed Date of amalgamation will be quantified and adjusted in the reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the true financial position on the basis of consistent accounting policies.

**15. AGGREGATION OF AUTHORISED SHARE CAPITAL**

- 15.1 Upon this Scheme becoming effective, the authorized share capital of the Transferor Companies shall stand consolidated with the authorized share capital of the Transferee Company. Accordingly, the authorized share capital of the Transferee Company shall stand increased to that extent without any further act, instrument or deed on the part of the

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 DIRECTOR

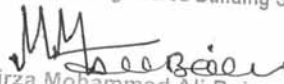


Transferee Company, including without payment of stamp duty and any fees or charges payable to the Registrar of Companies and/or to any other government authority, and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, pursuant to Section 13, 14, 61 and 232(3)(i) respectively of the Companies Act, 2013 and/or any other applicable provisions of the Act, as the case may be. Hence, for this purpose, the stamp duties and fees paid on the authorised share capital of the Transferor Companies shall be utilised and applied to the increased authorised share capital of the Transferee Company and no extra stamp duty and/or fees shall be required to be paid by the Transferee Company for its increased authorised share capital.

- 15.2 Consequent upon the amalgamation, 'Clause V' of the Memorandum of Association of the Transferee Company shall be amended by deleting the existing clause and replacing it by the following:

*"The authorized share capital of the company is Rs.151,00,00,000 (Rupees One Hundred and fifty one crores only) divided into 25,20,00,000 (Twenty Five Crore Twenty Lac only) equity shares of Rs.5/- each and 5,00,000 Preference shares of Rs.100/- each (called as Series-A Preference Shares) and 4,00,00,000 (Four Crores only) Preference Shares of Rs.5/- Each (called as Series-B Preference shares) with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being in force with powers to increase and / or reduce the capital of the Company and to divide the shares in the capital from time to time and power to interchange from one class / series to another class / series being in accordance with the provisions of the Companies Act, 1956 or any other statutory enactment / order / notification in force from time to time into several classes and to attach thereto respectively such preferential / qualified or other rights, privileges or conditions including that of redemption and / or in conversion including deemed redemption and / or conversion, as may be determined by or in accordance with the regulations of the Company or any statutory enactment / order / notification as may be in force from time to*

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*time and to vary, modify or delete any such rights, privileges or conditions in such manner as may from time to time be permissible under the regulations of the Company or any statutory enactment/order/notification as may be in force from time to time."*

- 15.3 It is clarified that the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61, respectively, of the Companies Act, 2013 and/ or any other applicable provisions of the Act, would be required to be separately passed.

**16. ALTERATION OF THE OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY**

- 16.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Object Clause of the Memorandum of Association of Transferee Company shall be amended to include the main objects currently contained in the Memorandum of Association of the Transferor Companies. Accordingly, Clause III(A) of the Memorandum of Association of Transferee Company shall stand amended by inclusion of the following additional paragraphs in the main objects as paragraph <<13>> in Clause III(A) of the Memorandum of Association of the Transferee Company immediately after the existing paragraph <<12.>>:

- To carry on the business of selling buildings systems including pre-engineered buildings, pre-fabricated structures, pre-stressed concrete assemblies and structures, high rise metal buildings, framing systems, heavy steel and metal structures for use as warehouses, commercial buildings, factories, aircraft hangers, sports facilities, insulated cold chains and including sub assemblies such as wall systems, roofing assemblies, solar panel systems and building facades.
- To carry on the business of selling components and building materials such as roof panels, wall panels, polyurethane foam filled panels, mineral wool insulated panels, 'standing seam' roofing solutions, gutters, downspouts, secondary framing components

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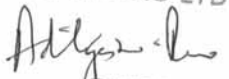
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(z-purlins, c-purlins and girts), primary framing members and systems and various accessories including fasteners, trims, walk doors, roll up doors, windows, louvers, skylights, ridge ventilators, roof jacks, roof curbs and sealers.

- To carry on the business of providing supervisory, consulting and contract services for building erection, civil works, foundations, concrete works, finishing, electrical, mechanical, lighting solutions, heating, ventilation, air conditioning and ducting.
- To carry on the business of providing engineering services including the generation of initial building designs, detailed Computer Aided Design(CAD), structural detailing, 3d modelling, shop drawings, erection drawings bill of materials, elevations, architectural designs and other Information Technology (IT) enabled services. The company will also utilize and develop software for engineering design and detailing, 3d modelling and price estimation.
- To carry on the business of trading and marketing by the purchase or sale of components, systems, building components, colored sheets, insulated panels, software licenses, drawings and designs from an overseas source or nationally for use in the manufacture of the above products or for the purpose of sale to customers.
- To carry on business as general engineers, mechanical engineers, process engineers, civil engineers, general mechanical and civil contractors and to enter into contracts, joint ventures and special purpose vehicles (SPVs) in relation to and to erect, construct, supervise, maintain, alter, repair, pull down and restore, either alone or jointly with other companies or persons, works of all descriptions including plants of all descriptions, water works, water treatment plants, factories, mills, refineries, pipelines, gas works, electric works, power plants and to undertake turnkey projects of every description and to undertake the supervision of any plant or factory and to invest in or acquire interest in companies carrying on the above business.
- To collect, transport, treat, process, purify, store, recycle, reuse, dispose off all types of wastes generated by various industries, municipalities hospitals and other health care establishments, commercial establishments including solids, semi-solids, aqueous, non-

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058 31

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



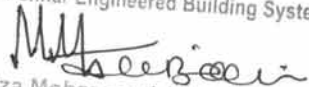
aqueous liquids by establishing treatment, storage and disposal facilities or such other facilities required therefore.

- To establish, run and maintain laboratory facilities for carrying out analysis of water, waste water, air, noise, soil, all types of solid and liquid wastes and to carry out research and treatability studies of all types of pollutants; preparation of environmental impact assessments, environmental audits and other risk assessments pertaining to environmental management.
- To manufacture, process, buy, sell blend import or export water treatment chemicals of all types and categories for softening, purification or other treatment of water for industrial domestic and other purposes and prevention of scale in boilers and pipes.
- To manufacture and deal in all kinds of fuel additives and compounds for improving the performance and for energy saving, cleaning, purification, anti-pollutant and manufacture of Bio-fuels like Bio-diesel, Ethanol and such other fuels including cultivation of agricultural produce to meet end user requirement.
- To carry on the business as manufactures of, dealers in, traders, importers and exporters of all kinds of chemicals, chemical compounds(organic and inorganic) in all forms and chemical products of any nature and kind whatsoever, Drugs, Pharmaceuticals, Pesticides, Dyestuffs and all by-products, joint-products and other intermediaries.
- To carry on business as chemical engineers, analytical chemists, traders, importers, exporters, manufactures of and dealers in heavy chemicals, acids, alkalies, petrochemicals, tannins and tannin extracts, essences, solvents, plastic of all types, intermediaries, textile auxiliaries, cellophanes, colours, dyes, paints, varnishes, chemical auxiliaries, disinfectants, deodorants, bio-chemicals, medicinal, sizing, bleaching, photographic and other preparations and articles and chemicals of all kinds.
- To carry on the business of renewable and non renewable energy generation by several processes including wind turbines, solar energy systems including photovoltaic, thermal solar systems, Bio-mass conversion including generation of electricity from waste. To manufacture, process, buy, sell exchange, alter, improve, import or export or otherwise

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



deal in all kinds of energy saving devices, solar energy products, gadgets and components for industrial, business and household applications.

- To provide advisory and counseling services in all areas relating to energy saving applications.
- To carry on the business of any or all the objects of the company by way of entering into an agreement with the central Government or a state Government or a local authority or any other statutory body on build-Operate-Transfer (BOT) or on Build-Own-Operate-Transfer (BOOT) basis, Build-own-Lease-Transfer (BOLT) scheme wherein the company will provide the necessary and crucial components of infrastructure system, own them for a stipulated period and may or may not maintain or operate the same. Also the company will lease the asset of all or necessary and crucial components of the Infrastructure for maintenance and operation and shall ultimately transfer to the Government bodies or authorities.
- To undertake feasibility study, provide technical, commercial and financial consultancy and also undertake engineering procurement contracts (EPC), project management, related civil construction and maintenance contracts for all the projects, mentioned in the main objects.

16.2 The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be sufficient for the purposes of effecting this amendment contemplated in Clause 16.1 of this Scheme to the Memorandum of Association of the Transferee Company and that no further resolutions under section 13 of the Act or any other applicable provisions of the Act, shall be required to be separately passed. Pursuant to this Scheme, the Transferee Company shall file the requisite forms with the Registrar of Companies for alteration of its main objects and the consequent amendment of the Memorandum of Association.

FOR PENNAR ENVIRO LTD  
  
DIRECTOR

For Pennar Engineered Building Systems Limited  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited  
  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  


**17. DIVIDENDS**

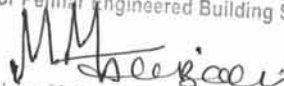
17.1 The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim and/ or final, to their members in respect of the accounting period prior to the effective date. However, the Transferor Companies shall declare any such dividend only after obtaining prior written consent of the Transferee Company.

17.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, as applicable, shall be entirely at the discretion of the respective Boards of Directors of the Companies, and subject to the approval, if required, of the respective members of the Companies.

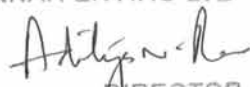
**18. DISSOLUTION OF THE TRANSFEROR COMPANIES**

The Transferor Companies shall be dissolved without winding up, on an order made by the NCLT.

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

For PENNAR ENVIRO LTD

  
DIRECTOR

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



**PART III - GENERAL TERMS AND CONDITIONS**

**19. APPLICATION TO NCLT**

The Transferor Companies and the Transferee Company shall with all reasonable effort, make necessary applications/petitions, under Sections 230 to 232 and other applicable provisions of the Act to the NCLT for sanctioning this Scheme.

**20. MODIFICATIONS/ AMENDMENTS TO THE SCHEME**

20.1 The Transferor Companies and the Transferee Company by their respective Boards may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT and/or any other statutory or regulatory authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board). The Transferee Company's Board be and is hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any statutory or regulatory authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith and to do all acts, deeds, matters and things and take all such steps as may be necessary, desirable or expedient for putting the Scheme into effect.

20.2 In the event of any of the conditions imposed by the NCLT or any other statutory or regulatory authorities, which the Transferor Companies and/or the Transferee Company may find unacceptable for any reason, in whole or in part, then the Transferor Companies and/or the Transferee Company are at liberty to withdraw the Scheme.

For PENNAR ENVIRO LTD

  
DIRECTOR

For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer

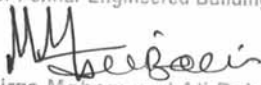


**21. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS**

The Scheme is conditional upon and subject to:


- 21.1 The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and the Transferee Company, as required under the Act or as may be directed by the NCLT;
- 21.2 Approval by the public shareholders of the First Transferor Company and the Transferee Company through postal ballot and / or e-voting in terms of Para 9(a) & (b) of Annexure I of Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by the Securities and Exchange Board of India, as may be amended from time to time, provided that the same shall be acted upon only if the votes cast by the public shareholders in favour of the Scheme are more than the votes cast by the public shareholders against it by the respective company.
- 21.3 The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act in favour of Transferor Companies and Transferee Company, as the case may be, under the said provisions and to the necessary order sanctioning the Scheme being obtained.
- 21.4 The requisite consent, approval or permission of Securities and Exchange Board of India, Stock Exchanges or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 21.5 Certified copy of the order of the NCLT sanctioning the Scheme being filed with the Registrar of Companies, Telangana at Hyderabad, collectively by Transferor Companies and Transferee Company.
- 21.6 The completion of the unexpired period for which the shareholding of the promoters of the First Transferor Company is locked-in, as per Regulation 36 of the Securities and Exchange


For Pennar Engineered Building Systems Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

36

for Pennar Industries Limited

  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer



For PENNAR ENVIRO LTD  
  
DIRECTOR



Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, such period expiring on 10 September, 2018.

**22. EFFECT OF NON-RECEIPT OF APPROVALS**

22.1 In the event any of the said approvals or sanctions referred to in Clause 21 above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Transferor Companies and the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

22.2 The Boards of Directors of the Transferor Companies and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of the view that the coming into effect of the Scheme could have adverse implications on the Transferor Companies and/ or the Transferee Company.

**23. SEVERABILITY**

If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/ or provisions of this Scheme.

**24. COSTS, CHARGES AND EXPENSES**

For PENNAR ENVIRO LTD  
*Aditya K. Rao*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*Mirza Mohammed Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited

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

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Companies and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Transferee Company.

For PENNAR ENVIRO LTD

*Ali Baig*  
DIRECTOR

For Pennar Engineered Building Systems Limited

*MM Ali Baig*  
Mirza Mohammed Ali Baig  
Company Secretary & Compliance Officer  
ACS No. 29058

for Pennar Industries Limited

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

**SCHEDULE – 1**

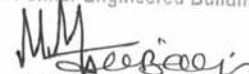
**Part – I - ASSETS**

**Assets of the First Transferor Company (PEBS) & the Second Transferor Company (PEL) as on 30 September 2017**

<b>Assets</b>	<b>PEBS</b>	<b>PEL</b>
<b>Non-current assets</b>		
Property, Plant and Equipment	6,113	140
Intangible Assets	398	177
Capital Work in Progress	46	246
	<b>6,557</b>	<b>564</b>
<b>Financial Assets</b>		
Trade receivables	1,267	
Other Financial assets	214	9
Investments		2
Other non-current assets	36	
Current tax asset (net)	509	
	<b>2,026</b>	<b>11</b>
<b>Current assets</b>		
Inventories	21,412	247
<b>Financial Assets</b>		
Investments	3,233	
Trade receivables	13,001	6,813
Cash and Cash Equivalents	636	78
Other bank balances	190	122
Loans	1,669	
Other Financial assets	2,840	486
Other current assets	5,941	43
	<b>48,922</b>	<b>7,789</b>
<b>Total</b>	<b>57,505</b>	<b>8,365</b>

For PENNAR ENVIRO LTD  
  
 DIRECTOR

For Pennar Engineered Building Systems Limited

  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer  
 ACS No. 29058

for Pennar Industries Limited

  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer

**LIABILITIES - Part - II**

**Liabilities of the First Transferor Company (PEBS) & the Second Transferor Company (PEL) as on 30 September 2017**

Liabilities	PEBS	PEL
<b>Non-current liabilities</b>		
Financial Liabilities		
Borrowings	22	2,500
Other Financial liabilities	775	
Deferred tax liabilities (net)	284	78
Provisions	231	
	<b>1,312</b>	<b>2,578</b>
<b>Current liabilities</b>		
Financial Liabilities		
Borrowings	9,297	727
Trade payables	13,751	3,249
Other financial liabilities	118	
Other current liabilities	8,370	422
Provisions	134	
Current tax liability (net)	232	115
	<b>31,902</b>	<b>4,512</b>
<b>Total</b>	<b>57,505</b>	<b>8,365</b>

For PENNAR ENVIRO LTD  
  
 DIRECTOR

For Pennar Engineered Building Systems Limited  
  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer  
 ACS No. 29058

for Penna Industries Limited  
  
 Mirza Mohammed Ali Baig  
 Company Secretary & Compliance Officer



# Walker Chandio & Co LLP

Dated: 09 November 2017

To

**Board of Directors**  
Pennar India Limited  
3rd Floor, DHFLVC Silicon  
Towers,  
Madhapur Road, Kondapur,  
Hyderabad - 500 084  
Telangana, India

**Board of Directors**  
Pennar Engineered  
Building Systems Limited,  
9<sup>th</sup> Floor, DHFLVC Silicon  
Towers, Kondapur  
Hyderabad – 500 084  
Telangana, India

**Board of Directors**  
Pennar Enviro Limited  
Plot No. 186/A, IDA  
Mallapur  
Hyderabad - 500 076  
Telangana, India

Walker Chandio & Co LLP  
16th Floor, Tower II  
Indiabulls Finance Centre  
S B Marg, Elphinstone (W)  
Mumbai 400013  
India  
T +91 22 6626 2600  
F +91 22 6626 2601

**Sub: Recommendation of Share Exchange Ratio for the proposed amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited into Pennar Industries Limited**

Dear Sir/ Madam,

We refer to the engagement letters dated 26 December 2016 and 02 November 2017 (hereinafter jointly referred to as the "Engagement Letters") whereby, Pennar Industries Limited ('PIL'), Pennar Engineered Building Systems Limited ('PEBS') and Pennar Enviro Limited ('PEL') have requested Walker Chandio & Co LLP ('WCC'), for recommendation of the Share Exchange Ratio for the proposed amalgamation of PEBS and PEL into PIL.

