Date : 08.09.2025
Place: Hyderabad

BSE Limited PhirozeJeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001 Scrip code: 513228	The National Stock Exchange of India Limited BandraKurla Complex, Bandra East Mumbai - 400 051 Scrip Symbol: PENIND

Dear Sir/Madam,

Sub: Annual Report 2024-25 - Reg.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual Report 2024-25 of M/s. Pennar Industries Limited.

Kindly take the same on record.

Thanking You,

Yours faithfully,

for Pennar Industries Limited
Mirza Mohammed Ali Baig
Digitally signed by Mirza Mohammed Ali Baig
Date: 2025.09.08 15:18:36 +05'30'
Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS29058

Engineering, Next Level

Annual Report 2024-25

PENNAR INDUSTRIES

Table of Contents

Corporate Overview

Engineering, Next Level 01
About The Company 02
Milestones 03
From The Chairman's Desk 06
Message From The Vice Chairman and Managing Director 08
Review by Executive Director 10
Competitive Advantages 12
Pennar's Multi-Dimensional Transformation 14
Geographical Presence 16
Business Highlights of the Year 17
Financial Highlights 18
Review of Business Verticals 20
Industries Served 22
Diversified Business Divisions – Strategic Advantage 24
Manufacturing Facilities 26
Environment Initiatives 28
Quality 30
Corporate Information 31
Board of Directors 32

Statutory Reports

Management Discussion And Analysis 34
Directors' Report 47
Report on Corporate Governance 55
Business Responsibility & Sustainability Report 2024-25 95

Financial Statements

Standalone

Independent Auditor's Report 124
Balance Sheet 135
Statement of Profit and Loss 136
Statement of Cash Flow 137
Statement of changes in Equity 138
Notes forming part of the financial statements 139

Consolidated

Independent Auditor's Report 190
Balance Sheet 197
Statement of Profit and Loss 198
Statement of Cash Flow 199
Statement of changes in Equity 200
Notes forming part of the financial statements 201

Engineering, Next Level

Engineering is more than a capability—it is the foundation on which Pennar has built its identity. Across verticals, Pennar's strength lies in solving real-world challenges through integrated engineering, with a seamless bridge between design and delivery.

Next signals a shift in ambition—from executing to enabling. Be it through smart structural systems, digital engineering partnerships, or global-scale fabrication, Pennar is not merely responding to demand but shaping it—stepping into adjacencies, new customer segments, and technology-driven domains.

Level reflects the Company's aspiration to elevate every metric—EBIT margins, capital efficiency, return ratios, and customer satisfaction. With targeted capital investments, strategic partnerships, and a clear focus on value accretive projects, Pennar is lifting its performance to the next level—deliberately, decisively, and sustainably.

About The Company

Pennar Industries Limited, headquartered in Hyderabad and founded in 1975, is a diversified engineering and manufacturing conglomerate serving customers globally. From precision tubes in the 1980s to today's hydraulics, boilers and engineering design services, the Company has evolved into a one-stop partner for infrastructure, mobility and energy customers globally.

With five business divisions, ranging from Pre-Engineered Buildings and Precisions Tubes to Process Heating and Hydraulics to Engineering Services, the Company has a diversified portfolio, integrated supply chain and strong governance platform to cater to 500+ customers.

Thirteen manufacturing plants, more than 1000 precisely engineered products and an extensive experience in both domestic and international markets help the Company serve numerous industries such as infrastructure, oil and gas, automotive, engineering, railways and clean energy.

Vision

To build trusted, high-quality products and solutions in the Precision Engineering Industry that enhance the competitiveness of our clientele and improve the quality of life for people everywhere.

Mission

To provide precision engineering and technical products and solutions that are responsive to our clients' needs in an innovative, cost-effective and professional manner with the highest quality.

Values

Inclusion & Collaboration – Learning

Development & Digitization – Innovation

Communication & Transparency – People Centered

Customer Focused & Growth Oriented –
Pride & Ownership – Engineering Excellence

Milestones

1975
Incorporated as a private limited company.

1998
Pennar Steel Limited acquiring Nagarjuna Steel Ltd, and converted into Pennar Industries Limited

2008
Incorporation of Pennar Engineered Building Systems Ltd

2017

Strengthened engineering services presence in the USA through subsidiary Pennar Global Inc.

2020

Acquired Ascent Buildings LLC, and expanded pre-engineered building segment in USA

2019

Pennar Enviro Ltd & Pennar Engineered Building Systems Ltd merged with Pennar Industries

2024

Commissioned Raebareli plant to expand PEB business in North India.

2025

Expanded globally through strategic acquisitions, strengthened core businesses and built a robust project pipeline, enhancing the Company's position as a comprehensive engineering solutions provider.

From The Chairman's Desk

Mr. R V S Ramakrishna
Chairman-Non-Executive
Independent Director

Through a combination of strategic acquisitions and targeted expansion, we have built a strong global presence. Today, we proudly operate 13 ISO-certified manufacturing facilities, consistently meeting the evolving needs of our customers across diverse industries

Dear Shareholders,

It gives me great pleasure to present to you the Annual Report for the financial year 2024–25, a year of meaningful progress, strategic clarity and operational excellence for Pennar Industries Limited.

Macroeconomic Overview

2025 marked a period of consolidation and economic resilience. While advancing its structural growth path, the Indian economy withstood global turbulence. The year was characterized by robust domestic demand and sustained momentum in key industries like manufacturing, infrastructure, digital services and defense. Despite uncertainties, India maintained its position as one of the fastest-growing major economies in the world, underpinned by structural reforms, policy continuity and a strong investment cycle. The current uncertainty regarding tariffs has minimal to no impact; however, we are proactively assessing strategies to address them should the need arise.

The Indian PEB market is fuelled by infrastructure and industrial capex and increased warehouse and logistics demand. Speed and cost efficiency and sustainability and tech adoption are shaping the PEB landscape. Government initiatives like PM Gati Shakti, smart cities and enhanced renewable energy capex will support continued sector expansion.

The precision tubes segment is positioned within the larger steel tubes landscape, serving high-growth industries that require exact tolerances. Automotive, (including electrical vehicles, construction, infrastructure and energy sectors being the key demand drivers, the segment is on a high growth trajectory. Technological upgrades, structural policies and rising demand for high-performance tubes position this vertical for continued relevance.

In the hydraulics sector, high demand persists from agriculture, mining, material handling and industrial segments, underpinned by mechanization and automation adoption. Adoption of electro-hydraulic systems, IoT-enabled predictive maintenance and smart sensors is advancing sector efficiency and uptime and the market is gradually introducing biodegradable hydraulic fluids as environmental norms become stricter.

Robust investments across sectors like chemicals, textiles, food processing, pharmaceuticals and manufacturing are fuelling demand for industrial boilers, furnaces and heat exchangers, thus driving growth in the process heating division. The year witnessed healthy momentum, setting the stage for deeper penetration of energy-efficient and digital thermal solutions, aligning with national priorities of clean energy and technological advancement.

Our Journey, Our Pride

We began our journey with a single manufacturing facility in Isnapur, Hyderabad. Since then, our unwavering focus on delivering unique and innovative engineering solutions has propelled us to new heights of success, anchored in our core strength – precision engineering.

Through a combination of strategic acquisitions and targeted expansion, we have built a strong global presence. Today, we proudly operate 13 ISO-certified manufacturing facilities, consistently meeting the evolving needs of our customers across diverse industries. We will continue to grow consistently by focussing on growing our business segments.

We take immense pride in our successful transformation from a company once recognized solely for its steel expertise to a diversified precision engineering enterprise with multiple high-performing verticals, all operating under a unified corporate identity. Our strategic plans have played a catalytical role in this business transformation.

Our pioneering position in the industry has been made possible by the dedication and skill of our talented team. It is their unwavering commitment and relentless pursuit of excellence that have continually enhanced our capabilities and driven positive business outcomes.

Fuelled by our unwavering drive to keep pushing the frontiers of engineering, we tap innovation, leading-edge technologies and world-class manufacturing infrastructure to create next-generation products and solutions that anticipate and answer evolving market needs.

Governance

Our continued success is rooted in strong governance, ethical practices and a highly committed leadership team. At Pennar, we take pride in nurturing a performance-driven culture that attracts and retains top talent. We also maintain our focus on sustainability, safety and stakeholder well-being.

In Conclusion

As we step into FY2026, we do so with clarity, confidence and ambition. With robust demand pipelines, strong execution capabilities and a proven growth strategy, Pennar is well positioned to deliver sustained value to all stakeholders.

We thank you for your continued trust and support and look forward to building the next phase of growth 'together.'

Warm regards,

Ravi Venkata Siva Ramakrishna
Chairman

Message From The Vice Chairman and Managing Director

Mr. Aditya Rao
Vice-Chairman and Managing Director

Focusing on high-margin verticals, Pennar will continue to prioritize PEB, BIW, Engineering Services, Hydraulics and Boilers as primary growth engines. We are also looking at targeting peak capacity utilization at Raebareli and scaling BIW operations in the next few years

Dear Shareholders,

FY2025 marked a pivotal year for Pennar Industries. Despite raw-material volatility and supply-chain dislocations, we continued to demonstrate resilience and growth momentum.

Pennar Industries closed FY2025 on a strong note. We delivered Rs. 3,226 crores in consolidated revenue, and a record Rs. 119 crores profit after tax, registering healthy growth backed by robust demand across all key business verticals. Operational metrics like EBITDA grew by 21%, while PBT margins stood at 5.2%, with a focus on moving to higher-margin businesses. These results validate the diversified-engineering model we have built and reinforce our commitment to responsible growth, robust governance and sustainable value creation for all stakeholders. We maintained ROCE at 21.5%, with a target of 30% ROCE in the medium term, reflecting financial discipline.

Our diversified engineering capabilities enabled us to build a strong and sustainable revenue mix. Export contributions also saw a steady uptick, supported by an expanded global footprint and customer base.