PIL, PEBS and PEL are together referred to as 'the Specified Companies'.

WCC has been hereinafter referred to as 'Valuer' or 'we' or 'us'.

**SCOPE AND PURPOSE OF THIS REPORT**

Incorporated in 1975, PIL is a diversified engineering company based out of Hyderabad. The standalone operations of PIL involve manufacturing of products such as Railways and Solar MMS Components, General Engineering and Automotive Components, Electro Resistance Welded and Cold Drawn Welded Tubes, Cold Rolled Steel Strips, and Formed Sections through its business divisions. PIL is listed on the Bombay Stock Exchange Limited ('BSE') and National Stock Exchange Limited in India ('NSE').

In addition to its standalone operations, PIL offers engineered products & services through its two subsidiaries, PEBS and PEL. PIL holds 54% equity shares in PEBS and 51% equity shares in PEL.

Founded in 2008, PEBS is primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing, fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects. Equity shares of PEBS are listed on the BSE and NSE.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Cornaught Circus, New Delhi, 110001, India

## Walker Chandiook & Co LLP

PEL founded in 1985, is primarily engaged in the business of design, manufacturing, supply, erection and maintenance of water and waste water treatment plants and EPC contracts. It also manufactures and distributes fuel additives and water treatment chemicals.

We understand that the management of the Specified Companies ('Management') are contemplating amalgamation of PEBS and PEL into PIL ('Transaction') pursuant to a Scheme of Amalgamation ('Scheme') to be implemented under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

As a consideration for the amalgamation, equity shareholders of PEBS and PEL would be issued equity shares of PIL. Share Exchange Ratio for this Report refers to the number of equity shares of face value of INR 5/- each of PIL, which would be issued to shareholders of PEBS and PEL.

For the aforesaid purpose, the Specified Companies have requested us to submit a report recommending the Share Exchange Ratio. The scope of our services is to conduct a relative (and not absolute) valuation of the equity shares of the Specified Companies and recommending the Share Exchange Ratio in accordance with generally accepted professional standards.

We have been provided with historical financial information for the Specified Companies up to 30 September 2017. We have considered the same in our analysis and made adjustments for further facts made known (past or future) to us till the date of our Report. Our analysis does not factor impact of any event which is unusual or not in normal course of business. We have relied on the above while arriving at the Share Exchange Ratio.

This Report is our deliverable for the above engagement.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

### SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and / or gathered from public domain:

- Audited financial statements of PIL, PEBS and PEL for 3 years ended 31 March 2017;
- Audited financial statements of Pennar Renewables Private Limited for the year ended 31 March 2017
- Unaudited income statement and statement of assets and liabilities of PIL, PEBS and PEL for the period ended 30 September 2017;
- Projected financial statements of PIL, PEBS and PEL for the period 1 April 2017 to 31 March 2022, as provided by the respective Management;
- Draft Scheme of Amalgamation;
- Number of equity shares/ shareholding pattern of PIL, PEBS and PEL as at 30 September 2017;
- Market prices and trading history of the equity shares of PIL and PEBS;
- Interviews and correspondence with the Management;
- Secondary research and market data on comparable companies; and
- Such other analysis, reviews and enquiries, as we considered relevant.

The Specified Companies have been provided with the opportunity to review the draft report (excluding the recommended share exchange ratio) as part of our standard practice to make sure, factual inaccuracies / omissions are avoided in our final report.



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## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report and (iii) the financial statements of the Specified Companies as at 30 September 2017 and other information provided by the Management on key events after 30 September 2017 till the date of the Report.

The Management has represented that the business activities of the Specified Companies have been carried out in the normal and ordinary course between 30 September 2017 and the Report date and that no material adverse change has occurred in their respective operations and financial position between 30 September 2017 and the Report date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on, and the information made available to us as of, the date hereof. Events and transactions occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into accounts all the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information furnished by the Specified Companies (or their executives/ representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this Report.

The determination of a Share Exchange Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no single undisputed Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Exchange Ratio at which the proposed Transaction shall take place will be with the Board of Directors of the respective Specified Companies, who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.



## Walker Chandiook & Co LLP

In the course of the valuation, we were provided with both written and verbal information, including market, financial and operating data.

In accordance with the terms of our engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Specified Companies. In accordance with our Engagement Letters and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the Specified Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Specified Companies, we have been given to understand by the Management of the Specified Companies that they have not omitted any relevant and material factors about the Specified Companies. Our conclusions are based on the assumptions and information given by / on behalf of the Specified Companies and reliance on public information. The Management of the Specified Companies has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis / results. Accordingly, we assume no responsibility for any errors in the information furnished by the Specified Companies and their impact on the Report. Nothing has come to our attention to indicate that the information provided was materially mis-stated / incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that the Specified Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Specified Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Valuation Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited / unaudited balance sheet of the Specified Companies. Our conclusion of value assumes that the assets and liabilities of the Specified Companies, reflected in their respective latest balance sheets remain intact as of the Report date.

We are not advisors with respect to legal, tax and regulatory matters for the proposed Transaction. This Report does not look into the business / commercial reasons behind the proposed Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the proposed Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Specified Companies' claim to title of assets has been made for the purpose of this Report and the Specified Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the engagement is not contingent upon the results reported.





We owe responsibility to only the Boards of Directors of the Specified Companies that have appointed us under the terms of our respective Engagement Letters and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by any other advisor to the Specified Companies. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Specified Companies, their directors, employees or agents. Unless specifically agreed, in no circumstances shall the liability of a Valuer, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

We do not accept any liability to any third party in relation to the issue of this Report. It is understood that this analysis does not represent a fairness opinion on the Share Exchange Ratio. This Report is not a substitute for the third party's own due diligence / appraisal / enquiries / independent advice that the third party should undertake for his purpose.

This Valuation Report is subject to the laws of India.

Neither the Valuation Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the proposed Scheme, without our prior written consent except for disclosures to be made to relevant regulatory authorities including stock exchanges and SEBI. In addition, this Report does not in any manner address the prices at which equity shares of PIL and PEBS will trade following announcement of the proposed Transaction and we express no opinion or recommendation as to how the shareholders of any Specified Company should vote at any shareholders' meeting(s) to be held in connection with the proposed Transaction.

## SHAREHOLDING PATTERN OF SPECIFIED COMPANIES

### Pennar Industries Limited

The issued and subscribed equity share capital of PIL as at 30 September 2017 is INR 601.7 million consisting of 120,349,514 equity shares of face value of INR 5/- each. The shareholding pattern is as follows:

Shareholding pattern as on 30-09-2017	No. of Shares <sup>^</sup>	% Stake
Promoter and Group	43,758,697	36.4%
Public	76,590,817	63.6%
<b>Total Equity Shares</b>	<b>120,349,514</b>	<b>100%</b>

<sup>^</sup> face value of INR 5/- each



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**Pennar Engineered Building Systems Limited**

The issued and subscribed equity share capital of PEBS India as at 30 September 2017 is INR 342.7 million consisting of 34,274,911 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding pattern as on 30-09-2017	No. of Shares <sup>^</sup>	% Stake
Promoter Group	21,750,357	63.5%
Public	12,524,554	36.5%
<b>Total Equity Shares</b>	<b>34,274,911</b>	<b>100%</b>

<sup>^</sup> face value of INR 10/- each

**Pennar Enviro Limited**

The issued and subscribed equity share capital of PEL as at 30 September 2017 was INR 83.7 million consisting of 83,68,259 equity shares of face value of INR 10/- each. The shareholding pattern is as follows:

Shareholding Pattern as on 30-09-2017	No. of Shares <sup>^</sup>	% Stake
Promoter Group	4,098,259	49.0%
M/s. Pennar Industries Limited	4,270,000	51.0%
<b>Total Equity Shares</b>	<b>8,368,259</b>	<b>100%</b>

<sup>^</sup> face value of INR 10/- each

The Management has represented to us that there have been no changes in the shareholding pattern of the Specified Companies since 30 September 2017.

**APPROACH & METHODOLOGY**

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Specified Companies. Further, this valuation will fluctuate with lapse of time, changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Specified Companies, and other factors which generally influence the valuation of companies and their assets.

The Scheme contemplates the amalgamation of PEBS and PEL into PIL. Arriving at the Share Exchange Ratio would require determining the fair value of the equity shares of PEBS and PEL, respectively, in terms of the fair value of the equity shares of PIL. These values are to be determined independently but on a relative basis, and without considering the proposed Transaction.

The following are commonly used and accepted methods for determining the value of the equity shares of a company/ business:

1. Market Approach
  - a. Market Price method
  - b. Comparable Companies Quoted Multiples method
2. Income Approach – Discounted Cash Flows method
3. Asset Approach – Net Asset Value method



## Market Approach

### a. Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share, especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Equity shares of PIL and PEBS are listed on both BSE and NSE. Equity shares of PIL and PEBS are frequently traded in terms of Para 71A, Chapter VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('ICDR Regulations'). Equity shares of PEL are not listed on any stock exchange.

### b. Comparable Companies' Quoted Multiple ('CCM') Method

Under this method, value of the equity shares of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

## Income Approach – Discounted Cash Flows ('DCF') Method

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

Using the DCF analysis involves determining the following:

### *Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's capital – both equity and debt.

### *Appropriate discount rate to be applied to cash flows i.e. the cost of capital:*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.



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### Asset Approach – Net Asset Value ('NAV') Method

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability. PIL, PEBS and PEL are operating companies. A Scheme of Amalgamation would normally be proceeded with, on the assumption that the companies merge as going concerns and an actual realization of the operating assets is not contemplated.

### ICDR Regulations

As per SEBI circular nos. CFD/DIL3/CIR/2017/21 and CFD/DIL3/CIR/2017/26 dated 10 March 2017 and 23 March 2017, respectively, the issuance of shares under schemes in case of allotment of shares by listed companies only to a select group of shareholders or shareholders of unlisted companies pursuant to such schemes shall follow the pricing provisions of the ICDR Regulations and the relevant date for the purpose of computing pricing shall be the date of the Board meeting in which the scheme is approved.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Taking the above outlined factors, including ICDR Regulations, into consideration, we have adopted following approaches for determination of Share Exchange Ratio:

**Market Approach:** We have considered Market Price Method as the equity shares of PIL and PEBS are frequently traded.

Trading volume of equity shares of PIL and PEBS during the year ended 9 November 2017 was higher on NSE as compared to BSE. Under the Market price method, average of weekly high and low of the volume weighted average price ('VWAP') of PIL and PEBS on NSE during the twenty six weeks or two weeks preceding 10 November 2017, whichever is higher has been considered. Please refer Annexure 1 & 2 for details.

Equity shares of the PEL are not listed on any stock exchanges. Accordingly, the market price methodology could not be used for this entity and therefore, we have considered Comparable Companies Multiple Method under this approach. Under Comparable Companies Multiple Method, we have considered the quoted multiples of comparable listed companies, as appropriate, for the purpose of our valuation analysis. Adjustments, as appropriate, are made for borrowings, surplus assets and other matters to arrive at the equity value of PEL.



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**Income Approach:** We have also used Discounted Cash Flow method under this approach for the valuation of PIL, PEBS and PEL.

For the purpose of DCF valuation, the free cash flow forecast is based on Financial Projections as provided by the management of Specified Companies. While carrying out this engagement, we have relied extensively on historical information made available to us by the management of the Companies and the respective Financial Projections for future related information. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability of the assumptions underlying the Financial Projections, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

We have adjusted the value of Discounted Cash Flows (as explained above in "Income Approach") for adjustments, as appropriate for net borrowings, surplus assets and other matters to arrive at the equity value of the Specified Companies.

### **Asset Approach**

The Asset approach was not adopted for PIL, PEBS and PEL. As mentioned above, the Asset approach is mainly used where the "going concern" assumption is not appropriate or where the asset base dominates the earnings capability. Since PIL, PEBS and PEL are all operating entities and have been valued as on "going concern" basis, we did not adopt the Asset approach.

### **SHARE EXCHANGE RATIO**

The basis of the Transaction would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending a share exchange ratio of equity shares it is necessary to arrive at a single value for each of the business / subject companies' shares. It is however important to note that in doing so, we are not attempting to arrive at the absolute equity values of the Specified Companies but at their relative values to facilitate the determination of a fair exchange ratio. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

The Share Exchange Ratio has been arrived at on the basis of a relative equity valuation of the Specified Companies using the Market Approach and Income Approach. The Share Exchange Ratio is based on the methodologies explained herein earlier and various qualitative factors relevant to each Company and the business dynamics and growth potential of the businesses of the Specified Companies, having regard to information received, key underlying assumptions and limitations.

Valuer, as considered appropriate, has independently applied methodologies discussed above and arrived at their assessment of value per share of the Specified Companies. To arrive at the Share Exchange Ratio, suitable averaging and rounding off in the values arrived at by the Valuer have been done. Please refer Annexure 3 and Annexure 4 for summary valuation workings.



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In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Share Exchange Ratio as follows:

- 23 (Twenty Three) equity shares of PIL (of INR 5/- each fully paid up) for 13 (Thirteen) equity shares held in PEBS (of INR 10/- each fully paid up) on amalgamation of PEBS into PIL; and
- 1 (One) equity share of PIL (of INR 5/- each fully paid up) for every 1 (One) equity share held in PEL (of INR 10/- each fully paid up) on amalgamation of PEL into PIL.

Respectfully submitted,

Walker Chandiook & Co LLP  
Chartered Accountants  
ICAI Firm Registration Number:  
001076N/ N500013



Hined Contractor  
Partner  
Membership No: 41456  
Date: 09 November 2017

## Walker Chandiook & Co LLP

### Annexure 1 – Valuation of equity shares of PIL under the Market Price method

Week	Week Start Date	Week End Date	VWAP		
			High	Low	Average
1	03-Nov-17	09-Nov-17	76.2	69.3	72.8
2	27-Oct-17	02-Nov-17	73.1	69.6	71.3
3	20-Oct-17	26-Oct-17	74.9	70.9	72.9
4	13-Oct-17	19-Oct-17	72.4	59.0	65.7
5	06-Oct-17	12-Oct-17	60.7	59.7	60.2
6	29-Sep-17	05-Oct-17	60.6	58.4	59.5
7	22-Sep-17	28-Sep-17	60.5	57.6	59.1
8	15-Sep-17	21-Sep-17	65.4	62.0	63.7
9	08-Sep-17	14-Sep-17	65.7	62.8	64.3
10	01-Sep-17	07-Sep-17	66.3	61.6	63.9
11	25-Aug-17	31-Aug-17	65.5	61.8	63.6
12	18-Aug-17	24-Aug-17	61.6	56.1	58.9
13	11-Aug-17	17-Aug-17	58.3	48.4	53.4
14	04-Aug-17	10-Aug-17	54.8	49.9	52.3
15	28-Jul-17	03-Aug-17	55.7	55.0	55.3
16	21-Jul-17	27-Jul-17	55.9	54.7	55.3
17	14-Jul-17	20-Jul-17	54.8	53.5	54.1
18	07-Jul-17	13-Jul-17	56.2	54.5	55.4
19	30-Jun-17	06-Jul-17	57.0	51.9	54.4
20	23-Jun-17	29-Jun-17	51.5	49.9	50.7
21	16-Jun-17	22-Jun-17	56.1	52.4	54.2
22	09-Jun-17	15-Jun-17	57.0	55.4	56.2
23	02-Jun-17	08-Jun-17	53.3	49.8	51.6
24	26-May-17	01-Jun-17	50.5	46.6	48.6
25	19-May-17	25-May-17	47.5	45.9	46.7
26	12-May-17	18-May-17	49.5	48.5	49.0
<b>Particulars</b>					<b>INR</b>
Average of weekly high and low of Volume Weighted Average Price (VWAP) of PIL on NSE during 6 months or 26 weeks preceding relevant date					58.2
Average of weekly high and low of Volume Weighted Average Price (VWAP) of PIL quoted on NSE during 2 weeks preceding relevant date					72.0



Chartered Accountants

Annexure 2 – Valuation of equity shares of PEBS under the Market Price method

Week	Week Start	Week End	VWAP		
	Date	Date	High	Low	Average
1	03-Nov-17	09-Nov-17	104.0	101.9	103.0
2	27-Oct-17	02-Nov-17	108.9	103.9	106.4
3	20-Oct-17	26-Oct-17	114.0	109.6	111.8
4	13-Oct-17	19-Oct-17	113.8	98.7	106.3
5	06-Oct-17	12-Oct-17	101.9	98.1	100.0
6	29-Sep-17	05-Oct-17	107.4	101.0	104.2
7	22-Sep-17	28-Sep-17	104.5	101.5	103.0
8	15-Sep-17	21-Sep-17	111.5	107.1	109.3
9	08-Sep-17	14-Sep-17	112.6	110.2	111.4
10	01-Sep-17	07-Sep-17	114.0	105.0	109.5
11	25-Aug-17	31-Aug-17	104.8	93.2	99.0
12	18-Aug-17	24-Aug-17	93.9	88.1	91.0
13	11-Aug-17	17-Aug-17	106.3	90.3	98.3
14	04-Aug-17	10-Aug-17	120.1	113.9	117.0
15	28-Jul-17	03-Aug-17	121.2	120.0	120.6
16	21-Jul-17	27-Jul-17	123.8	121.8	122.8
17	14-Jul-17	20-Jul-17	125.5	123.8	124.7
18	07-Jul-17	13-Jul-17	125.0	123.6	124.3
19	30-Jun-17	06-Jul-17	129.8	125.5	127.6
20	23-Jun-17	29-Jun-17	132.7	124.8	128.7
21	16-Jun-17	22-Jun-17	139.7	134.8	137.3
22	09-Jun-17	15-Jun-17	137.1	134.3	135.7
23	02-Jun-17	08-Jun-17	135.5	131.1	133.3
24	26-May-17	01-Jun-17	138.3	128.8	133.5
25	19-May-17	25-May-17	135.1	129.8	132.4
26	12-May-17	18-May-17	139.2	132.4	135.8
<b>Particulars</b>					<b>INR</b>
Average of weekly high and low of Volume Weighted Average Price (VWAP) of PEBS on NSE during 6 months or 26 weeks preceding relevant date					116.4
Average of weekly high and low of Volume Weighted Average Price (VWAP) of PEBS quoted on NSE during 2 weeks preceding relevant date					104.7





**Annexure 3 - Summary of Valuation Workings for PIL and PEBS**

Valuation Approach	PIL		PEBS	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Method	72.0	50%	116.4	50%
Comparable Companies Method	NA	0%	NA	0%
Income Approach	74.6	50%	143.5	50%
<b>Relative Value Per Share*</b>	<b>73.3</b>	<b>100%</b>	<b>130.0</b>	<b>100%</b>

\*face value per share of INR 5 for PIL and INR 10 for PEBS

NA = Not Adopted / Not Applicable

**Share Exchange Ratio**

23 (Twenty Three) equity shares of PIL (of INR 5/- each fully paid up) for 13 (Thirteen) equity shares held in PEBS (of INR 10/- each fully paid up) on amalgamation of PEBS into PIL

**Annexure 4 - Summary of Valuation Workings for PIL and PEL**

Valuation Approach	PIL		PEL	
	INR	Weight (%)	INR	Weight (%)
Asset Approach	NA	0%	NA	0%
Market Approach				
Market Price Method	72.0	50%	NA	0%
Comparable Companies Method	NA	0%	70.4	50%
Income Approach	74.6	50%	78.0	50%
<b>Relative Value Per Share*</b>	<b>73.3</b>	<b>100%</b>	<b>74.2</b>	<b>100%</b>

\*face value per share of INR 5 for PIL and INR 10 for PEL

NA = Not Adopted / Not Applicable

**Share Exchange Ratio**

1 (One) equity share of PIL (of INR 5/- each fully paid up) for every 1 (One) equity share held in PEL (of INR 10/- each fully paid up) on amalgamation of PEL into PIL.



## KEYNOTE

November 09, 2017

### The Board of Directors

#### **Pennar Industries Limited**

3<sup>rd</sup> Floor, DHFLVC Silicon Towers,  
Kondapur, Hyderabad – 500 084  
Telangana, India

#### **Pennar Enviro Limited**

Plot No. 186/A, IDA Mallapur,  
Hyderabad – 500076  
Telangana, India

#### **Pennar Engineered Building Systems**

9th Floor, DHFLVC Silicon Towers,  
Kondapur, Hyderabad - 500 084  
Telangana, India

Dear Sir/Madam,

**Reg: Fairness Opinion on the Share Entitlement Ratio for the Proposed Merger of Pennar Engineered Building Systems ("PEBS") and Pennar Enviro Limited ("PEL") with Pennar Industries Limited ("PIL").**

Keynote Corporate Services Limited ("**Keynote**" or "**we**" or "**us**") is Category I Merchant Banker registered with Securities Exchange Board of India ("SEBI"). We have been requested to suggest fairness of the Share Entitlement ratio for the issue of the Proposed Merger with respect to Scheme of Amalgamation between Pennar Industries Limited, Pennar Enviro Limited and Pennar Engineered Building Systems. We have perused the documents/ information provided by you in respect of the said Scheme of Amalgamation and the Valuation Report as issued by **Walker Chandiok & Co LLP** (*hereafter referred to as "WC LLP"*) dated November 9, 2017 and state as follows:

### Company Profile:

**Pennar Industries Limited**, incorporated in 1988, is a BSE & NSE listed engineering organization that provides engineered products and services. Pennar manufactures cold rolled steel strips, precision tubes, cold rolled formed sections, ESP electrodes, profiles, railway wagon and coach components, solar structures, storage solutions, pressed steel components and road safety systems, etc. serving various segments like Infrastructure, Automobiles, Energy, General Engineering, etc. PIL has pan-India presence with manufacturing facilities in Patancheru, Isnapur, Sadashivpet, Tarapur, Mallapur, Chennai and Hosur. PIL has three subsidiaries, namely, Pennar Engineered Building Systems ('PEBS') engaged in the design, manufacture, supply and installation of pre-engineered steel buildings and building components, Pennar Enviro Limited ('PEL') operates in waste water treatment, fuel additives, etc and Pennar Renewables Limited ('P Renew'), engaged in commercial generation of solar power.



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### Keynote Corporate Services Limited

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**Pennar Engineered Building Systems**, is a BSE & NSE listed entity and is primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing, fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects

**Pennar Enviro Limited**, incorporated in 1992, operates in the field of fuel additives, waste water treatment, among others. PEL deals with Water and Environment Infrastructure business to provide turnkey solutions viz., Water Treatment Plants (WTPs), Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs), Effluent Recycling Plants (ERPs), Zero Liquid Discharge Plants (ZLDs), etc. PEL is pioneer in the field of additives, supplying specific premium high technology additives based on fuel characteristic requirements and specific performance enhancements. PEL is also the authorized manufacturer and marketer of Elf Fuel Oil Additives. PEL has a manufacturing facility in Mallapur, Telagana.

**Transaction background:** Pennar Industries Limited (parent company) currently holds ~54% in PEBS (listed subsidiary) and ~51% in PEL (unlisted subsidiary). PIL proposes to merge PEBS and PEL into itself by acquiring the remaining ~46% stake in PEBS and ~49% stake in PEL by issuing its shares to the respective shareholders ("Transaction").

### Rationale of the Report:

We have been informed that, pursuant to a Scheme of Amalgamation under sections 230 to 232 read with other relevant provisions of the Companies Act, 2013 (hereinafter referred to as "the Scheme") and subject to necessary approvals, PEBS & PEL would be merged into PIL.

In this regard, we have been requested to suggest fairness on the Share Entitlement ratio for the issue of equity shares of PIL to the shareholders of PEBS and PEL for the purpose of the Proposed Merger.

### Sources of Information:

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- a) Valuation Report by WC LLP. dated November 9, 2017;
- b) Historical Financial statements of the PIL, PEL, P Renew and PEBS for the year ended March 31, 2017. Unaudited financial statements of PIL, PEL and PEBS for Q2 FY18.
- c) Projected Financials of PIL (FY17-22), PEL (FY17-20) and PEBS (FY17-20);
- d) Draft Scheme of Amalgamation;
- e) Other relevant information/documents regarding PIL, PEBS and PEL including information available through public domain

In addition to the above, we have also obtained such other information and explanations, which were considered relevant for the purpose of our Analysis.



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### **Our Recommendation:**

As stated in the Valuation Report, WC LLP has recommended the following:

Merger of PEBS into PIL: **23 (Twenty Three) equity shares of PIL of INR 5 each fully paid up for 13 (Thirteen) equity shares of PEBS of INR 10 each fully paid up.**

Merger of PEL into PIL: **1 (One) equity share of PIL of INR 5 each fully paid up for every 1 (One) equity share of PEL of INR 10 each fully paid up.**

The aforesaid Amalgamation shall be pursuant to the Draft Scheme of Amalgamation and shall be subject to receipt of approval from the National Company Law tribunal and other statutory approvals as may be required. The detailed terms and conditions of the merger are more fully set forth in the Draft Scheme of Amalgamation. Keynote has issued the fairness opinion with the understanding that Draft Scheme of Amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Amalgamation alters the transaction.

**Based on the information, data made available to us, including the Valuation Report, to the best of our knowledge and belief, the valuation as suggested by WC LLP. proposed under the Scheme of Amalgamation is fair in our opinion.**

### **Exclusions and Limitations:**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by PIL, PEBS and PEL for the purpose of this opinion. With respect to the estimated financials provided to us by the managements of PIL and PEBS, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the managements of PIL and PEBS. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of PIL and PEBS. We have solely relied upon the information provided to us by PIL and PEBS. We have not reviewed any books or records of PIL, PEBS and PEL (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of PIL, PEBS and PEL and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of PIL and PEBS. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by PIL, PEBS and PEL for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of PIL,



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PEBS and PEL with respect to these matters. In addition, we have assumed that the Draft Scheme of Amalgamation will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Draft Scheme of Amalgamation.

We understand that the managements of PIL, PEBS and PEL during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Draft Scheme of Amalgamation, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that PIL, PEBS and PEL may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving PIL, PEBS and PEL or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as financial advisors to PIL, PEBS and PEL for providing a fairness opinion on the proposed transaction and will receive professional fees for our services.

In the ordinary course of business, Keynote is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Keynote may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the transaction.

The Fairness Opinion is addressed only to the Board of Directors of PIL & PEBS and is for the purpose of submission to the Stock Exchanges under the SEBI Circular. Further, the Fairness Opinion may be disclosed on the website of PIL & PEBS and the Stock Exchanges and also be made part of the explanatory statement to be circulated to the shareholders and/ or creditors of the Company. The Fairness Opinion should be read in totality and not in parts. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without Keynote's prior written consent. If this Fairness Opinion is used by any person other than whom it is addressed or for any purpose other than the purpose state hereinabove, then we will not be liable for any consequences thereof.

We express no opinion whatsoever and make no recommendation at all as to PIL and PEBS's underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of PIL, PEBS and PEL should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of PIL will trade following the announcement of the transaction or as to the financial performance of PIL, PEBS and PEL following the consummation of the transaction.

In no circumstances however, will Keynote Corporate Services Limited or its associates, directors or employees accept any responsibility or liability to any third party and in the unforeseen event of any such



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responsibility or liability being imposed on Keynote Corporate Services Limited or its associates, directors or employees by any third party, PIL, PEBS and their affiliates shall indemnify them.

For **KEYNOTE CORPORATE SERVICES LTD**



**Nipun Lodha**  
Executive Vice-President & Head - Corporate Finance  
**SEBI Registration No. INM000003606**  
**(Merchant Banker)**

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DCS/AMAL/AJ/R37/1105/2017-18

April 26, 2018

The Company Secretary  
**PENNAR INDUSTRIES LTD.**  
 DHFLVC Silicon Towers, Floor No.3,  
 Kondapur, Hyderabad, Telangana-500084

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation between Pennar Industries Limited, Pennar Engineered Building Systems Limited and Pennar Enviro Limited.**

We are in receipt of Draft Scheme of Arrangement between Pennar Industries Limited, Pennar Engineered Building Systems Limited and Pennar Enviro Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 25, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
 Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
 T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com  
 Corporate Identity Number : L67120MH2005PLC155188



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nitin Pujari  
Sr. Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001 India  
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com  
Corporate Identity Number : L67120MH2005PLC155188





Ref: NSE/LIST/14328

April 26, 2018

The Company Secretary & Compliance Officer  
Pennar Industries Limited  
Floor No. 3, DHFLVC,  
Silicon Towers, Kondapur,  
Hyderabad-500084

**Kind Attn.: Mr. Mirza Mohammed Ali Baug**

Dear Sir,

**Sub: Observation Letter for Scheme of Amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited with Pennar Industries Limited and their respective shareholders.**

We are in receipt of the scheme of Amalgamation of Pennar Engineered Building Systems Limited (Transferor Company 1) and Pennar Enviro Limited (Transferor Company 2) with Pennar Industries Limited (Transferee Company) and their respective shareholders vide application dated December 07, 2017.

Based on our letter reference no Ref: NSE/LIST/42901 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated April 25, 2018, has given following comments:

- a. *The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circulars.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*
- d. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.



Continuation Sheet

The validity of this "Observation Letter" shall be six months from April 26, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For **National Stock Exchange of India Ltd.**

Divya Poojari  
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)



DCS/AMAL/AJ/R37/1106/2017-18

April 26, 2018

The Company Secretary  
**PENAR ENGINEERED BUILDING SYSTEMS LTD.**  
 DHFLVC Silicon Towers, 9th Floor,  
 Kondapur, Hyderabad, Telangana-500084

Sir,

**Sub: Observation letter regarding the Draft Scheme of Amalgamation between Pennar Industries Limited, Pennar Engineered Building Systems Limited and Pennar Enviro Limited.**

We are in receipt of Draft Scheme of Arrangement between Pennar Industries Limited, Pennar Engineered Building Systems Limited and Pennar Enviro Limited and their respective shareholders and Creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated April 25, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company.”
- “Company shall duly comply with various provisions of the Circulars.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.



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 Corporate Identity Number : L67120MH2005PLC155188



The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nitin Pujari  
Sr. Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)  
Registered Office : Floor 25, P J Towers, Dalal Street, Mumbai 400 001, India  
T: +91 22 2272 1234/33 | E: corp.comm@bseindia.com | www.bseindia.com  
Corporate Identity Number : L67120MH2005PLC155188

Ref: NSE/LIST/45343

April 26, 2018

The Company Secretary & Compliance Officer  
Pennar Engineered Building Systems Limited  
Floor No. 3, DHFLVC,  
Silicon Towers, Kondapur,  
Hyderabad-500084

Kind Attention: Mr. Mirza Mohammed Ali Baug

Dear Sir,

Sub: Observation Letter for Scheme of Amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited with Pennar Industries Limited and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed there under.

We are in receipt of the scheme of Amalgamation of Pennar Engineered Building Systems Limited (Transferor Company 1) and Pennar Enviro Limited (Transferor Company 2) with Pennar Industries Limited (Transferee Company) and their respective shareholders vide application dated December 07, 2017.

Based on our letter reference no Ref: NSE/LIST/14343 submitted to SEBI and pursuant to SEBI Circular No. CFD/IL3/CR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated April 25, 2018, has given following comments:

- a. The Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the receipt of this letter is displayed on the website of the listed company.
- b. The Company shall duly comply with various provisions of the Circulars.
- c. The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.
- d. It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/Regulations issued by statutory authorities.

This Document is Digitally Signed

Regd. Office: Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Corridor



Signer: Divya Babu Poojari  
Date: Thu, Apr 26, 2018 19:07:56 IST  
Location: NSE  
E, Mumbai 400 051, India

CIN: U67120MH1992PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: [www.nseindia.com](http://www.nseindia.com)



Continuation Sheet

The validity of this "Observation Letter" shall be six months from April 26, 2018, within which the scheme shall be submitted to NCLT.

Yours faithfully,  
For National Stock Exchange of India Ltd.