Key contributors to growth included the Pre-Engineered Buildings (PEB) division, the U.S. subsidiary Pennar Global Inc, Body-in-White (BIW), Hydraulics, Boilers & Process Equipment and Engineering Services.

The launch of the new manufacturing plant in Raebareli represented a strategic initiative to tap into the rising industrial demand in Northern India and achieved steady ramp-up, driving growth in the PEB business. This expansion strengthened the Company's manufacturing capabilities while aligning with its vision for sustainable growth and market leadership in the engineering sector. By optimizing logistics, reducing costs and streamlining production processes, we are now better positioned to deliver superior service and enhance customer satisfaction across the region.

Pennar Industries, through a joint venture collaboration with Zetwerk, has forayed into solar panel manufacturing. Pennar Industries will transfer its solar business know-how, assets, customers and order backlogs into the newly established JV, ensuring that the existing capabilities and human capital are effectively utilised.

With a diversified portfolio, expanding global footprint and a proven track record of innovation and quality, Pennar Industries is well-positioned to unlock long-term value for shareholders and stakeholders.

Focusing on high-margin verticals, Pennar will continue to prioritize PEB, BIW, Engineering Services, Hydraulics and Boilers as primary growth engines. We are also looking at targeting peak capacity utilization at Raebareli and scaling BIW operations in the next few years. Through acquisitions and organic growth, we are strengthening presence in the U.S. and Middle East. Targeting double-digit revenue and profit growth annually, driven by operational leverage, high-margin businesses and working capital optimization, would also bring about an improvement in profitability and ROCE. Automation, R&D and advanced manufacturing investments will continue to enhance productivity and quality, thus facilitating digital and process excellence.

The Company's achievements and future plans corroborate Pennar's trajectory as a resilient, innovation-focused engineering group ready to capitalise on India's infrastructure and sustainability wave in FY2026 and beyond.

None of this progress would be possible without the passion of our 3,300-strong workforce, the loyalty of our customers, the partnership of our suppliers and the confidence of you – our shareholders. Together, we will continue to Engineer Possibilities and create sustainable value in the years ahead.

Sincerely,

Aditya Rao
Vice Chairman and Managing Director

With a diversified portfolio, expanding global footprint and a proven track record of innovation and quality, Pennar Industries is well-positioned to unlock long-term value for shareholders and stakeholders.

Review by Executive Director

K Lavanya Kumar
Executive Director

We continue to focus on continuous learning initiatives aimed at upskilling our employees' capabilities. During the year, we devoted around 3 lakh manhours to training across the organisation, with emphasis on technical, behavioural, and safety programs.

Dear Shareholders,

Since 1975, Pennar Industries has grown into a diversified engineering and manufacturing partner for global customers in infrastructure, mobility, and energy. From its beginnings in CRFS, Pennar has expanded into hydraulics, boilers, pre-engineered buildings, and engineering services, supported by 13 plants, 1,000+ products, and a strong international footprint.

Transformation and Strengths

Guided by our vision of delivering high-quality engineering solutions, Pennar has evolved from a steel-focused company into an engineering powerhouse, expanding from an India-centric to a global presence, and from a product-driven to an integrated solutions approach. Subsidiaries in the USA and a growing presence in Europe and the Middle East strengthen our global reach.

Our diversified portfolio, large customer base, and in-house design capabilities give us resilience and a competitive advantage. With advanced manufacturing technologies and a focus on value-added products, we consistently deliver precision, quality, and innovation.

Expanding Our Operations

In FY25, we expanded our reach with a new PEB facility in Raebareli to serve Northern and Eastern India.

Internationally, Ascent Buildings in the US and operations in Europe drove growth. The Pennar–Zetwerk JV marks our entry into solar-module manufacturing, aligning with India's clean energy push and adding a scalable new vertical.

Financial Performance

Revenue rose to ₹3,22,658 lakhs in FY25 from ₹3,13,057 lakhs in FY24. EBITDA improved to ₹34,689 lakhs with margins at 10.63%. PAT increased to ₹11,945 lakhs from ₹9,835 lakhs, while ROCE and ROE strengthened to 21.78% and 12.73%. A debt-equity ratio of 0.78 reflects a stable balance sheet.

Safety and Sustainability

We achieved 11 million safe man-hours across project sites and 1 million at our Tarapur plant. Our plant at Patancheru won the Silver Award at the Southern Region CII EHS Excellence Awards; Isnapur and Sadashivpet plants were recognised last year. Our project site secured the Platinum Award at the ISDA Infracon National Awards 2025, and HSE awards from Indospace and Tata Projects. We celebrated National Safety Day and Environment Day with great fervour and took an oath to achieve zero incidents across all our plants.

We continue integrating solar into our energy mix and deploying real-time monitoring systems to optimise usage, reducing costs and carbon footprint.

People and Inclusive Growth

Industrial relations remained smooth, with long-term wage settlements at our various plants enhancing productivity and employee engagement. Employee strength rose to 2,400. Training totalled 2,95,166 manhours during the year. Our HR Head was recognised with the Best HR Leader award by FTCCI Telangana, while the PTC plant received the Silver Award for best HSE practices.

Training & Development

We continue to focus on continuous learning initiatives aimed at upskilling our employees' capabilities. During the year, we devoted around 3 lakh manhours to training across the organisation, with emphasis on technical, behavioural, and safety programs.

Through partnerships in education and skill development, we continue to support communities in Chennai, Hyderabad, and other regions, reaffirming our commitment to the inclusive growth of our employees and society.

Looking Ahead

Pennar is well-positioned to strengthen its global presence, expand its diversified portfolio, and deliver sustainable, innovation-driven growth.

I thank all stakeholders for their continued trust and support as we step into the next phase of our journey.

Sincerely,

K Lavanya Kumar
Executive Director

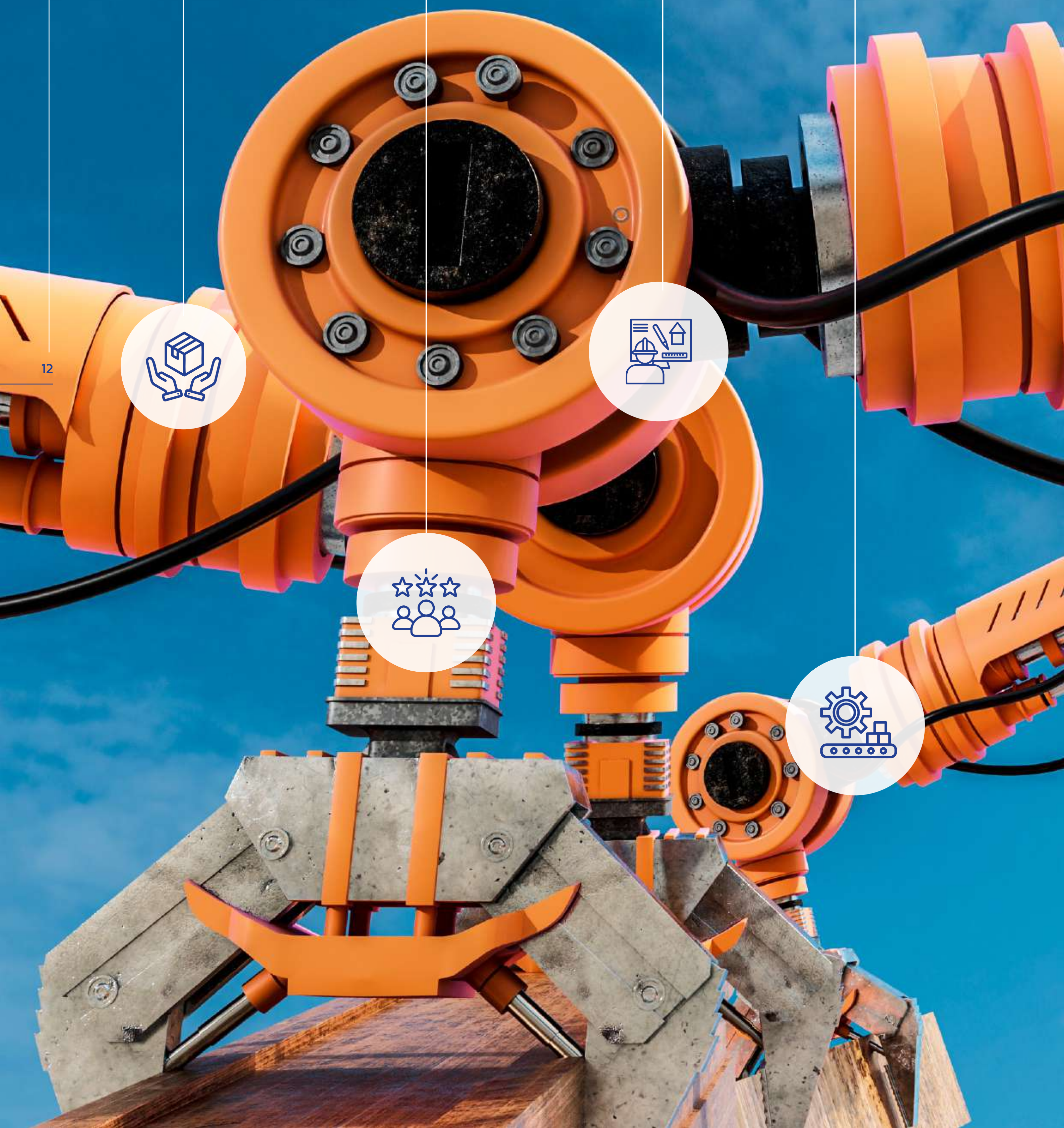
Competitive Advantages

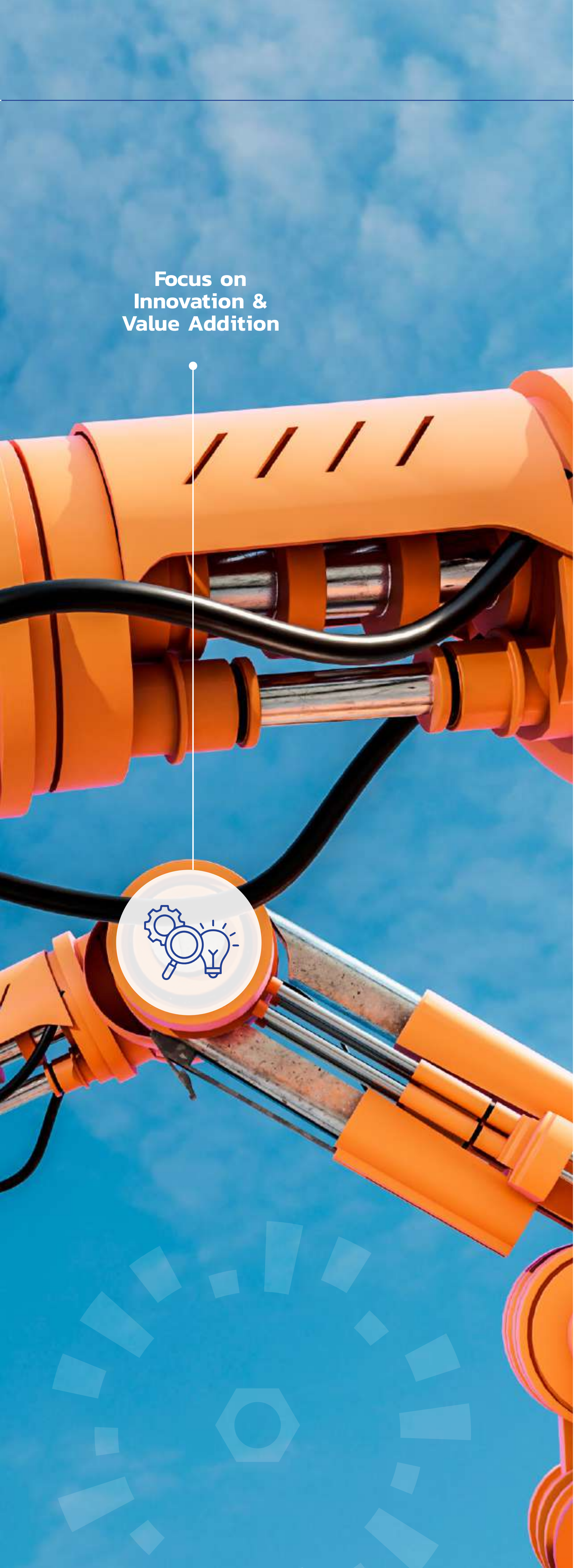
Diversified Product Portfolio

Strong Customer Base & Repeat Orders

In-house Design & Engineering Expertise

Manufacturing & Execution Excellence





Diversified Product Portfolio

With a portfolio of over 1,000 engineered products, we serve diverse industries including automotive, general engineering, and building & construction. This diversified product mix provides resilience against market fluctuations while ensuring steady performance across cycles.

Strong Customer Base & Repeat Orders

We cater to blue-chip clients across fast-growing sectors such as railways, infrastructure, construction, and automobiles. Our ability to consistently deliver value has resulted in a large and loyal customer base, driving recurring orders in both domestic and international markets.

In-house Design & Engineering Expertise

Backed by a strong R&D and design team, we offer concept-to-commercialization support. Our repository of over 2,500 tools and dies, along with advanced capabilities in 3D modeling and component development, enables us to deliver both standard and customized engineering solutions.

Manufacturing & Execution Excellence

Our state-of-the-art facilities are equipped with advanced technologies such as laser cutting, plasma cutting, transfer presses, and CNC machines. These capabilities allow us to execute large-scale, high-volume, and high-precision projects while maintaining the highest standards of quality and reliability.

Focus on Innovation & Value Addition

We remain committed to enhancing value through high-margin, niche applications and custom-built solutions such as solar MMS, large-diameter welded tubes, and complex PEBs. With over 90% of revenue derived from value-added products, our focus on innovation ensures improved realizations and long-term sustainability.

Pennar's Multi-Dimensional Transformation

Pennar Industries has continually reinvented itself to stay ahead of evolving market dynamics and customer expectations. Guided by a clear vision and strategic foresight, Pennar's journey of transformation is built on three powerful pillars — moving from a steel-based company to an engineering powerhouse, expanding from an India-centric organization to a global player, and diversifying into high-value engineering solutions.

Transformation Pillar 1

From Steel to Engineering Powerhouse

Pennar began its journey with a strong foundation in steel — manufacturing cold rolled steel, tubes, and coils. Over time, the company moved up the value chain by fabricating steel products and profiles. This evolution allowed Pennar to become a reliable supplier of components to critical industries such as infrastructure, railways, and automobiles.

The next phase of growth came with modular assemblies including Pre-Engineered Buildings (PEB), Body-in-White (BIW) structures, and hydraulics. Today, Pennar is delivering advanced precision systems and engineering services, positioning itself not merely as a steel producer but as an integrated engineering solutions provider.

Transformation Pillar 2

From India to Global Markets

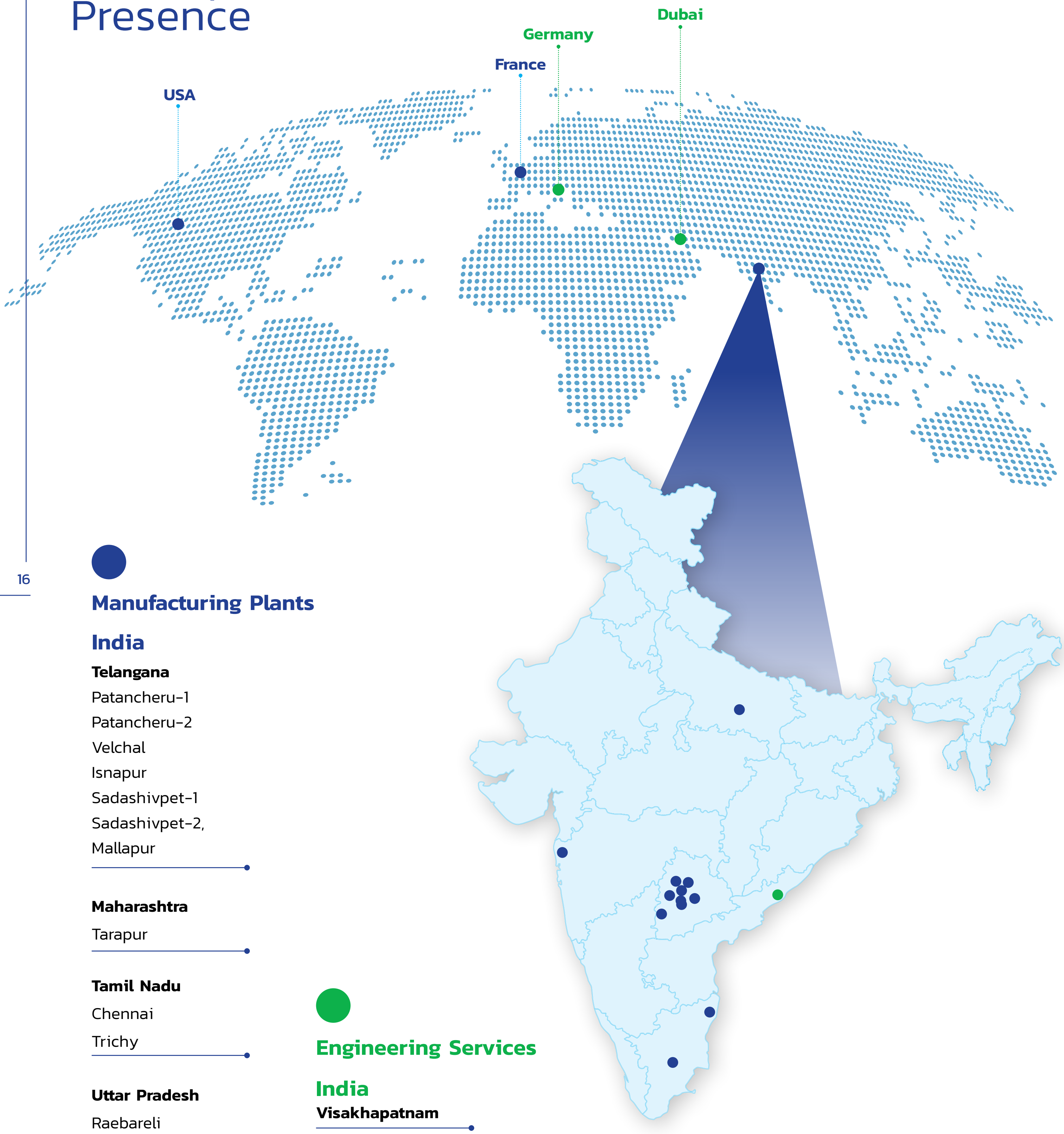
Pre-Engineered Buildings were limited to the Indian market, and exports were in their infancy. The transformation has been remarkable. Today, international markets account for a significant portion of revenue and are steadily growing. Pennar has established a US subsidiary, Ascent Buildings, expanded its footprint to serve European clients and OEMs, and exports BIW solutions globally. With a Pre-Engineered Building facility in Tennessee, USA, Pennar now leverages a strong backlog in the American market to scale operations worldwide. Supported by dedicated international sales teams, global orders, and foreign subsidiaries, Pennar has transitioned into a full-fledged global player.

Transformation Pillar 3

Towards Integrated Engineering Solutions

The third pillar of Pennar's transformation is its strategic push into integrated, high-value engineering solutions. By combining manufacturing expertise with design and precision engineering capabilities, Pennar delivers comprehensive solutions that meet complex customer needs across industries. This integrated approach positions the Company as a trusted partner in sectors ranging from infrastructure and construction to automotive and industrial engineering.