Divya Poojari  
Sr. Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)



## PENNAR INDUSTRIES LIMITED

February 9, 2018

To,  
Listing Department  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai 400001  
BSE Scrip code - 513228

Dear Sir/ Madam,

**Ref: Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]**

**Sub: Scheme of Amalgamation of Pennar Engineered Building Systems Limited (First Transferor Company) and Pennar Enviro Limited (Second Transferor Company) with Pennar Industries Limited (Transferee Company) and their respective shareholders ("Scheme" or "the Scheme") under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder**

Please refer to our application under aforementioned regulation for the proposed Scheme of Amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited with Pennar Industries Limited and their respective shareholders ('the Scheme') filed on 6<sup>th</sup> December 2017 and uploaded on BSE portal on 18<sup>th</sup> January 2018.

In this regard, we are enclosing herewith the Complaints Report, in the prescribed format for your necessary action.

Kindly upload the same on your website.

Thanking You,  
Yours Faithfully,  
For Pennar Industries Limited

**Mr. Mirza Mohammed Ali Baig**  
Company Secretary  
Encl.: As above



Manufacturers of Cold Roll Formed Sections, Cold Rolled Steel Strips, Metal Crash Barriers, Industrial Components, ERW and Precision Tubes, Solar Mounting Structures & Hydraulic Cylinders

Corp. Office & Works: IDA, Patancheru – 502 319, Medak District, Telangana State, INDIA  
Tel: +91 8455 242184 to 242193, Fax: +91 8455 242424 / 242161, E-mail: pilhyd@bsnl.in, Website: www.pennarindia.com  
Regd. Office: 3<sup>rd</sup> Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.  
Tel: +91 40 4006 1621 to 24, Fax: +91 40 4006 1618  
CIN No: L27109AP1975PLC001919



## PENNAR INDUSTRIES LIMITED

### Complaints Report to BSE

#### Part A

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchange	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	N.A.
5	Number of complaints pending	N.A.

#### Part B

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
		N.A.	

For Pennar Industries Limited



Mr. Mirza Mohammed Ali Baig

Company Secretary

Encl.: As above

Date: 9<sup>th</sup> February 2018

Manufacturers of Cold Roll Formed Sections, Cold Rolled Steel Strips, Metal Crash Barriers, Industrial Components, ERW and Precision Tubes, Solar Mounting Structures & Hydraulic Cylinders

Corp. Office & Works: IDA, Palancheru – 502 319, Medak District, Telangana State, INDIA

Tel: +91 8455 242184 to 242193, Fax: +91 8455 242424 / 242161, E-mail: pilhyd@bsnl.in, Website: www.pennarindia.com

Regd. Office: 3<sup>rd</sup> Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.

Tel: +91 40 4006 1621 to 24, Fax: +91 40 4006 1618

CIN No: L27109AP1975PLC001919





# PENNAR INDUSTRIES LIMITED



Annexure - 9

January 30, 2018

To,  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra- Kurla Complex, Bandra East  
Mumbai 400051  
Symbol - PENIND

Dear Sir/ Madam,

**Ref: Submission of Complaints Report as per Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations, 2015"]**

**Sub: Scheme of Amalgamation of Pennar Engineered Building Systems Limited (First Transferor Company) and Pennar Enviro Limited (Second Transferor Company) with Pennar Industries Limited (Transferee Company) and their respective shareholders ("Scheme" or "the Scheme") under section 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder**

---

Please refer to our application under aforementioned regulation for the proposed Scheme of Amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited with Pennar Industries Limited and their respective shareholders ('the Scheme') filed on 6<sup>th</sup> December 2017 and uploaded on NSE portal on 3<sup>rd</sup> January 2018.

In this regard, we are enclosing herewith the Complaints Report, in the prescribed format for your necessary action.

Kindly upload the same on your website.

Thanking You,  
Yours Faithfully,  
For Pennar Industries Limited

**Mr. Mirza Mohammed Ali Baig**  
Company Secretary  
Encl.: As above



---

**Manufacturers of Cold Roll Formed Sections, Sheet Metal Pressed, Fabricated & Machined Components, Precision Electric Resistance Welded Tubes, Cold Drawn electric resistance Welded Tubes, and Fabricated Components & Structures. Design Development, Manufacture of Hydraulic Cylinders**

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**Corp. Office & Works:** IDA, Patancheru – 502 319, Sanga Reddy District, Telangana, INDIA.  
**Tel:** +91 8455 242184 to 242193, **Fax:** +91 8455 242424 / 242161, **E-mail:** pilhyd@bsnl.in, **Website:** www.pennarindia.com  
**Regd. Office:** 9<sup>th</sup> Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.  
**Tel:** +91 40 4006 1621 to 24, **Fax:** +91 40 4006 1618  
**CIN No:** L27109AP1975PLC001919

**Complaints Report to NSE**

Period of Complaints Report: From 3<sup>rd</sup> January 2018 to 24<sup>th</sup> January 2018

**Part A**

Sr. No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by Stock Exchanges / SEBI	Nil
3	Total Number of complaints/comments received (1+2)	Nil
4	Number of complaints resolved	N.A.
5	Number of complaints pending	N.A.

**Part B**

Sr. No.	Name of complainant	Date of Complaint	Status (Resolved/pending)
N.A.			

For Pennar Industries Limited





Mr. Mirza Mohammed Ali Balg  
Company Secretary

Encl.: As above

Date: 30<sup>th</sup> January 2018



## PENNAR INDUSTRIES LIMITED



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PENNAR INDUSTRIES LIMITED ON 10 NOVEMBER 2017 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS

The Board of directors of Pennar Industries Limited ('PIL' or 'the Company' or 'Transferee Company'), at its meeting held on 10 November 2017 had considered and approved the Scheme of Amalgamation of Pennar Engineered Building Systems Limited ('PEBS' or 'First Transferor Company') and Pennar Enviro Limited ('PEL' or 'Second Transferor Company') (hereinafter collectively referred to as 'Transferor Companies') with Pennar Industries Limited and their respective Shareholders ('the Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with applicable rules framed thereunder.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, is required to be circulated to the shareholders along with the notice convening the meeting.

At the Board Meeting, the following documents were placed before the Board of Directors for their consideration:

- a. Draft Scheme of Amalgamation;
- b. Memorandum of Association and Article of Association of the Transferor Companies and the Transferee Company;
- c. Audited accounts of the Transferor Companies and the Transferee Company as on 31 March 2017; and
- d. Statutory Auditor's Certificate confirming the compliance of the accounting treatment;
- e. Valuation report dated 9<sup>th</sup> November 2017 issued by Walker Chandio & Co LLP, Independent Chartered Accountants prescribing the Share Exchange Ratio with respect to the Scheme ("Valuation Report");
- f. Fairness opinion dated 9<sup>th</sup> November 2017 issued by Keynote Corporate Services Limited, Category 1 Merchant Banker providing the fairness opinion on the Share Exchange Ratio recommended by Walker Chandio & Co LLP, Independent Chartered Accountants ("Fairness Opinion");
- g. Report of the Audit Committee dated 9<sup>th</sup> November 2017 recommending the draft Scheme to the Board for approval.

After consideration of above, the Board was of the opinion that:

1. As a result of the proposed amalgamation, the Equity Shareholders of the Transferor Companies shall be allotted Equity Shares in the Transferee Company in the following exchange ratio:
  - 23 (Twenty Three) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and
  - 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company



Manufacture of Cold Rolled Steel Strips & Formed Sections, Sheet Metal Pressed, Fabricated & Machined Components, Precision Electric Resistance Welded Tubes, Cold Drawn Electric Resistance Welded Tubes and Fabricated Components & Structures. Design, Development, Manufacture of Hydraulic Cylinders. Manufacture of Railway Coach Accessories Include under Frames using 1.1, 1.4, 7.1 and 8.1 group Materials by SMAW, GMAW & GTAW

Corporate Office & Works : IDA, Patancheru-502 319, Sangareddy District, Telangana State, INDIA  
 Tel: +91 8455 242184 to 242193, E-mail: corporatecommunications@pennarindia.com, Website: www.pennarindia.com  
 Regd. Office: 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500 084.  
 Tel: +91 40 4006 1621 to 24, Fax: +91 40 4006 1618  
 CIN No: L27109AP1975PLC001919

This exchange ratio has been recommended as per Valuation Report dated 9<sup>th</sup> November, 2017, as issued by Walker Chandiook & Co LLP, Independent Chartered Accountants and the Fairness Opinion dated 9<sup>th</sup> November, 2017 on the valuation report, issued by Keynote Corporate Services Limited, Category 1 Merchant Banker.

2. As the entire business undertaking of the Transferor Companies shall stand transferred to PIL and the shareholders of the Transferor Companies shall be allotted shares in PIL, pursuant to merger, the rights and interests of the shareholders and/or the creditors of the Transferor Companies and the Transferee Company shall not be affected, and the Scheme shall also not be prejudicial to the interest of the shareholders and/or creditors of the Transferor Companies.
3. The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
  - Enable the shareholders of PIL to get direct participation in the promising business of PEBS & PEL.
  - Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
  - Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
  - Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.

4. The effect of the proposed Scheme on the shareholders of the Company would be as follows:

<b>Effect of the Scheme on:</b>	
(a) shareholders	No effect
(b) key managerial personnel	No effect
(c) directors	No effect
(d) promoters	No effect
(e) non-promoter members	No effect
(f) depositors	Not applicable
(g) creditors	No effect
(h) debenture holders	Not applicable
(i) deposit trustee and debenture trustee	Not applicable
(j) employees	No effect

After taking on record the documents / confirmations referred above, the Board of directors of the Transferee Company approved the Scheme.

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

  
**Aditya Rao**  
 Managing Director  
 DIN: 01307343



**Place - Hyderabad  
Date - 10 November 2017**



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PENNAR ENGINEERED BUILDING SYSTEMS LIMITED ON 10 NOVEMBER 2017 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors of Pennar Engineered Building Systems Limited ('PEBS' or 'the Company' or 'First Transferor Company'), at its meeting held on 10 November 2017 had considered and approved the Scheme of Amalgamation of Pennar Engineered Building Systems Limited and Pennar Enviro Limited ('PEL' or 'Second Transferor Company') (hereinafter collectively referred to as 'Transferor Companies') with Pennar Industries Limited ('PIL' or 'Transferee Company') and their respective shareholders ('the Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with applicable rules framed thereunder.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, is required to be circulated to the shareholders along with the notice convening the meeting.

At the Board Meeting, the following documents were placed before the Board of Directors for their consideration:

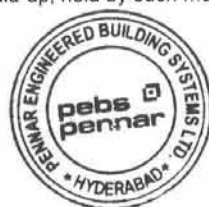
- a. Draft Scheme of Amalgamation;
- b. Memorandum of Association and Article of Association of the Transferor Companies and the Transferee Company;
- c. Audited accounts of the Transferor Companies and the Transferee Company as on 31 March 2017;
- d. Statutory Auditor's Certificate from auditors of Transferee Company confirming the compliance of the accounting treatment;
- e. Valuation report dated 9<sup>th</sup> November 2017 issued by Walker Chandio & Co LLP, Independent Chartered Accountants prescribing the Share Exchange Ratio with respect to the Scheme ("Valuation Report");
- f. Fairness opinion dated 9<sup>th</sup> November 2017 issued by Keynote Corporate Services Limited, Category 1 Merchant Banker providing the fairness opinion on the Share Exchange Ratio recommended by Walker Chandio & Co LLP, Independent Chartered Accountants ("Fairness Opinion"); and
- g. Report of the Audit Committee dated 9<sup>th</sup> November 2017 recommending the draft Scheme to the Board for approval.

After consideration of above, the Board was of the opinion that:

1. As a result of the proposed amalgamation, the equity shareholders of the Transferor Companies shall be allotted Equity Shares in the Transferee Company in the following exchange ratio:
  - 23 (Twenty Three) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and
  - 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company



www.pebspennar.com



Corporate Office  
 Building Systems Limited  
 9th Floor (West Wing),  
 DHFLVC Silicon Towers,  
 Kondapur, Hyderabad - 500084  
 T: +91 40 4021 0525 / 26  
 F: +91 40 4018 6992  
 E-mail: cs@pebspennar.com  
 CIN: U45400AP2008PLC057182

This exchange ratio has been recommended as per Valuation Report dated 9<sup>th</sup> November, 2017 as issued by Walker Chandiook & Co LLP, Independent Chartered Accountants and the Fairness Opinion dated 9<sup>th</sup> November, 2017 on the valuation report, issued by Keynote Corporate Services Limited, Category 1 Merchant Banker

2. As the entire business undertaking of the Transferor Companies shall be transferred to PIL and the shareholders of the Transferor Companies shall be allotted shares in PIL, pursuant to merger, the rights and interests of the shareholders and/or the creditors of the Transferor Companies and the Transferee Company shall not be affected, and the Scheme shall also not be prejudicial to the interest of the shareholders and/or creditors of the Transferor Companies.
3. The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
  - Enable the shareholders of PIL to get direct participation in the promising business of PEBS & PEL.
  - Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
  - Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
  - Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.
4. The effect of the proposed Scheme on the shareholders of the Company would be as follows:

<b>Effect of the Scheme on:</b>	
(a) shareholders	No effect
(b) key managerial personnel	No effect
(c) directors	No effect
(d) promoters	No effect
(e) non-promoter members	No effect
(f) depositors	Not applicable
(g) creditors	No effect
(h) debenture holders	Not applicable
(i) deposit trustee and debenture trustee	Not applicable
(j) employees	No effect

After taking on record the documents / confirmations referred above, the Board of directors of the First Transferor Company approved the Scheme.

**For and on behalf of the Board of Directors  
Pennar Engineered Building Systems Limited**

  
P V Rao  
Managing Director  
DIN: 03157581



Place - Hyderabad  
Date - 10 November 2017



**PENNAR ENVIRO**  
Engineering, Water, Environment & Energy

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PENNAR ENVIRO LIMITED ON 10 NOVEMBER 2017 EXPLAINING THE EFFECT OF THE SCHEME ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS**

The Board of Directors of Pennar Enviro Limited ('PEL' or 'the Company' or 'Second Transferor Company'), at its meeting held on 10 November 2017 had considered and approved the Scheme of Amalgamation of Pennar Engineered Building Systems Limited ('PEBS' or 'First Transferor Company') and Pennar Enviro Limited (hereinafter collectively referred to as 'Transferor Companies') with Pennar Industries Limited ('PIL' or 'Transferee Company') and their respective shareholders ('the Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 read with applicable rules framed thereunder.

As per Section 232(2)(c) of the Companies Act, 2013, a report adopted by the directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders, is required to be circulated to the shareholders along with the notice convening the meeting.

At the Board Meeting, the following documents were placed before the Board of Directors for their consideration:

- a. Draft Scheme of Amalgamation;
- b. Memorandum of Association and Article of Association of the Transferor Companies and the Transferee Company;
- c. Audited accounts of the Transferor Companies and the Transferee Company as on 31 March 2017;
- d. Statutory Auditor's Certificate from auditors of Transferee Company confirming the compliance of the accounting treatment;
- e. Valuation report dated 9<sup>th</sup> November, 2017 issued by Walker Chandio & Co LLP, Independent Chartered Accountants prescribing the Share Exchange Ratio with respect to the Scheme ("Valuation Report");
- f. Fairness opinion dated 9<sup>th</sup> November, 2017 issued by Keynote Corporate Services Limited, Category 1 Merchant Banker providing the fairness opinion on the Share Exchange Ratio recommended by Walker Chandio & Co LLP, Independent Chartered Accountants ("Fairness Opinion"); and
- g. Report of the Audit Committee dated 9<sup>th</sup> November, 2017 recommending the draft Scheme to the Board for approval.