Geographical Presence



Manufacturing Plants

India

Telangana

Patancheru-1
Patancheru-2
Velchal
Isnapur
Sadashivpet-1
Sadashivpet-2,
Mallapur

Maharashtra

Tarapur

Tamil Nadu

Chennai
Trichy

Uttar Pradesh

Raebareli

USA

Tennessee

France

Villebret

Engineering Services

India

Visakhapatnam

Germany

Bad Homburg

UAE

Dubai

The dots shown on this map indicate approximate locations and are intended for illustrative purposes only. They may not correspond to precise geographical coordinates of the company's facilities

Business Highlights of the Year

The Company is expanding its manufacturing operations by establishing its PEB manufacturing plant in Northern part of India at Raebareli, Uttar Pradesh. The plant spans 16 acres and features a built-up area of 12,000 square meters. With a production capacity of 36,000 MT per annum, this facility is equipped with state-of-the-art machinery and a comprehensive setup. The plant will enable the Company to meet the demands of clients in the northern and eastern part of India, significantly reducing transportation costs.

The Pennar–Zetwerk joint venture (JV) is Pennar Industries' springboard into full-scale solar-module manufacturing. The JV will see Pennar contribute its existing solar-business assets while investing Rs 18 crores. Zetwerk will bring its contract-manufacturing platform and hold the majority stake. The partnership plans to serve both Indian and export markets, adding another high-growth vertical to Pennar's portfolio and advancing the Group's decarbonisation goals. This association converts Pennar's niche solar-panel activity into a scalable, de-risked growth engine that fits the Group's diversified-engineering DNA, deepens its ESG narrative and positions it to ride India's solar-manufacturing super-cycle.

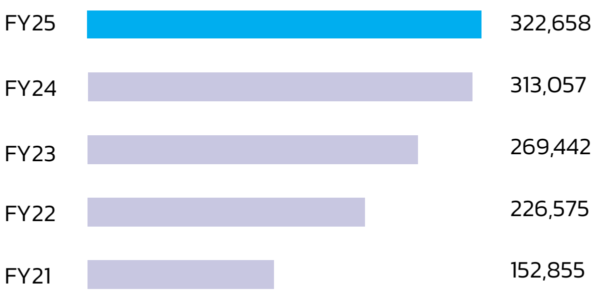
16 Acres
Plant Spans

12,000 Sq. m.
Built-up Area

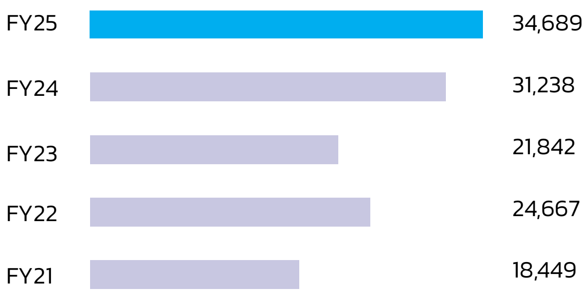
36,000 MT
Production Capacity

Financial Highlights

Revenue
Revenue (₹ Lakhs)

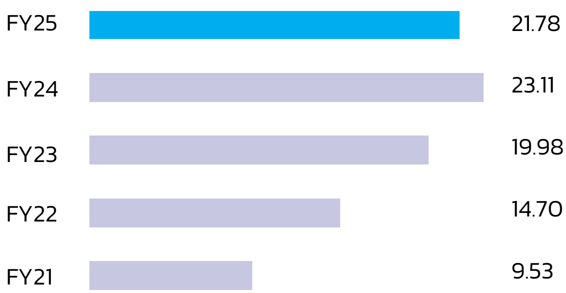


EBITDA
Revenue (₹ Lakhs)



EBITDA
Margin (%)

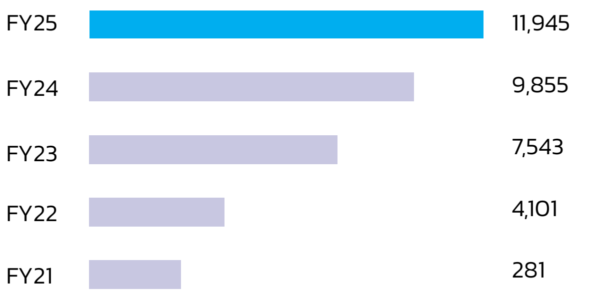
ROCE
(%)



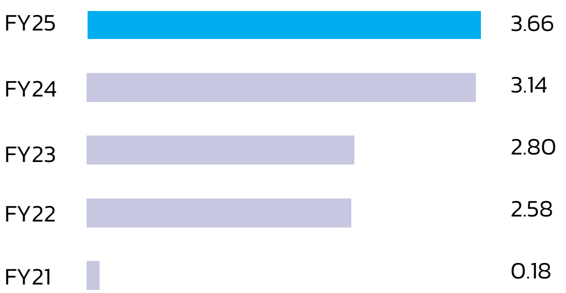
ROE
(%)

Debt/Equity
(times)

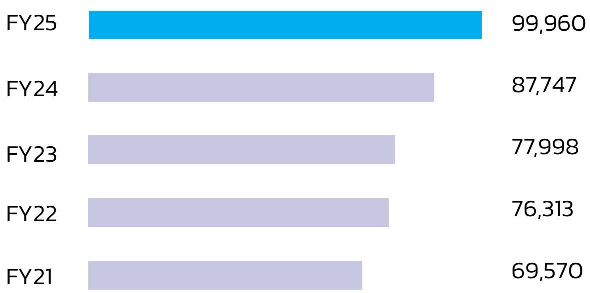
PAT
₹ Lakhs)



PAT
Margin (%)



Equity
(₹ Lakhs)



Review of Business Verticals

Pre-Engineered Buildings (PEB)

The PEB sector in India is growing due to demand for cost-effective, durable and faster construction. Factory-fabricated and site-assembled, PEBs cut project timelines by up to half and reduce material waste. They serve warehousing, logistics, manufacturing, commercial and infrastructure, driven by e-commerce, industrial corridors and government initiatives. PEBs are lightweight, energy-efficient, customizable and eco-friendly.

At Pennar, PEB is a core growth engine leveraging 13 fabrication plants and in-house galvanising. The Company delivers turnkey building systems and heavy-steel components, tailored to client layouts and safety codes. Fabrication under strict ISO-certified protocols ensures precision, with parts shipped ready for rapid, error-free assembly. Offerings span components, accessories, additions, systems and design services. A 100+ member engineering team supports complex, customised designs using advanced software, making Pennar a trusted single-source partner.

Precision Tubes

Precision tubes are critical for automotive, infrastructure, energy, aerospace and engineering due to their strength, accuracy and durability. They drive import substitution, exports and India's role as a global hub for components.

Pennar's 'Precision Excellence' portfolio serves automotive, engineering and energy chains with backward-integrated processing and multi-location plants. Applications range from shock absorbers and heat exchangers to propeller shafts, transformer tubes, furniture and structural tubes. With expanded capacity and broad demand, this vertical remains a key earnings lever and strategic supplier for India's mobility and energy transition.

Process & Heating Equipment

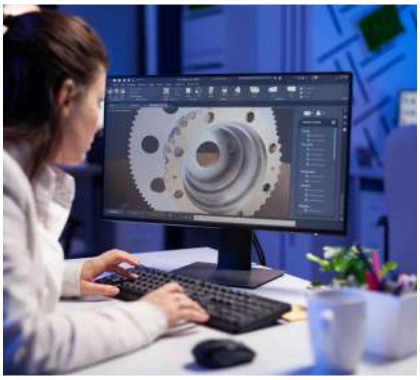
Process & heating underpins industries such as food, chemicals, textiles, oil & gas, power and metals. Boilers, furnaces and heat systems ensure quality, efficiency and clean energy integration through waste-heat recovery.

Pennar's Process-Heating Division supplies tailor-made steam-generation and heat-recovery solutions for process, cogeneration and waste-heat use. Its portfolio includes high-efficiency package and field-erected boilers, from food to steel sectors in India and overseas. With strong design IP, integrated manufacturing and service-backed reliability, the division supports energy efficiency and carbon-reduction goals.

Hydraulics

Hydraulic systems power industrial, construction and agricultural machinery, enabling automation, robotics and Industry 4.0.

Pennar has made hydraulics a growth pillar, backed by new capacity, export-grade design and focus on customised cylinders for construction, material-handling, rail and renewable-energy applications.



Engineering Services

Engineering services enable innovation and efficiency across aerospace, automotive, infrastructure, energy and manufacturing.

Pennar has 16 years of expertise in structural-steel and PEMB design and detailing, serving clients across the US, Europe, Middle East and India. Known for accuracy, timely delivery and handling complex large-span projects, Pennar is seen as an extension of client teams. Investments in talent and advanced software ensure global quality standards and timely outputs.

Body in White (BIW)

BIW ensures structural strength, safety and durability in vehicles.

Pennar is an end-to-end BIW partner for global OEMs, supplying complete structural sub-assemblies with in-house die-making, automated body shops and expertise in HSS/UHSS steels. Its solutions deliver lighter, stronger, regulation-ready structures for passenger, commercial and off-highway vehicles, securing long-term OEM partnerships.

Custom Engineered Products

ICD
Precision components for automotive, engineering and heavy machinery.

Railways
Coach structures, roof panels, wagon parts supporting modernization.

Renewables
Solar panels and mounting structures.

Aerospace
Products for commercial and defense programs.

Chemicals & Additives
Specialty formulations for efficiency and sustainability.

Steel Products
Precision tubes, cold-rolled strips and profiles serving diverse industries.

Industries Served

Buildings and Infrastructure

Pennar Industries positions its Buildings vertical as a one-stop, design-to-erection partner for steel structures, supplying fully engineered, factory-fabricated systems that shorten project cycles, cut costs and deliver custom aesthetics. Through its PEBS brand and a global structural-engineering arm, it has become a top-tier Indian player in industrial, warehousing and commercial buildings, while exporting design services to the USA, Europe and the Middle East.

Pennar supplies frames, panels, mezzanines and crane systems, all cut, drilled and painted under ISO-9001 controls before bolt-up on site. Its USP lies in high customization—clients can tailor size, layout and functionality. Strict quality controls and compliance with codes ensure safety and reliability. The Company serves industrial, commercial and institutional needs, with quick delivery, flexible expansion and weather-resistant multidimensional spans.

In India's growing PEB and structural-steel market, Pennar is an integrated designer-fabricator, offering customized, quick-to-erect steel buildings backed by global engineering. Capacity expansion, a diversified client base and strong design IP underpin growth ambitions for the next two years.

Automotive Value Engineering

Pennar contributes to the automotive value chain with precision components, structures and systems that meet stringent OEM standards. With decades of expertise in design, manufacturing and value engineering, it collaborates with customers to optimize cost, enhance functionality and manufacturability.

Core contributions include BIW solutions, precision tubes, hydraulic and mechanical systems, and value engineering services. This division strengthens long-term OEM partnerships and revenue. With the industry shifting to electrification and lightweighting, Pennar focuses on EV components, sustainable materials and modular BIW systems, reinforcing its leadership in value-added engineering.

Railways

Pennar is a trusted partner to Indian Railways, providing precision components and assemblies for passenger and freight. Its solutions support modernization with superior quality and advanced technologies. With expertise in mechanical design and development for rail transport, Pennar ensures safety, automation, maintenance and performance.

The Company is expanding into metro, semi-high-speed and freight solutions, aligning with government investments in modernization and high-speed corridors. Innovation, quality and reliability position Pennar to capitalize on these opportunities.

Understanding the industries catered to by a company is crucial as it reflects its market positioning, expertise and adaptability. It helps stakeholders assess growth potential, diversification and resilience to market fluctuations, ensuring sustained value creation and long-term success.

Oil and Gas

In this price-sensitive sector, Pennar fields specialists for onshore and offshore assignments, supporting upstream and midstream operators across the drilling lifecycle. All services follow ISO, IEC and industry standards, ensuring rig assemblies and heavy-duty equipment meet global compliance. Applications span onshore, offshore, pipeline, transport, modules and static equipment.

Other Industries

Pennar serves warehousing, power and energy, food and beverages, pharmaceuticals, and metals and mining. Solutions include customized steel structures for logistics, engineered products for thermal and renewable projects, hygienic process equipment for F&B and pharma, and robust components for mining. This diversified presence highlights Pennar's ability to deliver reliable, high-performance solutions across critical industries.

Heavy Engineering

Pennar has deep expertise across industries, delivering end-to-end heavy engineering solutions covering design, logistics and automation. Its operations rest on NPI (New Product Introduction), CPI (Continuous Process Improvement) and VAVE (Value Analysis & Value Engineering), ensuring proof-of-concept standards. The Company continually upgrades skills and capabilities to support manufacturers with comprehensive engineering services.

Diversified Business Divisions – Strategic Advantage

Pennar Industries has evolved into a multi-sector engineering solutions provider with a deeply diversified business model that spans structural engineering, precision manufacturing, and customised product development. The company's operations encompass pre-engineered buildings, industrial boilers, precision tubes, hydraulics, automotive body structures, and a host of industrial components and systems tailored for infrastructure, energy, automotive, and process sectors. Each division contributes to a unified strategy focused on engineering excellence, quality manufacturing, and end-to-end value delivery. This diversification not only expands Pennar's market reach but also reinforces its ability to create synergies across sectors, respond to market shifts, and support a broad spectrum of industrial clients globally.

Strategic Strength of a Multi-Domain Product Portfolio

Pennar Industries' diversified business model spanning sectors such as infrastructure, automotive, energy, and heavy engineering serves as a strategic strength, offering resilience against sectoral slowdowns and cyclicality. Its wide-ranging portfolio—from pre-engineered buildings and precision tubes to high-strength automotive components and aerospace parts—enables the Company to tap into diverse revenue streams, reduce its dependency on any single segment, and remain relevant across market cycles. The Company's presence in high-growth and infrastructure-intensive industries also positions it to benefit from evolving domestic and global macro trends.

Conceptual and Strategic Integration Across Divisions

While the product domains appear diverse, they are unified by a common foundation of engineering, design excellence, and manufacturing scale. Pennar's structural engineering services act as a central hub, supporting pre-engineered buildings, custom components, and automotive body structures with advanced modelling, detailing, and simulation capabilities. The same manufacturing processes—such as steel forming, welding, machining, and testing—are applied across multiple business units, ensuring shared infrastructure and efficiency. These linkages enable the Company to transition seamlessly from design to delivery across various verticals, utilising a core set of capabilities.

Each business unit is tailored to a high-demand, growing industry. The ability to cross-sell enhances customer relationships and operational synergies.

Alignment with Megatrends and National Priorities

Pennar's business strategy is closely aligned with key structural themes, including sustainable infrastructure, green mobility, domestic manufacturing, and digital engineering. Whether it is through the supply of lightweight electric vehicle parts, solar structures, innovative hydraulic systems, or BIM-led building design, the Company's offerings support energy efficiency, regulatory compliance, and the adoption of technology. This makes Pennar a future-ready enterprise, geared not only for growth but for leadership in India's industrial transformation journey.

Innovation and Customisation at Scale

Pennar's ability to offer highly customised, performance-driven solutions across its domains stems from its strong focus on engineering innovation and process integration. From lightweight hot-stamped automotive panels to high-performance hydraulic cylinders and process boilers, the Company delivers tailored solutions that meet the evolving needs of customers and the industry. Its in-house product development, die design, and automation capabilities enable it to develop niche and next-generation components at industrial scale, fostering both differentiation and stickiness with clients.

Integrated Supply Chain and Global Footprint

The Company's manufacturing operations are backed by a robust, vertically integrated supply chain and strong export capabilities. Pennar sources, processes, and tests its materials through stringent quality systems, while meeting global standards across product lines. It serves marquee clients across the automotive, infrastructure, and engineering sectors in India and overseas, reinforcing its role as a trusted partner in global supply chains. Its validation labs, compliance certifications, and precision-led processes ensure consistency across geographies and applications.

Manufacturing Facilities

Pennar Industries functions with a robust network of 13 manufacturing plants worldwide, including facilities in India, the USA and France.

Isnapur, Hyderabad, Telangana

Pennar Industries's state-of-the-art manufacturing facility near Hyderabad is a sprawling 29,000 sqm resource zone with a production capacity of 90,000 MT per annum. The plant is equipped with high precision CNC machines to fabricate and supply quality-replete steel buildings. The original plant was established in 1988 for Cold Rolled Steel Strips (CRSS); but the capacity has expanded significantly over time. The unit is now responsible for the manufacture of ERW/CDW Tubes, Profiles and Solar.

Patancheru, Hyderabad, Telangana

Dedicated to Press Components, Steel Products, Industrial Components, Profiles, ESP / Building Products, Solar, Railway Components, CRSS and Fabrication.

Sadashivpet Unit-1 & 2, Telangana

Focused on Pre-Engineered Buildings (PEB) and Solar Modules, viz., Steel structures and Photo Voltaic Module.

Mallapur, Telangana

Known for Fuel Additives, Water Treatment Chemicals & Solutions.

Velchal, Telangana

Dedicated for Pre Engineered Buildings, Steel Products and Solar Structures.

Tarapur, Maharashtra

Dedicated for Steel Products manufacturing.

Chennai, Tamil Nadu

Specialised in Hydraulic cylinders, BIW (Body in White), Railway Products, viz. Coaches, Auto Profiles, Components / Hydraulics, Building Products and Body in white.

Trichy, Tamil Nadu

Specialised in Heating Process Equipment, viz. Boilers.

Raebareli, Uttar Pradesh

A new PEB manufacturing unit built over 16 acres, with ~12,000 sqm built-up area and a capacity of 36,000 MT per annum, to enhance production capacity and reduce costs while serving Northern and Eastern India.

Tennessee, USA

A manufacturing facility that contributes to Metal Buildings.

Villebret, France

Manufacturing in Auto and Aerospace; Engineering and precision machining through Cadnum SARL.

Environment Initiatives

The Company remains deeply committed to protecting the environment and embedding sustainability into every aspect of its operations. Recognising the importance of responsible resource management, it has adopted practices that focus on reducing dependence on conventional energy, conserving water, minimising waste, and ensuring strict compliance with environmental standards. These initiatives are not just about meeting regulatory requirements but are also aimed at creating long-term value by lowering the environmental footprint, improving efficiency, and building resilience across operations.

Renewable Energy Adoption

The Company has strengthened its renewable energy portfolio by steadily expanding solar generation across its facilities. By installing both utility-scale and rooftop solar systems, it has been able to harness renewable power and integrate it into its production processes.

We are dedicated to enhancing energy efficiency in our manufacturing operations through a strong commitment to sustainable practices. By incorporating advanced power sources into our energy management systems, we monitor and optimise energy usage in real time. These efforts not only reduce our carbon footprint but also lower operational costs. We aim to expand solar energy usage further, contributing to a greener and more efficient manufacturing landscape.

Highlights – Renewable Energy (FY 2024–25)

4.97 million units

Renewable energy generated.

≈15%

Total energy consumption met through solar.

Zero Liquid Discharge (ZLD) system operational through MEE and RO treatment.

E-waste minimised through cloud migration and leased IT assets.

Waste and Water Responsibility

The Company ensures responsible management of all hazardous waste generated in-house by classifying it into categories such as iron sludge, MEE salts, coolant oil, e-waste, and biomedical waste. These materials are disposed of only through authorised vendors approved by local pollution control boards.

Our sustainability practices also include a Zero Liquid Discharge (ZLD) system through MEE, which ensures no untreated effluent leaves the premises. Additionally, production processes are being optimised to minimise waste at the source. The transition to cloud-based IT infrastructure and leasing IT assets has further reduced e-waste and improved operational efficiency.

Highlights – Waste & Water (FY 2024–25)

1,480 MT

waste recycled
(vs. 1,395 MT in FY24).