After consideration of above, the Board was of the opinion that:

1. As a result of the proposed amalgamation, the equity shareholders of the Transferor Companies shall be allotted Equity Shares in the Transferee Company in the following exchange ratio:



- 23 (Twenty Three) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and
- 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company

**Pennar Enviro Limited**

An ISO 9001 : 2015 Certified Company

**Corporate Office:** 3rd Floor, DHFLVC Silicon Towers, Kondapur, Madhapur Road, Hyderabad - 500 084, Telengana State, India

Tel. : +91-40-23117041, E-mail : sales@pennarenviro.com | www.pennarenviro.com

**Regd. Office & Works :** 186/A, IDA Mallapur, Hyderabad - 500 076, Telengana State, India CIN: U74900TG2008PLC058171

This exchange ratio has been recommended as per Valuation Report dated 9<sup>th</sup> November, 2017 as issued by Walker Chandio & Co LLP, Independent Chartered Accountants and the Fairness Opinion dated 9<sup>th</sup> November, 2017 on the valuation report, issued by Keynote Corporate Services Limited, Category 1 Merchant Banker

2. As the entire business undertaking of the Transferor Companies shall be transferred to PIL and the shareholders of the Transferor Companies shall be allotted shares in PIL, pursuant to merger, the rights and interests of the shareholders and/or the creditors of the Transferor Companies and the Transferee Company shall not be affected, and the Scheme shall also not be prejudicial to the interest of the shareholders and/or creditors of the Transferor Companies.
3. The amalgamation of the Transferor Companies with the Transferee Company would *inter alia* have the following benefits:
  - Enable the shareholders of PIL to get direct participation in the promising business of PEBS & PEL.
  - Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
  - Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
  - Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.
4. The effect of the proposed Scheme on the shareholders of the Company would be as follows:

Effect of the Scheme on:	
(a) shareholders	No effect
(b) key managerial personnel	No effect
(c) directors	No effect
(d) promoters	No effect
(e) non-promoter members	No effect
(f) depositors	Not applicable
(g) creditors	No effect
(h) debenture holders	Not applicable
(i) deposit trustee and debenture trustee	Not applicable
(j) employees	No effect

After taking on record the documents / confirmations referred above, the Board of directors of the Second Transferor Company approved the Scheme.

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

  
Aditya Rao  
Director  
DIN: 01307343



Place - Hyderabad  
Date - 10 November, 2017



PENMAR INDUSTRIES LIMITED  
(CIN: L27409AP1975PLC001919)  
Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.  
Tel: +91 40 40061621; Fax: +91 40 40061618; E-mail: corporatecommunications@penmarindia.com; Website: www.penmarindia.com  
Statement of Consolidated and Standalone Unaudited Financial Results for the Quarter Ended June 30, 2018

Sl. No	Particulars	Consolidated results				Standalone results			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
1	Income								
	(a) Revenue from operations	46,224	50,308	45,792	1,79,841	34,022	34,309	32,061	1,24,864
	(b) Other income	426	795	212	1,589	191	283	57	598
	Total Income	46,650	51,103	46,004	1,81,430	34,213	34,592	32,118	1,25,462
2	Expenses								
	(a) Cost of materials consumed	30,997	33,688	30,556	1,08,931	24,276	22,789	21,211	79,005
	(b) Purchase of traded goods	427	720	897	3,095	427	720	897	3,095
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,964)	(4,878)	(4,904)	(4,265)	(3,178)	(1,911)	(1,055)	949
	(d) Excise duty (Refer note 9)	-	-	3,035	3,035	-	-	2,117	2,121
	(e) Employee benefits expense	3,854	3,383	2,954	12,276	2,344	1,980	1,690	7,105
	(f) Finance costs	1,588	1,968	1,561	6,740	1,188	1,434	894	4,342
	(g) Depreciation and amortisation expense	634	805	632	2,926	477	632	292	1,675
	(h) Other expenses	10,778	9,670	8,840	36,179	6,773	7,008	4,560	21,145
	Total expenses	44,314	45,356	43,571	1,68,917	32,307	32,652	30,606	1,19,437
3	Profit before exceptional item and tax (1-2)	2,336	5,747	2,433	12,513	1,906	1,940	1,512	6,025
4	Exceptional item (refer note 4)	-	1,295	-	1,295	-	2,129	-	2,129
5	Profit before tax (3+4)	2,336	7,042	2,433	13,808	1,906	4,069	1,512	8,154
6	Tax expense	759	2,227	726	4,016	635	1,170	514	2,171
	(a) Current tax	138	63	403	743	150	(248)	345	554
	(b) Deferred tax	897	2,290	1,129	4,759	785	922	859	2,725
7	Total tax expense	1,439	4,752	1,304	9,049	1,421	3,147	653	5,429
	Net Profit for the period (5-6)	1,313	3,590	1,069	7,032	1,121	3,147	653	5,429
8	Shareholders of the Company	126	1,162	235	2,017	-	-	-	-
	Non-controlling interests	-	-	-	-	-	-	-	-
	Other comprehensive income	-	(25)	-	(67)	-	30	-	(8)
	Items that will not be reclassified subsequently to profit or loss	-	9	-	23	-	(10)	-	3
	(a) Remeasurements of the net defined benefit liability	-	(16)	-	(44)	-	20	-	(5)
	(b) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Attributable to:								
	Shareholders of the Company	-	-	-	(28)	-	20	-	(8)
	Non-controlling interests	-	(16)	-	(16)	-	-	-	(5)
9	Total comprehensive income (7+8)	1,439	4,736	1,304	9,005	1,121	3,167	653	5,424
	Attributable to:								
	Shareholders of the Company	1,313	3,590	1,069	7,004	1,121	3,167	653	5,424
	Non-controlling interests	126	1,146	235	2,001	-	-	-	-
10	Paid up equity share capital [Face Value of ₹ 5 per share]	6,017	6,017	6,017	45,267	6,017	6,017	6,017	6,017
11	Other equity	-	-	-	-	-	-	-	-
12	Earnings Per Share [Face Value of ₹ 5 per share]*	1.20	3.95	0.89	7.52	0.93	2.61	0.54	4.51



\* EPS for the quarterly periods is not annualised.

NOTES :

- The above consolidated and standalone unaudited financial results were reviewed and recommended by the Audit Committee at their meeting held on August 13, 2018 and approved by the Board of Directors at their meeting held on August 14, 2018. The Statutory Auditors have carried out a limited review on the consolidated and standalone financial results.
- 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").
- The consolidated financial results for the quarter ended June 30, 2018 include the results of the following group companies:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Penmar Engineered Building Systems Limited	India	Subsidiary	53.98%
Penmar Enviro Limited	India	Subsidiary	51.03%
Penmar Global Inc. (From June 05, 2017)	USA	Subsidiary	70.00%

- During the previous year, the Company divested its entire shareholding in its subsidiary, Penmar Renewables Private Limited (PRPL). Upon divestment, the resultant gain of ₹ 1,295 Lakhs in the consolidated financial results and gain of ₹ 2,129 Lakhs in the standalone financial results are disclosed as 'exceptional item'.
- During the previous year, the Company incorporated a subsidiary Penmar Global Inc, United State of America, which commenced commercial operations during the quarter ended March 31, 2018. Hence, the results for the quarter ended June 30, 2018 and quarter ended June 30, 2017 are not comparable.
- The Board of Directors of the Parent Company have approved a Scheme of Arrangement ("the Scheme") for amalgamation of its subsidiaries, Penmar Engineering Building Systems Limited and Penmar Enviro Limited with the Company, effective April 01, 2018, subject to necessary statutory and regulatory approvals. The Company has received clearance from the stock exchanges. The Scheme remains subject to the receipt of no objections from secured creditors, necessary approvals from National Company Law Tribunal and the respective shareholders of the Company.
- Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the financial results of the Company.
- The Company formed a Special Purpose Vehicle ("SPV") by the name "Evertch Penmar Defense and Engineering Systems Private Limited" on April 10, 2018 with Evertch Engineering Private Limited. The SPV is yet to commence its commercial operations.
- The Government of India introduced the Goods & Services Tax (GST) with effect from July 1, 2017. Accordingly, in compliance with Indian Accounting Standards (Ind AS), Revenue from operations for the quarter ended June 30, 2018, quarter ended March 31, 2018 and year ended March 31, 2018 (from July 1, 2017) is net of GST. For the quarter ended June 30, 2017, Revenue from operations includes excise duty which is now subsumed in GST.



Particulars	Year Ended			
	30-Jun-18		31-Mar-18	
	Unaudited	Audited (Refer note 11)	Unaudited	Audited
<b>Segment revenue</b>				
Diversified engineering	34,022	34,309	32,061	1,24,864
Custom designed building solutions & auxiliaries	14,179	18,098	15,936	65,136
<b>Total</b>	<b>48,201</b>	<b>52,407</b>	<b>47,997</b>	<b>1,90,000</b>
Less: Inter segment revenue	1,977	2,099	2,205	10,159
<b>Revenue from operations</b>	<b>46,224</b>	<b>50,308</b>	<b>45,792</b>	<b>1,79,841</b>
<b>Segment results</b>				
Diversified engineering	3,571	6,135	2,698	14,171
Custom designed building solutions & auxiliaries	987	3,580	1,928	9,303
<b>Total</b>	<b>4,558</b>	<b>9,815</b>	<b>4,626</b>	<b>23,474</b>
Less:-				
Depreciation and amortisation expense	634	805	632	2,926
Finance costs	1,588	1,968	1,561	6,740
<b>Profit before tax</b>	<b>2,336</b>	<b>7,042</b>	<b>2,433</b>	<b>13,808</b>
	As at			
	30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-17
	Unaudited	Audited	Unaudited	Audited
<b>Capital employed (Segment assets - Segment liabilities) (See notes below)</b>				
<b>Segment assets</b>				
Diversified engineering	1,08,302	1,01,340	87,583	87,583
Custom designed building solutions & auxiliaries	52,491	50,460	71,170	71,170
<b>Total Segment Assets</b>	<b>1,60,793</b>	<b>1,51,800</b>	<b>1,58,753</b>	<b>1,58,753</b>
<b>Segment liabilities</b>				
Diversified Engineering	66,584	60,743	48,584	48,584
Custom designed building solutions & auxiliaries	32,363	30,652	43,752	43,752
<b>Total Segment Liabilities</b>	<b>98,947</b>	<b>91,395</b>	<b>92,336</b>	<b>92,336</b>

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.

11 The figures of the quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2018 and published year to date figures up to third quarter of the financial year ended March 31, 2018.

12 Corresponding previous period's figures have been regrouped/reclassified wherever necessary.



By order of the Board  
for Pennar Industries Limited

*Aditya N. Rao*  
Aditya N. Rao  
Vice Chairman & Managing Director



Place : Hyderabad  
Date : August 14, 2018

**Pennar Engineered Building Systems Limited**  
 9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500 084  
 CIN No: L45400TG2008PLC057182, Ph: 040-40210525 Fax: 040-40210526



## STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2018

(₹ in Lakhs)

Sl.No	Particulars	Quarter ended			Year ended
		30-Jun-18	31-Mar-18	30-Jun-17	31-Mar-18
		(Unaudited)	(Audited**)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>				
	(a) Revenue from operations*	11,354	14,230	12,925	51,998
	(b) Other income	309	690	104	1,190
	<b>Total income</b>	<b>11,663</b>	<b>14,920</b>	<b>13,029</b>	<b>53,188</b>
<b>2</b>	<b>Expenses</b>				
	(a) Cost of material consumed	6,619	11,899	10,013	33,471
	(b) Changes in inventories of finished goods and work in progress	(750)	(2,423)	(4,162)	(4,762)
	(c) Excise duty	-	-	962	962
	(d) Erection expenses	1,080	1,043	1,903	5,244
	(e) Employee benefits expense	1,235	1,075	1,040	4,185
	(f) Finance costs	417	360	427	1,566
	(g) Depreciation and amortisation expense	128	149	146	597
	(h) Other expenses	2,737	1,834	2,207	9,529
	<b>Total expenses</b>	<b>11,466</b>	<b>13,937</b>	<b>12,536</b>	<b>50,792</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>197</b>	<b>983</b>	<b>493</b>	<b>2,396</b>
<b>4</b>	<b>Tax expense:</b>				
	(a) Current tax	65	2	189	606
	(b) Deferred tax	1	322	(43)	210
	<b>Total tax expense</b>	<b>66</b>	<b>324</b>	<b>146</b>	<b>816</b>
<b>5</b>	<b>Net profit after tax (3-4)</b>	<b>131</b>	<b>659</b>	<b>347</b>	<b>1,580</b>
<b>6</b>	<b>Other comprehensive income</b>				
	Items that will not be reclassified subsequently to profit or loss:				
	(a) Remeasurement of defined benefit obligation	-	(55)	13	(59)
	(b) Income-tax relating to the above item	-	19	(5)	20
	<b>Total other comprehensive income, net of tax</b>	<b>-</b>	<b>(36)</b>	<b>8</b>	<b>(39)</b>
<b>7</b>	<b>Total comprehensive income for the period (5+6)</b>	<b>131</b>	<b>623</b>	<b>355</b>	<b>1,541</b>
<b>8</b>	<b>Paid-up equity share capital (Face value ₹ 10/- each fully paid)</b>	<b>3,427</b>	<b>3,427</b>	<b>3,427</b>	<b>3,427</b>
<b>9</b>	<b>Earning per share***</b>				
	Basic and Diluted	0.38	1.92	1.01	4.61
*The Company is liable to Goods and Services Tax (GST) with effect from 01 July 2017. The revenues for the quarter ended 31 March 2018 and 30 June 2018 is net of such GST. However, the revenues of the comparative quarter ended 30 June 2017 and year ended 31 March 2018 (upto 30 June 2017) are inclusive of excise duty. The impact is as represented as below:					
	<b>Particulars</b>	<b>30-Jun-18</b>	<b>31-Mar-18</b>	<b>30-Jun-17</b>	<b>31-Mar-18</b>
	Gross sales	11,354	14,230	12,925	51,998
	Less: Excise duty	-	-	962	962
	<b>Net sales</b>	<b>11,354</b>	<b>14,230</b>	<b>11,963</b>	<b>51,036</b>
**Figures of the preceding quarter ended 31 March 2018 are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. Also the figures upto the end of the third quarter were only reviewed and not subjected to audit.					
*** Not annualised					



**Pennar Engineered Building Systems Limited**

**Notes:**

- 1 The above results for the quarter ended 30 June 2018 were reviewed by the Audit Committee at their meeting held on 10 August 2018 and approved by the Board of Directors at their meeting held on 10 August 2018.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 05 July 2016.
- 3 The financial results for the quarter ended 30 June 2017 were reviewed by the then statutory auditors.
- 4 Limited Review of the above mentioned results as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the Statutory Auditors, who have issued an unqualified review report.
- 5 Effective 01 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers". The adoption of the standard did not have material impact on the financial results of the Company.
- 6 The operating segment of the Company is identified as manufacture and erection of steel products, i.e., pre engineered buildings, as the 'Chief Operating Decision Maker' (CODM) reviews business performance at the overall Company level as one segment. Therefore, the disclosure as per Ind AS 108 - 'Operating Segments' and Regulation 33(1) (e) read with clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.
- 7 The details of funds raised through Initial Public Offer (IPO) during the financial year 2015-2016 and utilisation of said funds as at 30 June 2018 are as follows:

Particulars	Objects of the issue as per prospectus	Utilisation amount upto 30 June 2018	(₹ in Lakhs)
			Unutilised amount upto 30 June 2018
A) Repayment/ prepayment, in full or part, of certain working capital facilities availed	3,400	3,400	-
B) Financing the procurement of infrastructure (including software and hardware) for the expansion of our design and engineering services	800	267	533
C) General corporate purposes	1,079	1,079	-
D) Share issue expenses	521	517	4
<b>Total</b>	<b>5,800</b>	<b>5,263</b>	<b>537</b>

As on 30 June 2018, unutilised funds have been temporarily invested in short-term liquid scheme of mutual funds and in bank balances.

- 8 The Company vide its board meeting dated 10 November 2017 has approved the proposed scheme of amalgamation between the Company, Pennar Enviro Limited (related company) with Pennar Industries Limited (PIL) effective from 01 April 2018, as per terms and conditions mentioned in the draft Scheme. During the current period, approval letters were received from BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') on the Scheme of Amalgamation. Subsequent to the quarter end, no objection letters has been received from secured creditors i.e., Bankers (except State Bank Of India). The Scheme remains subject to the receipt of necessary approvals from National Company Law Tribunal, and the respective shareholders and creditors of the Company.
- 9 The comparative figures have been regrouped/ reclassified, where necessary, to confirm to the current period's presentation.

for **PENNAR ENGINEERED BUILDING SYSTEMS LIMITED**



**P V RAO**  
MANAGING DIRECTOR

Place: Hyderabad

Date: 10 August 2018



## Annexure - 15

Pennar Enviro Limited  
Balance Sheet as at June 30, 2018

Particulars	Note	Rs in lakhs	
		As at	
		June 30, 2018	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	123.40	126.17
Capital work-in-progress		246.45	246.45
Intangible assets	4	102.55	127.52
Financial assets			
(a) Investments		2.00	2.00
(b) Loans			
(c) Other financial assets	7	3071.94	3,024.84
Deferred tax assets (net)			
Income tax assets (net)			
Other non-current assets			
<b>Total non-current assets</b>		<b>3,546.33</b>	<b>3,526.98</b>
<b>Current assets</b>			
Inventories	9	865.04	838.17
Financial assets			
(a) Investments			
(b) Trade receivables	10	6,188.74	6,169.42
(c) Cash and cash equivalents	11A	109.13	112.04
(d) Other bank balances	11B	130.03	130.03
(e) Loans			
(f) Other financial assets			
Other current assets	8	42.16	33.34
<b>Total current assets</b>		<b>7,335.10</b>	<b>7,283.00</b>
<b>Total assets</b>		<b>10,881.43</b>	<b>10,809.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	836.83	836.83
Other equity	13	2577.05	2,526.81
<b>Total equity</b>		<b>3413.88</b>	<b>3363.64</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(a) Borrowings	14	2500.00	2,500.00
(b) Other financial liabilities	15	4.72	3.13
Provisions	16	39.98	29.05
Deferred tax liabilities (net)	17	45.87	59.25
Other non-current liabilities			
<b>Total non-current liabilities</b>		<b>2590.57</b>	<b>2591.43</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Borrowings	19	788.08	765.58
(b) Trade payables	20	2,308.62	2,212.17
(c) Other financial liabilities			
Income tax liabilities (net)	17	1218.75	1168.51
Provisions			
Other current liabilities	18	561.53	708.65
<b>Total current liabilities</b>		<b>4876.98</b>	<b>4854.91</b>
<b>Total liabilities</b>		<b>7467.55</b>	<b>7446.34</b>
<b>Total equity and liabilities</b>		<b>10881.43</b>	<b>10809.98</b>



For PENNAR ENVIRO LTD  
  
 DIRECTOR

Pennar Enviro Limited Statement of Profit and Loss for the period ended June 30, 2018				
Rs in lakhs				
Particulars	Note	For the Quarter ended June 30, 2018	For the Quarter ended June 30, 2017	For the Year ended 31 March, 2018
<b>INCOME</b>				
Revenue from operations	21	1917.67	2,114.51	12,121.52
Other income	22	2.01	2.03	12.43
<b>Total income</b>		<b>1,919.68</b>	<b>2,116.54</b>	<b>12,133.95</b>
<b>EXPENSES</b>				
Cost of materials consumed	23	1151.79	1,261.22	5,928.13
Changes in inventories of finished goods and work-in-progress	24	(35.71)	313.11	(451.24)
Excise duty/GST on sale of goods		281.78	68.72	1,297.27
Employee benefits expense	25	219.94	220.91	899.79
Finance costs	26	38.37	16.39	281.21
Depreciation and amortisation expense	27	29.28	31.09	116.72
Other expenses	28	173.06	136.82	672.61
<b>Total expenses</b>		<b>1858.50</b>	<b>2,048.26</b>	<b>8,744.49</b>
<b>Profit before exceptional item and tax</b>		<b>61.18</b>	<b>68.29</b>	<b>3,389.45</b>
Exceptional item				
<b>Profit before tax</b>		<b>61.18</b>	<b>68.29</b>	<b>3,389.45</b>
<b>Tax expense</b>				
Current tax	17	24.31	22.57	1,129.50
Deferred tax	17	(13.37)	(9.31)	(36.72)
<b>Total tax expense</b>		<b>10.93</b>	<b>13.26</b>	<b>1,092.78</b>
<b>Profit for the year</b>		<b>50.24</b>	<b>55.03</b>	<b>2,296.67</b>



For PENNAR ENVIRO LTD  
*Aditya Kumar*  
 DIRECTOR

Pennar Enviro Limited  
Notes forming part of the financial statements

3. Property, plant and equipment

Rs in lakhs

Particulars	As at	
	June 30, 2018	March 31, 2018
Carrying amount of:		
Freehold land	27.38	27.38
Buildings	31.68	32.15
Leasehold improvements		
Computers	15.52	14.70
Plant and equipment	31.70	33.94
Office equipment		
Furniture and fixtures	0.48	0.53
Electrical installations		
Vehicles	16.63	17.48
Tools and equipment		
<b>Total</b>	<b>123.40</b>	<b>126.17</b>

Pennar Enviro Limited  
Notes forming part of the financial statements

4. Intangible assets

Particulars	As at	
	June 30, 2018	March 31, 2018
Carrying amount of:		
Computer software		
Technology/ intellectual Property		
Customer contracts		
Process knowhow		
Other intangible assets	102.55	127.52
<b>Total intangible assets</b>	<b>102.55</b>	<b>127.52</b>
Intangible assets under development		
<b>Total</b>	<b>102.55</b>	<b>127.52</b>



*Abhijit R. Rao*



7. Other financial assets

Particulars	As at	
	June 30,2018	March 31,2018
<b>Non-current</b>		
Security deposits		
Secured, considered good	7.55	7.16
Unsecured, considered good		
Doubtful		
Less : Allowance for bad and doubtful deposits		
	7.55	7.16
Advance to employees		
Secured, considered good		
Unsecured, considered good	-	
Doubtful		
Less : Allowance for bad and doubtful deposits		
	-	
<b>Total other non-current financial assets</b>	<b>7.55</b>	<b>7.16</b>
<b>Current</b>		
Unbilled revenue	2,600	2,600
Interest accrued on deposits	1.37	
Advance to employees	9.68	1.85
Security deposits	6.11	4.15
Other receivables*	447.23	411.68
<b>Total other current financial assets</b>	<b>3,064.39</b>	<b>3,017.68</b>
<b>Total other financial assets</b>	<b>3,071.94</b>	<b>3,024.84</b>

8. Other assets

Particulars	As at	
	June 30,2018	March 31,2018
<b>Non-current (unsecured):</b>		
Capital advances		
Prepaid expenses		
Balances with government authorities		
Other advances		
<b>Total other non-current assets</b>	<b>-</b>	<b>-</b>
<b>Current (unsecured):</b>		
Prepaid expenses	1.63	2.12
Balances with government authorities	40.53	32.84
Other advances		
- Secured, considered good		
Other advances, unsecured, considered good		
- Doubtful		
Less: Allowance for bad and doubtful loans		
<b>Total other current assets</b>	<b>42.16</b>	<b>34.96</b>
<b>Total other assets</b>	<b>42.16</b>	<b>34.96</b>

9. Inventories

Particulars	As at	
	June 30,2018	March 31,2018
Inventories (lower of cost and net realisable value)		
Raw materials	39.96	48.8
Work-in-progress	817.21	784.24
Finished goods	7.87	5.13
Consumables & Stores		
<b>Total</b>	<b>865.04</b>	<b>838.17</b>



*Aditya K. Rao.*

Pennar Enviro Limited  
Notes forming part of the financial statements

10. Trade receivables

Particulars	Rs in lakhs	
	As at	
	June 30,2018	March 31,2018
Trade receivables		
Unsecured, considered good	6,181.91	6,070.51
Doubtful	6.83	98.91
Less: Allowance for doubtful debts (expected credit loss allowance)		
<b>Total</b>	<b>6,188.74</b>	<b>6,169.42</b>

11: Cash and Bank Balances

11A. Cash and cash equivalents

Particulars	As at	
	June 30,2018	March 31,2018
	Cash on hand	0.49
Cheques on hand	-	
Balances with banks		
in current accounts	21.14	28.21
in deposit accounts	87.50	83.50
Deposits with financial institutions		
Remittances in transit		
<b>Total</b>	<b>109.13</b>	<b>112.04</b>

11B. Other bank balances

Particulars	As at	
	June 30,2018	March 31,2018
	Unpaid dividend account	
Deposits held as margin money/security for bank guarantees	130.03	130.03
<b>Total</b>	<b>130.03</b>	<b>130.03</b>



*Aditya K. Rao*

Pennar Enviro Limited  
Notes forming part of the financial statements

12. Equity share capital

Rs in lakhs

Particulars	As at	
	June 30,2018	March 31, 2018
<b>Authorised share capital:</b> 90,00,000 fully paid up equity shares of Rs10 each (March 31, 2017 : )	900	900
<b>Issued and subscribed capital:</b> 83,68,259 fully paid up equity shares of Rs 10 each (March 31, 2017 :)	836.83	836.83
<b>Total</b>	<b>836.83</b>	<b>836.83</b>



*Aditya Rao*

13. Other equity

Particulars	As at	
	June 30, 2018	March 31, 2018
<b>(a). General reserve</b>		
(i) Opening balance	2,526.81	230.15
(ii) Movement during the year	50.24	2,296.66
<b>(b). Securities premium account</b>		
(i) Opening balance		
(ii) Options exercised during the year		
(iii) Premium received on allotment of shares		
<b>(c). Cash flow hedge reserve</b>		
(i) Opening balance		
(ii) Effective portion of loss on designated portion of hedging instruments, net		
<b>(d). Foreign currency translation reserve</b>		
(i) Opening balance		
(ii) Additions / (deductions) during the year (net)		
<b>(e). Retained earnings</b>		
(i) Opening balance		
(ii) Other Comprehensive Income arising out of remeasurement of defined benefit obligation (net of taxes)		
(iii) profit for the year		
<b>(f). Capital reserve</b>		
(i) Opening balance		
(ii) Gain on bargain purchase on business combination, net		
<b>Total</b>	<b>2,577.05</b>	<b>2,526.81</b>



*Aditya - Rao*

Pennar Enviro Limited  
Notes forming part of the financial statements

Particulars	Rs in lakhs	
	As at	
	June 30, 2018	March 31, 2018
<b>14. Non-current borrowings</b>		
Unsecured - at amortised cost		
Term loans		
from other parties	2,500	2,500
Secured - at amortised cost		
Term loans		
from banks		
<b>Total non-current borrowings</b>	<b>2,500</b>	<b>2,500</b>

Particulars	As at	
	June 30, 2018	March 31, 2018
	<b>15. Other financial liabilities</b>	
Non - Current		
Security deposits		
Liability towards acquisition of business		
<b>Total</b>		
Current		
Current maturities of long term borrowings		
Security deposits		
Payables on purchase of fixed assets	4.72	3.13
Derivative financial liability		
Interest accrued		
Unpaid Dividends		
Others		
<b>Total</b>	<b>4.72</b>	<b>3.13</b>

Particulars	As at	
	June 30, 2018	March 31, 2018
	<b>16. Provisions</b>	
Gratuity	7.97	
Compensated absences	2.97	
Other provisions		
	<b>10.9</b>	<b>-</b>
<b>Non-current:</b>		
Gratuity		
Compensated absences		
Other provisions		
<b>Current:</b>		
Gratuity	11.45	11.45
Compensated absences	17.59	17.59
Other provisions		
	<b>29.04</b>	<b>29.04</b>
<b>Total</b>	<b>39.98</b>	<b>29.04</b>



*Aditya - R*

Pennar Enviro Limited  
Notes forming part of the financial statements

17. Income taxes

17.1 - Tax Expense

Rs in lakhs

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

Particulars	As at	
	June 30,2018	March 31, 2018
<b>Current tax</b>		
In respect of the current year	24.31	1129.5
In respect of prior years		
	<b>24.31</b>	<b>1,129.50</b>
<b>Deferred taxes expense/(benefit):</b>		
In respect of the current year	(13.37)	(36.72)
MAT credit		
	<b>(13.37)</b>	<b>(36.72)</b>
<b>Total</b>	<b>10.94</b>	<b>1,092.78</b>

17.2. Deferred tax assets and liabilities

A. The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at	
	June 30,2018	March 31, 2018
Deferred tax assets		
Deferred tax liabilities	45.87	59.25

17.3. Income tax assets and liabilities

Particulars	As at	
	June 30,2018	March 31, 2018
<b>Income tax assets, net.</b>		
Income tax assets (net of provisions xxx) (March 31, 2017)		
<b>Income tax liabilities, net.</b>		
Income tax payable (net of advance xxx) (March 31, 2017:)	1218.75	1168.51



*Atty. - New*

Pennar Enviro Limited  
Notes forming part of the financial statements

Rs in lakhs

18. Other liabilities

Particulars	As at	
	June 30,2018	March 31, 2018
<b>Non - Current</b>		
Unearned revenue		
<b>Total</b>	-	
<b>Current</b>		
Unearned revenue		
Advance from customers	480.31	583.58
Statutory remittances	81.22	125.07
Others		
<b>Total</b>	<b>561.53</b>	<b>708.65</b>

19. Current borrowings

Particulars	As at	
	June 30,2018	March 31, 2018
<b>Unsecured - at amortised cost</b>		
Loans from other parties	10.98	10.98
<b>Secured - at amortised cost</b>		
Loans from banks	777.1	754.6
<b>Total</b>	<b>788.08</b>	<b>765.58</b>

20. Trade Payables

Particulars	As at	
	June 30,2018	March 31, 2018
Dues to micro enterprises and small enterprises	14.06	7.86
Dues to others	2294.56	2204.31
<b>Total</b>	<b>2,308.62</b>	<b>2,212.17</b>



*Aditya*

Rs in lakhs

21. Revenue from operations

Particulars	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
Sale of services	497.17	4,298.27	59.19
Sale of products	1420.50	7,823.25	2055.32
<b>Total</b>	<b>1,917.67</b>	<b>12,121.52</b>	<b>2,114.51</b>

22. Other income

Particulars	For the Quarter ended June 30,	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
<b>Interest income</b>			
Interest income on financial assets carried at amortised cost:			
Bank deposits	2.01	12.24	2.03
Other financial assets			
	<b>2.01</b>	<b>12.24</b>	<b>2.03</b>
<b>Dividend income</b>			
Dividend from mutual funds	-	-	-
<b>Other non-operating income</b>			
Liabilities no longer required, written back		0.19	
Miscellaneous income (net)	-	<b>0.19</b>	
<b>Other gains and losses</b>			
Net foreign exchange (losses) / gains	-		
Exchange gain on foreign currency forward contracts (net)			
Gain on disposal of investment in subsidiary			
(Loss) / gain on disposal of property, plant and equipment	-	-	
<b>Total</b>	<b>2.01</b>	<b>12.43</b>	<b>2.03</b>



*Aditya Rao*



23. Cost of materials consumed

Particulars	Rs in lakhs		
	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
Opening stock	48.80	44.48	44.48
Add: Purchases	1142.95	5,932.45	1252.91
Less: Closing stock	39.96	48.80	36.17
	<b>1,151.79</b>	<b>5,928.13</b>	<b>1261.22</b>

24. Changes in inventories of finished goods and work-in-progress

Particulars	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
<b>Opening Stock:</b>			
Finished goods	5.13	11.88	11.88
Work-in-progress	784.24	326.25	326.25
	<b>789.37</b>	<b>338.13</b>	<b>338.125</b>
<b>Closing Stock:</b>			
Finished goods	7.87	5.13	4.41
Work-in-progress	817.21	784.24	20.605
	<b>825.08</b>	<b>789.37</b>	<b>25.015</b>
<b>Net (increase) / decrease</b>	<b>(35.71)</b>	<b>(451.24)</b>	<b>313.11</b>

25. Employee benefits expense

Particulars	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
Salaries and wages, including bonus	198.62	788.47	191.64
Contribution to provident and other funds	12.67	66.47	15.06
Social security and other benefits to overseas emplo	0		0
Stock option expense	0		0
Staff welfare expenses	8.65	44.85	14.21
Less: Capitalised			
<b>Total</b>	<b>219.94</b>	<b>899.79</b>	<b>220.91</b>

26. Finance costs

Particulars	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
<b>Interest expense</b>			
Interest on bank overdrafts and borrowings	19.23	69.85	15.86
Other interest expense	19.14	211.36	0.53
<b>Total</b>	<b>38.37</b>	<b>281.21</b>	<b>16.39</b>

27. Depreciation and amortisation expense

Particulars	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
Depreciation of property, plant and equipment	4.30	16.82	6.12
Amortisation of intangible assets	24.98	99.90	24.97
<b>Total</b>	<b>29.28</b>	<b>116.72</b>	<b>31.09</b>