Quality

Quality Standards

To underline its commitment to world-class quality, safety and sector-specific excellence, Pennar Industries has qualified eight management-system standards that span general quality, environment, health & safety, welding, rail, automotive and aerospace requirements. Together they create an integrated compliance framework that supports Pennar's multi-vertical businesses, from precision tubes and hydraulics to pre-engineered buildings, rail coaches, automotive sub-assemblies and defence electronics, while assuring customers and regulators of consistent, audit-ready performance.

Certifications

ISO 9001: 2015
Quality Management System

ISO 14001: 2015
Environmental Management System

ISO 45001: 2018
Occupational Health & Safety Management System

ISO /TS 22163: 2017
Railway Business Management System

EN 15085-2: 2020
Railway Welding Quality Management System

ISO 3834-2: 2021
Welding Quality Management System

IATF 16949: 2016
Automotive Quality Management System

AS9100: 2016
Aerospace Quality Management System

Corporate Information

Board of Directors

Mr. RVS Ramakrishna - Chairman & Independent Director

Mr. Chandrasekhar Sripada - Independent Director

Mr. V S Parthasarathy - Independent Director

Ms. Virginia Sharma - Independent Director

Mr. Eric James Brown - Non-Executive Director

Mr. P V Rao - Non-Executive Director

Mr. K Lavanya Kumar Rao - Executive Director

Mr. Aditya Rao - Vice Chairman & Managing Director

Key Managerial Personnel

Chief Financial Officer

Mr. Shrikant Bhakkad

Company Secretary & Compliance Officer

Mr. Mirza Mohammed Ali Baig

Statutory Auditors

M S K A & Associates
Chartered Accountants
1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally
Telangana State, Hyderabad 500072, INDIA

Internal Auditors

M/s. R Krishna & Associates
Chartered Accountants
H. No 6-3-883/3/1 Exide Battery Lane
Beside P C Jewellers Punjagutta , Hyderabad - 500 082

Registered Office Address

2-91/14/8/PlI/10 & 11, 7th Floor, Whitefields, Kondapur,
Serilingampally, Hyderabad, K.V.Rangareddy - 500084
CIN: L27109TS1975PLC001919
e-Mail ID: corporatecommunications@pennarindia.com

Registrar and Transfer Agents

M/s. Kfin Technologies Limited
(formerly known as Kfin Technologies Private Limited)
Selenium Tower B, Plot No. 31 & 32 Gachibowli,
Financial District, Nanakramguda, Seriligampalli Mandal,
Hyderabad - 500 032

Bankers

State Bank of India
Axis Bank Limited
Yes Bank Limited
HDFC Bank Limited
Bandhan Bank Limited
Punjab National bank
Indian bank
Punjab & Sind Bank

Cost Auditors

M/s. kandikonda & associates
Cost Accountants
Plot No.62/A, SSR Homes, Tharamatipet, Rangareddy,
Hyderabad-501505

Secretarial Auditor

Mr. Subhash Kishan Kandrapu
Practicing Company Secretary
Flat No. 203, 2nd Floor, Nara Paradise Building,
Dinakar Nagar, Neredmet Secundrabad - 500056

Plants

Patancheru Plant:
Plot no 13 &14 , IDA Phase -1 Bandalaguda,
Patancheru Sangareddy District, 502319 Telangana

Isnapur Plant:
Isnapur Village, IDA Pashamailaram, Patancheru (M)
Sanagareddy District, 502307 Telangana

Velchal Plant:
Survey 24, 27 to 38, Velchal (V) Mominpet (M), Vikarabad
District, 501202 Telangana

Chennai Plant:
Survey 669 Kannigaipair Village, Uthukottai Tq
Thiruvellore Dist., 601102 Tamil Nadu

Tarapur Plant:
J-72/2, MIDC Industrial Estate OFF Navapur Road Boiser
Village Tarapur, 401506 Maharashtra

Sadasivpet Plant:
Survey 144 & 145 Chandapur Village, Sadasivpet Mandal,
Sangareddy District, 502291 Telangana

Mallapur Plant:
186/A & 188/A, IDA Mallapur, Medchal District, Hyderabad,
500076 Telangana

Tiruchirappalli Plant:
49/23, 49/10, 49/3, 49/2, 49/5, 49/7, 50/19, 50/5, 50/11, 50,
Pudhukudi Thenpati, Pudukudi, Thanjavur District, 613001
Tamil Nadu

Raebareli plant:
Khata No. 00079, Plot No. 200, Rampur Nihastha,
Lalgunj Tehsil, Raebareli District, 229206 Uttar Pradesh

Ascent Buildings Systems:
214 Fountainhead Road Portland TN 37148 USA

Pennar Cadnum:
ZA Champ Noyer – 03310 Villebret, France

Board of Directors

Mr. Aditya Rao

Vice-Chairman and Managing Director

Mr. Aditya Rao has been instrumental in driving the company's revenue and profitability over the past four years. He has played a pivotal role in shaping and executing the company's growth strategy, establishing organizational structures, strengthening internal controls, and building strong teams. His vision is to create a perpetual growth company with business units that consistently scale in both revenue and profitability while maintaining rigorous risk management practices. His current priorities include improving market capitalization supported by consistent and sustainable EPS growth.

Mr. K Lavanya Kumar Rao

Whole-time Director

Mr. K. Lavanya Kumar Rao has over three decades of experience spanning law, construction, corporate affairs, and engagement with statutory authorities. A graduate in Law from Kakatiya University, he joined the Pennar Group in 1987. His expertise and long association with the company have made him a vital contributor to its governance and operations.

Mr. Chandrasekhar Sripada

Independent Director

With 40 years of corporate experience, including 25 years in the C-suite and six stints as CHRO, Mr. Chandrasekhar Sripada combines practitioner expertise with academic rigor. For the past six years, he has been a Professor at ISB, focusing on leadership, governance, and management.He has served in leadership roles across the public sector, multinational corporations, and private enterprises. Currently, he engages in board governance, advisory services, higher education, research, teaching, and executive coaching. His rare blend of business acumen and scholarship adds immense value to the board.

Mr. R V S Ramakrishna

Chairman-Non-Executive Independent Director

Mr. R. V. S. Ramakrishna holds a degree in Chemical Technology from BITS Pilani and a PGDM from IIM Ahmedabad. He began his career with Coromandel Fertilisers Limited as a Graduate Engineer Trainee, and later joined ITW Signode India as an Area Sales Executive.With a strong academic foundation and rich professional experience, he brings analytical depth and business insight to his role as an Independent Director.

Mr. Parthasarathy Vankipuram Srinivasa

Independent Director

Dr. V. S. Parthasarathy brings more than 37 years of diverse leadership experience across businesses, functions, and organizational transformations. He has successfully led over 125 M&A transactions during his career. He began at Modi Xerox, rising to Associate Director, before joining the Mahindra Group, where he spent over two decades. His roles included President of the Mobility Services Sector, and earlier, Group CFO & Group CIO for seven years. He also served on the Mahindra Group Executive Board and the boards of several listed companies. His deep expertise in finance, technology, and strategy continues to enrich board deliberations.

Ms. Virginia Sharma

Independent Director

Ms. Virginia Sharma is currently leading Cloud Marketing for India at Google. Her career spans leadership roles in consumer technology at JioSaavn and LinkedIn, and 15 years at IBM in global and regional marketing leadership positions. She earned recognition among the top 10% of LinkedIn's global sales leaders within three years of entering sales leadership and is credited with transforming JioSaavn's Brand Solutions business during the pandemic. She also serves on the Global Advisory Board for UVA's McIntire School of Commerce, and was the first chairperson of the Marketing Society India Chapter. She is the first Indian leader to be named a Marketing Academy Fellow, an accolade awarded by McKinsey & Co. to high-performing marketing leaders on the CEO or board track.

Mr. Eric James Brown

Non-Executive Director

Mr. Eric James Brown, a graduate of the University of Hawaii in Management Information Systems, has over three decades of experience in M&A, strategic planning, and implementing IT solutions globally.He is currently the President and CEO of Pennar Global, Inc., based in Houston, Texas. His international experience across the Americas, Asia Pacific, Europe, and the Middle East strengthens the company's global outlook and strategic direction.

Mr. Potluri Venkateswara Rao

Non-Executive Director

Mr. P. V. Rao is a Civil Engineering graduate from JNTU Kakinada with more than 38 years of experience in the construction industry. His career began in academia as an Assistant Lecturer at VR Siddhartha Engineering College before moving into project execution with Gannon Dunkerley in Mumbai.He later worked with Suhail Bahwan and Zubair Groups in Oman, where he gained extensive expertise in pre-engineered metal buildings. His deep technical knowledge and leadership experience make him a valuable contributor to strategic and operational growth.

Management Discussion and Analysis

Global Economy

FY2025 has been a year of moderate but resilient economic growth for the world, set against a backdrop of persistent to moderate inflation pressures, monetary policy recalibrations and intensifying geopolitical complexities.

Contributing to a 2.8%[1] global GDP growth rate, the key drivers have been ceasing inflation due to broad-based service sector demand, consumer spending and gradual easing of supply chain pressures. Global inflation eased to around 3.5% this year from 4.5% in FY2024, though services and wage inflation remained sticky in many regions. Central banks around the world signalled a cautious shift toward rate normalisation, aiming to support growth while avoiding a resurgence in inflation. Emerging markets maintained a mixed policy stance – while some continued tightening, others initiated cuts to stimulate investment.

1 Source: International Monetary Fund (IMF)

Year	Global Economy (%)	Advanced Economies (%)	Emerging Market & Developing Economies (%)
2024	3.3	1.8	4.3
2025	2.8	1.4	3.7
2026	3.0	1.5	3.9

Significant geo political changes marked the year under analysis. The U.S. introduced broad tariff hikes on imports from China, EU and select Asian countries, prompting retaliatory moves from China and the EU and thereby reigniting trade tensions. Strategic realignments also ruled the world. Europe launched its 'Readiness 2030' defence and industrial strategy to reduce dependence on foreign supply chains. There was an increased focus on supply chain resilience, especially in semiconductors and critical minerals. The Global South attracted steady investment flows, particularly in renewable energy, digital infrastructure and manufacturing.

The year was also wrought with risks and vulnerabilities across the globe. Ongoing conflicts, including regional tensions in Asia and Eastern Europe, affected investor sentiment. Rising interest rates exposed debt vulnerabilities in low- and middle-income economies. Climate volatility affected food and energy supplies, amplifying inflationary pressures in select regions. Global supply chains experienced further stress, especially for critical minerals essential for clean energy technologies. Emerging markets saw mixed trends – India and Southeast Asia gained inflows, while China witnessed net capital outflows, reflecting geopolitical risk recalibration.

Commodity markets remained volatile, with energy prices fluctuating due to geopolitical and OPEC-related uncertainty. Conflicts in Europe and the Middle East, alongside China-U.S. strategic rivalry, created global investment uncertainty.

Outlook

The global economy in FY2025 showed cautious recovery and resilience amid complexity, supported by consumer demand, policy recalibration and technological transformation. However, the path forward remains sensitive to geopolitical tensions, trade fragmentation, supply chain realignments, structural transitions in energy, technology and labour markets and the pace of inflation moderation. IMF has projected the global growth rate for 2026 to moderate around 3%.

Central bank interest rate decisions, China's real estate and export recovery, trade realignment and reshoring and green energy transition financing are some areas for scrutiny in FY2026.

Indian Economy

India retained its position as the fastest-growing major economy, buoyed by strong public capital expenditure, domestic consumption and a healthy services sector. It emerged as the fastest-growing major economy with a growth rate of approximately 6.5%,[2] in comparison to 2.7% in U.S., 4.6% of China and 1.6% in Eurozone.

Country	2025 GDP Growth (%)	2026 GDP Growth (%)
UK	1.6	1.5
USA	2.6	2.7
Brazil	2.1	2.2
Japan	1.1	0.8
China	4.6	4.5
India	**6.5**	**6.5**

2 Source: Ministry of Information and Broadcasting

Growth was supported by record infrastructure spending under the Union Budget 2024 - 25. There was continued momentum in manufacturing, construction and financial services and rural revival aided by normal monsoon and targeted schemes.

Agriculture had a stable output due to timely monsoon; MSP hikes and subsidies supported rural incomes. Construction, cement, steel and PLI-driven manufacturing exhibited strong performance. There was visible growth in IT, digital, finance and travel and tourism sectors. Real estate progressed due to growth in residential housing and office space absorption in Tier-1 cities.

Inflation averaged around 5.3% during the year, easing from FY2024 but still above RBI's target. RBI held the repo rate at 6.5% through most of the year, focusing on anchoring inflation expectations. Core inflation moderated due to supply chain normalization, though food inflation remained volatile.

Merchandise exports faced headwinds due to weak global demand and geopolitical disruptions. Services exports, especially IT and fintech showed resilience. Current Account Deficit (CAD) was controlled at around 1.5% of GDP owing to robust remittances and FDI inflows. Forex reserves remained stable above 600 billion USD, ensuring external stability. Fiscal deficit for FY2025 was estimated at 5.1% of GDP, on track to reach 4.5% target by FY2026.

Structural reforms and digital economy took centre stage. Expansion of ONDC, UPI and JAM trinity continued to formalize the economy. Implementation of Gati Shakti, PLI 2.0 schemes and 'Make in India' strengthened domestic manufacturing. MSME digitization and startup ecosystem saw new growth opportunities through targeted incentives.

The country, however, was not sheltered completely from global slowdown and external shocks like oil prices and geopolitical events. This was evident from persistent food inflation and supply chain bottlenecks in agriculture and delays in private investment pick-up, despite government efforts.

India's economy in FY2025 demonstrated resilience and high growth momentum, with strong macroeconomic fundamentals, robust infrastructure investments and digital transformation at its core. While global risks persist, India enters FY2026 with a stable fiscal outlook, moderate inflation and a credible growth trajectory.

Top 10 World Economies in 2025: Percentage Change in GDP Over the Last 10 Years

Country	Percentage Change in GDP (2015–2025)
India	103.1%
China	75.8%
United States	65.8%
Canada	49.7%
Germany	43.7%
France	34.4%
Italy	33.3%
Brazil	28.2%
United Kingdom	27.4%
Japan	−1.3%

Source: IMF

Per Capita GDP at Current Prices (in ₹ Lakh)

(As per SBI Report – CAGR of 9.1% from FY14 to FY25)

Financial Year	Per Capita GDP (₹ Lakh)
FY14	0.90
FY15	0.98
FY16	1.07
FY17	1.18
FY18	1.30
FY19	1.42
FY20	1.50
FY21	1.46
FY22	1.72
FY23	1.94
FY24	2.16
FY25	2.35

Source: SBI Research

Annual GDP Estimates and Growth Rates

Year	GDP Level (Rs. Lakh Crore)	GDP Growth Rate (%)
2012-13	100.0	5.5
2013-14	108.0	6.4
2014-15	115.0	7.4
2015-16	124.0	8.0
2016-17	134.0	8.3
2017-18	145.0	6.8
2018-19	155.0	6.5
2019-20	161.0	3.9
2020-21	152.0	-5.8
2021-22	167.0	9.7
2022-23 (FRE)	179.0	7.0
2023-24 (PE)	194.0	8.2
2024-25 (FAE)	206.0	6.4

Source: The Ministry of Statistics and Programme Implementation, GOI

CPI Inflation Rate

Year	India (%)	Advanced Economies (%)	Emerging Market and Developing Economies (%)	World (%)
2021	5.5	3.1	5.8	4.7
2022	6.7	7.3	9.5	8.6
2023	5.4	4.6	8.0	6.6
2024	4.7	2.6	7.7	5.7
2025	4.2	2.5	5.5	4.3

Source: IMF

Global Infrastructure Overview

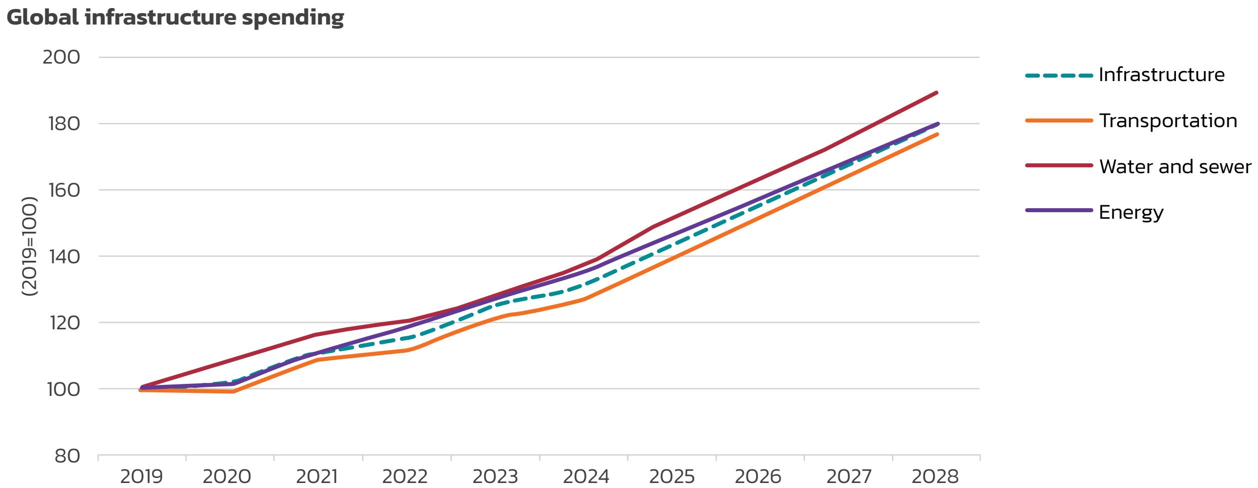
Global construction spending reached approximately USD 15.6 trillion in 2025, a 6.4%[3] year-over-year increase, with infrastructure accounting for about 33% of this total. The highest rate of business expansion was in Europe, the Middle East and Africa (EMEA). Fundraising activity in infrastructure saw a resurgence, benefiting from lower interest rates as investors sought yield. Mid-sized infrastructure projects, particularly in data centers and circular economy models, offered compelling investment opportunities amid broader market volatility. The EU's Global Gateway and the G7's Partnership for Global Infrastructure and Investment aimed to provide sustainable infrastructure alternatives to China's Belt and Road Initiative. Cities worldwide prioritized infrastructure resilience to climate shocks, integrating sustainability into urban planning to attract investment and talent. The MSCI World Infrastructure Index outperformed broader markets with a 29.4% return over the year, reflecting strong investor confidence in the sector.

Outlook

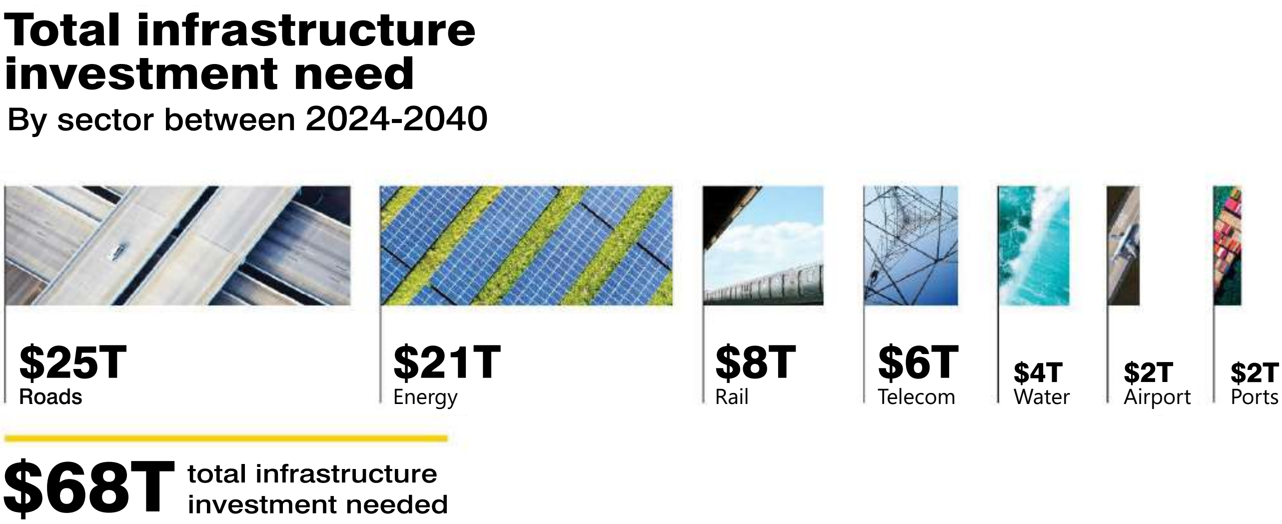
The global infrastructure sector demonstrated resilience and adaptability in FY2025, navigating economic uncertainties and geopolitical shifts. Global infrastructure funding will remain sound in FY2026. With continued emphasis on sustainable development, digital transformation and climate resilience, the sector is poised for sustained growth in the coming years.