*Asst. Mgr. - Gen*

Pennar Enviro Limited  
Notes forming part of the financial statements

Particulars	Rs in lakhs		
	For the Quarter ended June 30, 2018	For the Year ended March 31, 2018	For the Quarter ended June 30, 2017
Rent including lease rentals	3.64	16.15	3.57
Factory rent	0.00		0
Rates and taxes	0.93	1.26	0.41
Insurance	0.35	6.1	1.32
Stores and spares consumed	0.82	5.53	1.62
Freight outwards	7.40	52.05	10.54
Travelling and conveyance	17.39	87.47	19.59
Sub-contracting charges	105.13	269.84	42.30
Communication	1.39	12.44	2.07
Printing and stationery	2.10	8.49	2.04
Power and fuel	0.42	1.8	0.44
Marketing and advertising expenses	3.23	32.78	5.74
Repairs and maintenance			
- Buildings	0.00		
- Machinery	0.57	5.53	
- Others	1.28	10.77	1.41
Directors Remuneration			
- Non executive directors commission	0.03	0.14	0.015
Legal & professional charges	11.59	20.86	9.68
Expenditure for Corporate Social Responsibility			0.00
Provision for doubtful debts (net)			0.00
Trade receivables written off (net)			0.00
Less: Reversal of provision for doubtful debts			0.00
Auditors' remuneration	0.63	2.50	0.62
Recruitment expenses	2.07		0.1
Training and development			0.00
Software charges			0.00
Bank Charges	9.06	51.55	7.38
Miscellaneous expenses	5.03	87.35	27.97
<b>Total</b>	<b>173.06</b>	<b>672.61</b>	<b>136.82</b>



*Aditya - Rao*

**FEDEX  
SECURITIES  
LIMITED**



305 Enterprise Centre,  
Near Orchid Hotel, Nehru Road,  
Vile Parle (East), Mumbai 400 099.  
Tel : 2613 6460-61 T/F: 2618 6966  
E-mail: fedex@fedsec.in • www.fedsec.in  
CIN : U67120MH1996PLC102140

To,  
**Board of Directors**  
**Pennar Enviro Limited**  
186/A, IDA Mallapur,  
Mallapur, Hyderabad,  
Telangana – 500076, India

**Subject: Certificate on adequacy and accuracy of disclosure of information in the Abridged Prospectus of Pennar Enviro Limited, in pursuance of Amalgamation of Pennar Engineered Building Systems Limited (“PEBS” or “First Transferor Company”) and Pennar Enviro Limited (“PEL” or Second Transferor Company” or the “Company”) with Pennar Industries Limited (“PIL or Transferee Company”) and their respective Shareholders under sections 230 to 232 and other applicable provisions of the Companies Act, 2013**

Dear Sir(s),

We, Fedex Securities Limited, SEBI Registered Category-I, Merchant Bankers have been appointed by Pennar Enviro Limited for the purpose of certifying the adequacy and accuracy of the disclosures made in Abridged Prospectus in compliance with Annexure I, Paragraph 3(a) of SEBI Circular Number CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“SEBI Circular”) issued by Securities and Exchange Board of India in relation to the captioned Scheme.

Based on the information, documents, undertakings and certificates provided to us by PEL and its group companies, we hereby confirm that the information contained in the abridged prospectus prepared pursuant to Part D of Schedule VIII of the SEBI (ICDR), Regulations, 2009, as amended, which will be circulated to the members of PEL at the time of seeking their consent as an explanatory statement in the notice in accordance with the SEBI circular is accurate and adequate.


**Report Limitations:**

1. This Certificate is a specific purpose certificate issued in terms of and compliance with SEBI Circular and hence it should not be used for any other purpose or transaction.
2. This Certificate contains the certification on adequacy and accuracy of disclosure of information pertaining to the unlisted entity PEL and is not an opinion on the proposed Scheme or its success.
3. We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out here in this report.

**For Fedex Securities Limited**


**RINKESH SARAIYA**  
**(AVP – Merchant Banking)**  
**SEBI Regn. No.: INM000010163**

Place: Mumbai  
Dated: June 26, 2018

Dated: June 25, 2018



**PENNAR ENVIRO LIMITED**  
Registered Office: 186/A, IDA Mallapur, Mallapur, Hyderabad, Telangana - 500076, India  
Contact Person: P V Thomas Tel No: +91 8008763737;  
E-mail Id: [pvthomas@pennarchemical.com](mailto:pvthomas@pennarchemical.com); Website: [www.pennarenviro.com](http://www.pennarenviro.com)  
Corporate Identity Number: U74900TG2008PLC058171

FOR PRIVATE CIRCULATION TO THE SHAREHOLDERS OF PENNAR INDUSTRIES LIMITED  
AND PENNAR ENGINEERED BUILDING SYSTEMS LIMITED

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE SCHEME OF AMALGAMATION OF PENNAR ENGINEERED BUILDING SYSTEMS LIMITED ("PEBS" OR "FIRST TRANSFEROR COMPANY") AND PENNAR ENVIRO LIMITED ("PEL" OR "SECOND TRANSFEROR COMPANY" OR "THE COMPANY") WITH PENNAR INDUSTRIES LIMITED ("PIL" OR TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS (UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER (HEREINAFTER REFERRED TO AS THE "SCHEME").

This is an Abridged Prospectus prepared to comply with the requirements of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. You are also encouraged to read the greater details available in the Scheme.

**THIS ABRIDGED PROSPECTUS CONTAINS 09 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

This document contains information to the extents applicable pertaining to the unlisted entity involved in the proposed Scheme as per the format prescribed in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI Regulations") vide Securities and Exchange Board India ("SEBI") Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015 and in terms of requirements specified in SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and amendments made thereof. PIL and PEBS are listed on the BSE Limited and National Stock Exchange of India Limited (hereinafter referred to the "Stock Exchanges").

Pursuant to the Scheme, there is no issue of equity shares or preference shares to the public at large, except to the existing shareholders of PEBS and PEL. Therefore, the requirements with respect to GID (General Information Document) is not applicable and this Abridged Prospectus be read accordingly.

You may also download this Abridged Prospectus along with the Scheme as approved by the Board of Directors of PEBS and PEL (together referred to as the 'Transferor Companies') as well as the Transferee Company vide their resolution dated November 10, 2017 and also approved by the Audit Committee of the First Transferor Company and the Transferee Company in the Audit Committee meeting dated November 09, 2017 and copy of the Valuation Report (hereinafter referred to the "Valuation Report") issued by Walker Chandio & Co LLP (hereinafter referred to the "Valuer") dated November 09, 2017 and Fairness Opinion (hereinafter referred to the "Fairness Opinion") issued by Keynote Corporate



*Narse*

Services Limited dated November 09, 2017 from the websites of PEBS and PIL i.e <http://www.pebspennar.in> and <http://www.pennarindia.com> respectively and from websites of the stock Exchanges where the equity shares issued pursuant to the Scheme are proposed to be listed i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively.

#### PROMOTERS OF PEL

1. Aditya Narsing Rao
2. Joginapalli Rajyalakshmi Rao
3. Jayanthi Puljal
4. Bhavana Puljal
5. Kalpana Puljal
6. Joginapally Venkata Nrupender Rao (HUF) & Joginapally Rajyalakshmi Rao
7. Joginapally Rajyalakshmi Rao & Arathi Chellikani
8. Danapuneni Sudeepta Rao
9. Avanti Rao Joginapally
10. Pennar Industries Limited
11. Fort Kochi Holdings Limited

#### OFFER DETAILS, LISTING AND PROCEDURE

PIL presently holds 1,85,00,000 and 42,70,000 equity shares in PEBS and PEL respectively. Hence, PIL is the holding company of PEBS and PEL

It is proposed to amalgamate PEBS and PEL with PIL pursuant to the Scheme, as a result of which shareholders of PEBS and PEL shall directly hold shares in PIL. The share entitlement ratio as per the Scheme is detailed on page no 5 of this Abridged Prospectus

The meeting of shareholders of the Transferor Companies and Transferee Company shall be convened as per the directions of the Hon'ble National Company Law Tribunal ("NCLT") and in accordance with regulations, rules, laws and any other statutory provisions as applicable.

#### Procedure:

Since the Equity Shares shall be allotted pursuant to the provisions of the Scheme, eligibility conditions under regulations 26(1) and 26(2) of the SEBI Regulations are not applicable.

Shareholders of PEBS and PEL holding shares as on the record date shall be allotted shares of PIL pursuant to the Scheme. The record date is to be fixed by the Board of Directors of PIL for purpose of determining the shareholders of PEBS and PEL to whom shares of PIL shall be allotted.

#### ELIGIBILITY FOR THE ISSUE

- In compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and amended thereof and in accordance with Abridged Prospectus as provided in Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable;
- The equity shares sought to be listed are proposed to be allotted by the Transferee Company to the holders of the equity shares of the Transferor Companies pursuant to a scheme of amalgamation to be sanctioned by NCLT under Sections 230-232 of the Companies Act, 2013;
- The percentage of shareholding, of pre-scheme public shareholders, of the listed entity and the public shareholders and Qualified Institutional Buyers (QIBs) of the unlisted entity, in the post-scheme shareholding pattern of the "Merged" company shall not be less than 25%;



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*Range*

- The Transferee Company will not issue / reissue any shares, not covered under the draft scheme of amalgamation;
- As on date of application, there are no outstanding warrants / instruments / agreements which gives right to any person to take the equity shares in the Transferee Company at any future date.

#### INDICATIVE TIMELINE

This Abridged Prospectus is filed pursuant to the Scheme and is not an offer to public at large. Given that the Scheme requires approval of various regulatory authorities including, the NCLT, the time frame cannot be established with certainty. However, in general, it may take 5 to 6 months after the shareholder's meeting.

#### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest their funds unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking a decision, investors must rely on their own examination of the Company, including the risks involved. The Equity Shares have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Abridged Prospectus. Specific attention of the investors is invited to the section titled "Internal Risk Factors" at page 8 of this Abridged Prospectus - *Not Applicable as the offer is not for public at large*

#### PRICE INFORMATION OF LEAD MANAGER

Issue Name	Name of Merchant Banker	+/- % change in closing price, [+/- % change in closing benchmark]		
		30th calendar days from listing	90th calendar days from listing	180th calendar days from listing
Not Applicable				

<p><b>Lead Manager*</b>  <b>Fedex Securities Limited</b>            305, Enterprise Centre, Nehru Road, Vile Parle (East), Mumbai 400099.            Tel No: 022 2611753 / 26178936            Fax No: 022 2618 6966            E-mail: <a href="mailto:mb@fedsec.in">mb@fedsec.in</a>              Website: <a href="http://www.fedsec.in">www.fedsec.in</a>            Contact Person: Rinkesh Saraiya            SEBI Registration No: INM000010163  <i>*for the purpose of Abridged Prospectus in connection with the Scheme</i></p>	<p><b>Statutory Auditor of PEL</b>  <b>Rambabu &amp; Co.</b>            6-3-1090/1/A, 31, Pancom Chambers, Raj Bhavan Road, Sommajiguda, Hyderabad - 500082            Tel No: 23311587            Fax No: 23397182            Email: <a href="mailto:rambabuandco@gmail.com">rambabuandco@gmail.com</a>            Contact Person: G.V.L Prasad            Firm Registration Number: 002976S</p>
<p>Syndicate Members - Not applicable            Registrar - Not applicable            Credit Rating Agency - Not Applicable</p>	<p>Debenture trustee - Not Applicable            Self-Certified Syndicate Banks - Not Applicable            Non-Syndicate Registered Brokers – Not Applicable</p>

#### PROMOTERS OF PEL

Promoter as on the date of Abridged Prospectus:

1. Aditya Narsing Rao
2. Joginapalli Rajyalakshmi Rao



3. Jayanthi Puljal
4. Bhavana Puljal
5. Kalpana Puljal
6. Joginapally Venkata Nrupender Rao (HUF) & Joginapally Rajyalakshmi Rao
7. Joginapally Rajyalakshmi Rao & Arathi Chellikani
8. Danapuneni Sudeepta Rao
9. Avanti Rao Joginapally
10. Pennar Industries Limited
11. Fort Kochi Holdings Limited

**Name of Top 5 Largest Listed Group Companies:**

- A. Pennar Industries Limited
- B. Pennar Engineered Building Systems Limited

**BUSINESS OVERVIEW AND STRATEGY**

**Pennar Enviro Limited** was originally incorporated on March 14, 2008 under the Companies Act, 1956 as Pennar Energy Limited and has obtained Certificate of Incorporation from Registrar of Companies, Andhra Pradesh. Subsequently the name of the Company was changed to Pennar Chemical Limited on February 22, 2010 and thereafter Pennar Enviro Limited on December 16, 2011. The Corporate Identity Number U74900TG2008PLC058171. PEL is primarily engaged in the business of design, manufacturing, supply, erection and maintenance of water and waste water treatment plants and EPC contracts. It also manufactures and distributes fuel additives and water treatment chemicals.

**BOARD OF DIRECTORS**

Sr. No	Name	Designation	Experience including current and past positions
1.	Joginapally Venkata Nrupender Rao	Non-Executive Chairman	He was appointed as Non-Executive Chairman on March 14, 2008. He is an alumni of IIT Kharagpur and also has a master's degree in operations research and Industrial engineering from Prudue University, USA. He has experience of about forty-four years in various Indian as well as international organizations.
2.	Aditya Rao	Non-Executive Vice Chairman	He was appointed as Non-Executive Vice Chairman on March 14, 2008. He holds a bachelor's degree in geophysics and master's degree in engineering management from Cornell University USA. He has an experience in corporate strategy and corporate planning.
3.	Potluri Venkateswara Rao	Non-Executive Independent Director	He was appointed as Non-Executive Independent Director as on August 24, 2012. He holds a bachelor's degree in civil engineering from Jawaharlal Nehru Technological University, Kakinada. and has experience in field of construction Industry and pre-engineered buildings sector
4.	Avula Bharath Bhushan	Non-Executive Independent Director	He was appointed as Non-Executive Independent Director on August 10, 2009. He is an MBA from Madras University and has served Indian Air force as a pilot, trainer and administrator for about twenty-five years. He was honored with the member of the year



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Sr. No	Name	Designation	Experience including current and past positions
			award by the Hyderabad Management Association for his contribution to Management education in 1994-95.

Details of means of finance – Not Applicable

OBJECTS
<p>The object is to amalgamate PEBS and PEL with PIL as a result of which, shareholders of PEBS and PEL shall directly hold equity shares in PIL.</p> <p><b>Salient features of the Scheme:</b></p> <ol style="list-style-type: none"> <li>1. The Appointed Date for the Scheme is April 01, 2018;</li> <li>2. The share entitlement ratio as per the Scheme is: <ol style="list-style-type: none"> <li>a. 23 (Twenty-three) equity shares in the Transferee Company of the face value Rs 5/-(Rupees five only) each credited as full paid up for every 13 (thirteen) equity shares of the face value Rs. 10/- (Rupees Ten only) each fully paid up held by member of First Transferor Company.</li> <li>b. 1 (One) equity share in the Transferee Company of the face value Rs 5/-(Rupees five only) each credited as full paid up for every 1 (One) equity share of the face value of Rs. 10/- (Rupees Ten only) each fully paid up held by member of Second Transferor Company.</li> </ol> </li> </ol> <p><b>The extract of benefits of the amalgamation as provided in the Scheme are as follows:</b></p> <ul style="list-style-type: none"> <li>• The merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.</li> <li>• Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.</li> <li>• The Transferee Company will have an improved capital structure, which would enable it to access the capital market at better terms and will afford easier access to other resources at lower cost.</li> <li>• The merger in general will have beneficial results for the companies, their shareholders, employees and all concerned.</li> </ul> <p><i>Note: The equity shares allotted to the shareholders of Transferor Companies shall remain frozen in the depositories system till listing/ trading permission is given by stock exchanges respectively. For further details, please refer to the Scheme.</i></p>

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/ rights issues, if any of the Company in the preceding 10 years – Not applicable

Name of monitoring agency, if any – Not applicable

Terms of Issuance of Convertible Securities, if any – Not Applicable

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## SHAREHOLDING PATTERN

### 1. SHAREHOLDING OF THE FIRST TRANSFEROR COMPANY (AS ON SEPTEMBER 30, 2017) IS AS UNDER:

Sr. No.	Particulars	Pre-issue number of Equity Shares	% holding of pre-issue	Post Offer No of equity shares	% holding of Post-issue
<b>(A)</b>	<b>Promoter and Promoter Group</b>				
1.	Aditya Narsing Rao	1,074,306	3.13	NIL	NIL
2.	Avanti Rao Joginapally	2,54,950	0.74	NIL	NIL
3.	Danapuneni Sudeepta Rao	5,09,899	1.49	NIL	NIL
4.	Joginapally Rajyalakshmi Rao	6,90,914	2.02	NIL	NIL
5.	Joginapally Venkata Nrupender Rao	5,16,000	1.51	NIL	NIL
6.	Joginapally Venkata Nrupender Rao (HUF)	1,97,989	0.58	NIL	NIL
7.	Pennar Industries Limited	1,85,00,000	53.98	NIL	NIL
8.	Pennar Holdings Private Limited	6,299	0.02	NIL	NIL
	<b>Total</b>	<b>2,17,50,357</b>	<b>63.46</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public Shareholding</b>	<b>1,25,24,554</b>	<b>36.54</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (A) + (B)</b>	<b>3,42,74,911</b>	<b>100.00</b>	<b>NIL</b>	<b>NIL</b>

### 2. SHAREHOLDING OF THE SECOND TRANSFEROR COMPANY (AS ON NOVEMBER 30, 2017) IS AS UNDER:

Sr. No.	Particulars	Pre-issue number of Equity Shares	% holding of pre-issue	Post Offer No of equity shares	% holding of Post-issue
<b>(A)</b>	<b>Promoter and Promoter Group</b>				
1.	Aditya Narsing Rao	15,00,000	17.92	NIL	NIL
2.	Joginappalli Rajyalaskmi Rao	4,09,826	4.90	NIL	NIL
3.	Jayanthi Puljal	10	0.00	NIL	NIL
4.	Bhavani Puljal	10	0.00	NIL	NIL
5.	Kalpana Puljal	10	0.00	NIL	NIL
6.	Joginapally Venkata, Nrupendra Rao(HUF) & Joginapally Rajyalakshmi Rao	3,09,826	3.70		
7.	Joginapally Rajyalakshmi & Arathi Chellikani	4,09,826	4.90	NIL	NIL
8.	Danapuneni Sudeepta Rao	9,58,925	11.46	NIL	NIL
9.	Avanti Rao Joginapally	4,09,826	4.90	NIL	NIL
10.	Pennar Industries Limited	4,270,000	51.03	NIL	NIL
11.	Fort Kochi Holdings Limited	100,000	1.19	NIL	NIL
	<b>Total</b>	<b>8,368,259</b>	<b>100.00</b>	<b>NIL</b>	<b>NIL</b>
<b>(B)</b>	<b>Public Shareholding</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
	<b>Total (A) + (B)</b>	<b>8,368,259</b>	<b>100.00%</b>	<b>NIL</b>	<b>NIL</b>

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3. SHAREHOLDING OF THE TRANSFEREE COMPANY (AS ON SEPTEMBER 30, 2017)  
AND THE INDICATIVE POST SCHEME SHAREHOLDING IS AS UNDER:

Sr. No.	Name	(Pre – Scheme) Pre – Merger no of equity shares	% holding of Pre – Merger	(Post – Scheme) Post – Merger no of equity shares	% holding of Post – Merger
<b>(A)</b>	<b>Promoter &amp; Promoter Group</b>				
1.	Kondapally Lavanya Kumar Rao	82,200	0.07	82,200	0.05
2.	Kondapalli Lakshman Rao	95,200	0.08	95,200	0.06
3.	Y Murlidhar Rao	1,10,400	0.09	1,10,400	0.07
4.	Y Rekha Rao	1,67,557	0.14	1,67,557	0.11
5.	J Rajyalakshmi	48,91,000	4.06	65,23,212	4.28
6.	J Nrupender Rao	50,97,863	4.24	60,10,786	3.95
7.	Aditya Narsing Rao	49,62,508	4.12	83,63,203	5.49
8.	J Avanti Rao	15,37,060	1.28	23,97,951	1.57
9.	Kondapally Sandhya	69,600	0.06	69,600	0.05
10.	Kondapalli Sumatha Devi	2,42,900	0.20	2,42,900	0.16
11.	Jayanthi Puljal	20,77,500	1.73	2,077,510	1.36
12.	Bhavana Puljal	16,94,017	1.41	16,94,027	1.11
13.	Kalpana Puljal	17,50,081	1.45	17,50,091	1.15
14.	Danapuneni Sudepta Rao	--	--	18,61,054	1.22
15.	Joginapally Venkata Nrupender Rao HUF	--	--	3,50,288	0.23
16.	Joginapally Venkata Nrupender Rao HUF & J.Rajyalakshmi Rao	--	--	3,09,826	0.20
17.	J Rajyalakshmi Rao & Arathi Chellikani	--	--	409,826	0.27
18.	Pennar Holdings Private Limited	2,09,94,311	17.44	2,10,05,455	13.79
19.	Fort Kochi Holdings Limited	--	--	1,00,000	0.07
	<b>Total Promoter Shareholding</b>	<b>4,37,72,197</b>	<b>36.37</b>	<b>53,621,086</b>	<b>35.19</b>
<b>(B)</b>	<b>Non-promoter shareholding (Public Shareholding)</b>	<b>7,65,77,317</b>	<b>63.63</b>	<b>98,736,144</b>	<b>64.81</b>
<b>(C)</b>	<b>Non-Promoter- Non-Public</b>	-	-	-	-
	<b>Total (A+B+C)</b>	<b>12,03,49,514</b>	<b>100.00</b>	<b>152,357,230</b>	<b>100.00</b>

Note: Post effectiveness of the Scheme the First Transferor Company and Second Transferor Company shall cease to exist

Number/amount of equity shares proposed to be sold by selling shareholders – if any – Not applicable



**RESTATED AUDITED FINANCIALS FOR THE PERIOD FROM INCEPTION TO MARCH 31, 2017 AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2017**

(Amount in lakhs except as stated)

Particulars	For the period ended December 31, 2017	2016-17	2016-15	2015-14	2014-13	2012-13
Revenue from operations (net)	6,470.90	11,096.30	9,693.97	2,725.79	1,610.46	567.42
Net Profit / (Loss) before tax and extraordinary items	484.16	102.48	353.23	6.81	14.68	7.25
Net Profit / (Loss) after tax and extraordinary Items	436.13	12.57	301.51	(12.41)	(60.11)	(13.61)
Equity Share Capital	836.83	836.83	836.83	836.83	836.83	836.83
Reserves and Surplus	658.61	222.49	209.91	(91.60)	(29.79)	30.32
Net Worth	1495.44	1059.31	1046.74	745.23	807.04	867.14
Basic Earnings / Per Share (In Rs.)	5.21	0.15	3.60	(0.15)	(0.72)	(0.25)
Diluted Earnings / (Loss) Per Share (In Rs.)	5.21	0.15	3.60	(0.15)	(0.72)	(0.25)
Return on Net Worth (%)	29.16	1.19	28.80	(1.66)	(7.45)	(1.57)
Net Asset Value Per Share (In Rs.)	17.87	12.66	12.51	8.91	9.64	10.36

**INTERNAL RISK FACTORS**

- 1) Implementation of the Scheme completely depends on the approval of regulatory authorities. Any modification or revision in the Scheme by the competent authorities may delay the completion of the process.
- 2) If we are unable to manage the synergies arising out of consolidation of business, our post-merger consolidated business, cashflows financial condition and prospects may be adversely affected.
- 3) The business of Transferor Companies is generally subject to changes in Indian law, as well as to changes in government regulation and policies and accounting principles. Any changes in the regulatory framework could adversely affect the profitability of the Transferor company
- 4) Clause 22 of the Scheme provides that in the event of any sanction and approval referred to in the Scheme not being obtained and / or the Scheme not being sanctioned by NCLT or other appropriate authority and / or order not being passed as aforesaid, or any other reason the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Transferor Companies and the Transferee company shall by mutual agreement waive such condition as they consider appropriate to give effect, as far as possible, to the Scheme and failing such mutual agreement, the Scheme shall become null and void. and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the scheme.



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**SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION**

- A. Total number of outstanding litigations against the Company and amount involved: NIL
- B. Brief details of top 5 material outstanding litigations against the Company and amount involved: NIL
- C. Regulatory Action, if any - disciplinary action taken by SEBI or Exchanges against the promoters/ Group companies in last 5 financial years including outstanding – NIL
- D. Brief details of outstanding criminal proceedings against Promoters – NIL

**ANY OTHER IMPORTANT INFORMATION AS PER LM/ ISSUER COMPANY**

This Abridged Prospectus does not include the complete information of the Company, including its business, operations, assets and liabilities. Nothing in this Abridged Prospectus constitutes an offer or an invitation by or on behalf of either the Transferee company or by Transferor companies to subscribe for or purchase any of the securities of the Transferee Company

**DECLARATION BY THE COMPANY**

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement in this Abridged Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case maybe. We further clarify that all statements in this Abridged Prospectus are true and correct.

For Pennar Enviro Limited

*Manje*

Authorised Signatory

Place: Hyderabad



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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH  
COMPANY SCHEME APPLICATION NO.932/230/HDB/2018**

**In the matter of the Companies Act, 2013;**

**AND**

**In the matter of Sections 230 to 232 read with other applicable provisions of the Companies Act,  
2013 and rules framed thereunder;**

**AND**

**In the matter of Scheme of Amalgamation of Pennar Engineered Building Systems Limited  
(‘First Transferor Company’) and Pennar Enviro Limited (‘Second Transferor Company’)  
with Pennar Industries Limited (‘Transferee Company’) and their respective shareholders;**

<b>Pennar Industries Limited</b> , a Company Incorporated under the provisions of the Indian Companies Act, 1956 and having its registered office at Floor No. 3 DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana – 500084	...Applicant Company
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**UNSECURED CREDITORS  
PROXY FORM**

I/We, \_\_\_\_\_  
\_\_\_\_\_, the undersigned Unsecured Creditor/sof Pennar Industries Limited, being the Applicant Company abovenamed, do hereby appoint Mr./Ms. \_\_\_\_\_ of \_\_\_\_\_ and failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors of the Applicant Company to be held on Saturday, 15<sup>th</sup> day of December 2018 at 2.30 P.M. at Hotel Raddison, Gachibowli-Miyapur Road, Chhota Anjaiah Nagar, Gachibowli, Hyderabad – 500032 for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Amalgamation of Pennar Engineered Building Systems Limited (‘First Transferor Company’) and Pennar Enviro Limited (‘Second Transferor Company’) with Pennar Industries Limited (‘Transferee Company’) and their respective shareholders (the “Scheme”) and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) \_\_\_\_\_ (here, if ‘for’, insert ‘FOR’, if ‘against’, insert ‘AGAINST’, and in the latter case, strike out the words below after ‘the Scheme’) the said amalgamation embodied in the Scheme, either with or without modification(s)\*, as my/our proxy may approve. (\*Strike out whatever is not applicable)

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Unsecured Creditor: - \_\_\_\_\_

Signature of Proxy: \_\_\_\_\_

**NOTES:**

1. This form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana – 500084 not less than 48 hours before the commencement of the Meeting.
2. Please affix revenue stamp before putting signature.
3. Alterations, if any, made in the Form of Proxy should be initialed.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be an unsecured creditor of the Company.
6. No person shall be appointed as a proxy who is a minor.





**Pennar**

**PENNAR INDUSTRIES LIMITED**

CIN : L27109AP1975PLC001919

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

Tel No. : +91 40 4006 1623,

Email ID : corporatecommunications@pennarindia.com

Website : <http://www.pennarindia.com>

**UNSECURED CREDITORS**

**ATTENDANCE SLIP**

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL**

**MEETING OF THE UNSECURED CREDITORS ON SATURDAY THE 15<sup>th</sup> DAY OF DECEMBER 2018 AT HOTEL RADDISON, GACHIBOWLI-MIYAPUR ROAD, CHHOTA ANJAIH NAGAR, GACHIBOWLI, HYDERABAD – 500032.**

I/We hereby record my/our presence at the meeting of the Unsecured Creditors of Pennar Industries Limited, convened pursuant to the order dated 1 November 2018 of the NCLT on 15<sup>th</sup> day of December 2018 at 2.30 P.M. at Hotel Raddison, Gachibowli-Miyapur Road, Chhota Anjaiah Nagar, Gachibowli, Hyderabad – 500032.

Name and address of unsecured creditor :  
(IN BLOCK LETTERS)

Signature :

Name of the Proxy\* (IN BLOCK LETTERS) :

Signature :

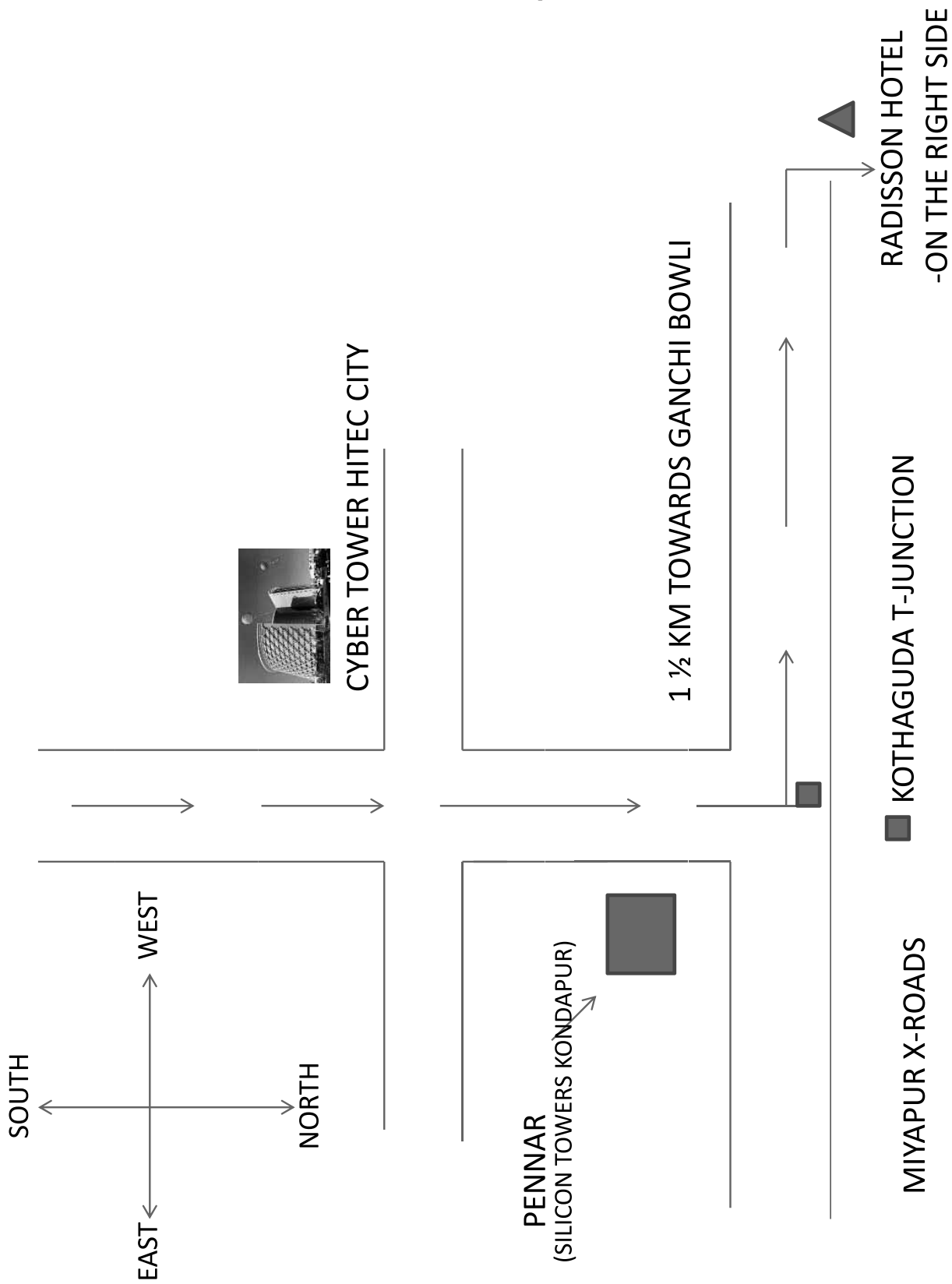
\*[To be filled in by the Proxy in case he/she attends instead of the unsecured creditor (including unsecured debenture holder)]

**NOTES:**

- (1) Unsecured Creditor/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
- (2) Unsecured Creditor/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

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# Route Map



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