Infrastructure construction spending is a key driver in the U.S., Europe, Australia and Canada, as well as in certain emerging markets such as India, Saudi Arabia and Singapore. Global infrastructure spending is expected to rise by about 9.4%[3] in 2025, outperforming other non-residential construction sectors. Transportation and Water and Sewer sectors will experience outsized growth and expand by about 10% in FY2026. The Infrastructure Investment and Jobs Act (IIJA) and autumn budget in the U.S., the Next Generation EU plan in the EU and AMP8 in the U.K. are the factors which are expected to drive growth.

3 Source: S&P Global



Source: S&P Global Market Intelligence data insight as of October 2024.



Source: Blackrock

Key Developments Sector Wise in India

Budget 2025-26, core to the vision of Viksit Bharat @ 2047, allocates Rs. 11.21 lakh crore for the infrastructure sector.

Sector	FY17-23 (Rs. trillion)	FY24-30 Expected (Rs. trillion)
Roads	18.3	37.3
Energy	15.5	39.1
Railways	12.4	25.6
Other Infra	11.1	15
Urban Infra	8.6	18.9
Transport	0.8	7

Source: CRISIL

Buildings And Infrastructure – Pre-Engineered Buildings (PEB)

The buildings sector in India experienced steady growth in FY2025, driven by rapid industrialisation, e-commerce warehousing, logistics hubs and infrastructure development initiatives. The increasing preference for Pre-Engineered Buildings (PEBs) due to faster construction timelines, cost-effectiveness and sustainability continues to reshape the sector.

India's PEB sector is witnessing rapid expansion, driven by rising demand for faster, cost-effective and sustainable construction solutions across industrial, commercial and infrastructure segments. According to industry research, the Indian PEB market, valued at around USD 2 billion in 2024, is projected to grow at a compounded annual growth rate of approximately 11–12 per cent through the end of this decade, with forecasts placing the market size at USD 3.9 billion by 2030 and USD 6.3 billion by 2033. The growth is supported by government-led infrastructure initiatives such as the PM Gati Shakti plan, Smart Cities Mission, industrial corridors and the continued emphasis on 'Make in India.'

Rising public-sector spending on infrastructure is poised to lift demand PEBs across airports (hangars and terminal blocks), highway toll plazas and rail yards or station components. Because these factory-fabricated systems arrive on site ready for bolt-up, they can be erected roughly 40–50 % faster than conventional construction methods, a speed advantage that also cuts steel usage and labour bills, delivering significant overall cost savings.

For Micro, Small and Medium Enterprises (MSMEs), investing in PEBs is a strategic move towards operational efficiency, financial prudence and sustainable growth. By embracing PEBs, businesses can navigate the complexities of the modern market landscape with agility and confidence, setting a foundation not just for survival but for long-term success.

For growing businesses, this model provides a rare blend of rapid deployment and long-term cost efficiency, making them the preferred choice for manufacturers, logistics firms and new-age enterprises.

The revenue growth of PEB players is constrained by optimal capacity utilisation, hence the industry is witnessing capacity addition.

The PEB market is evolving beyond niche industrial applications to become a mainstream construction solution. Growing awareness of its lifecycle cost advantages, faster construction timelines and lower environmental footprint positions PEBs as a transformative force in redefining India's building and infrastructure landscape.

Source: CRISIL, Steel Structures and Metal Buildings (SSMB)

Year	Concrete Structure (USD Bn)	Steel Structure (USD Bn)	Civil Structure (USD Bn)	Others (USD Bn)	Total Market Size (USD Bn)
2024	0.45	0.75	0.5	0.31	2.01
2025	0.5	0.85	0.55	0.4	2.3
2026	0.55	1	0.6	0.45	2.6
2027	0.6	1.1	0.65	0.55	2.9
2028	0.7	1.2	0.7	0.6	3.2
2029	0.8	1.4	0.8	0.6	3.6
2030	0.9	1.6	0.9	0.6	4
2031	1	1.8	1.05	0.65	4.5
2032	1.2	2.1	1.2	0.6	5.1
2033	1.4	2.4	1.5	1.03	6.33

Source: IMARC

Pennar's Industry-Specific Offerings

Pennar Industries is a leading player in India's Pre-Engineered Buildings (PEB) segment, providing end-to-end solutions from design and engineering to fabrication and on-site assembly. Leveraging its advanced Raebareli facility and robust engineering capabilities, Pennar delivers customized steel building solutions for industries such as warehousing, logistics, manufacturing, commercial infrastructure, and retail.

Innovative Design & Engineering: Advanced PEB designs focused on reducing construction time and overall lifecycle costs while ensuring durability and sustainability.

Manufacturing Strength: Equipped with state-of-the-art technologies like CNC machines, plasma cutting, and robotic welding, enabling precision and high-quality output.

Scalable Infrastructure: A strong order book (₹780 crore in FY2025) showcases Pennar's ability to deliver large-scale industrial, warehousing, and commercial building projects.

Pennar is actively driving the shift from traditional construction to steel-intensive PEB solutions, offering faster project delivery, cost efficiency, and minimal environmental impact. Its expertise positions it as a preferred partner for industrial and infrastructure projects across India.

Oil And Gas

FY2025 marked another pivotal year for India's oil and gas sector, a cornerstone of national energy security and economic growth. As the world's third-largest oil consumer, India's petroleum product consumption grew by 3.5% to around 200 MT in 9 months of FY 2024, with overall annual demand rising ~4.6%.

Despite domestic crude output falling to 28.7 MMT, covering only 12.3% of demand, production remains steady due to over-reliance on imports. Natural gas output reached ~35 BCM, while LNG imports swelled by approximately 12%, underscoring growth in the gas value chain.

Source: Nishith Desai Counselling

Robust growth in product demand, profitability dynamics and infrastructure build out are the upticks in this sector. India is projected to lead global oil demand growth in 2025–26, growing faster than China at ~3.4% annually, partly driven by industrial and transport sector expansion. Policy programs, including the New Exploration Licensing Policy (NELP) and Hydrocarbon Exploration Licensing Policy (HELP), promote domestic E&P while mitigating import dependencies.

India's oil and gas sector has been solidified as an essential component of economic infrastructure, despite rising import dependency. Demand surged across fuels and petrochemicals, bolstered by robust industrial and transportation activities. With strategic investments in refining, pipelines and city gas networks, along with supportive policies, the sector is set to enhance energy transition initiatives further and support economic growth in FY2026 and beyond.

Source: OPEC monthly report

Oil and Gas sector Market in India 2024 to 2033 (CAGR 5.23%)

Year	Market Size (USD Million)
2024	710.5
2025	760
2026	800
2027	860
2028	920
2029	980
2030	1050
2031	1100
2032	1170
2033	1164.4

Source: IMARC

Pennar's Industry-Specific Offerings

Pennar Industries plays a crucial role in supporting India's oil and gas infrastructure by supplying precision-engineered products, process equipment, and value-added engineering solutions. The company's expertise spans the design and manufacture of process heating equipment, precision tubes, steel structures, and specialised components used in refineries, petrochemical plants, and pipelines.

Precision Tubes & Steel Products: Supply of high-strength, corrosion-resistant tubes and profiles for critical oil and gas applications, including heat exchangers and pipeline systems.

Process Heating Solutions: Manufacture of boilers, heaters, and thermal processing equipment, which are essential for refining and petrochemical operations.

Custom Engineering Services: Value Analysis and Value Engineering (VAVE) solutions tailored for E&P (Exploration & Production), midstream, and downstream facilities to enhance operational efficiency.

Structural Steel & Fabrication: Engineering and fabrication of heavy-duty structures, storage tank components, and support frames for oilfield and refinery infrastructure.

Railways

In the fiscal year 2024–25, Indian Railways achieved significant milestones across financial performance, infrastructure development and modernisation efforts. It was another year of record-high capital outlay, best-ever freight volumes, a rebound in passenger traffic and visible progress on flagship modernisation programmes such as Vande Bharat trains, station redevelopment and the Kavach safety system.

The Union Budget allocated Rs. 2.52 lakh crores for Indian Railways, maintaining the previous year's investment level. This substantial funding underscores the government's commitment to infrastructure development and modernisation efforts.

Source: Press Information Bureau (PIB), Time of India (TOI)

The government plans to introduce additional Vande Bharat, Amrit Bharat and Namo Bharat rapid rail services over the next few years to offer faster, more comfortable and energy-efficient travel options for passengers and the deployment of advanced signalling technologies like the Kavach Automatic Train Protection system to enhance safety and operational efficiency across the network.

Significant investments were made in metro and mass rapid transit systems, with a 46.41% increase in allocation compared to the previous year, supporting urban mobility and reducing congestion.

Development of dedicated freight corridors and multimodal logistics parks aimed to increase freight capacity, reduce transit times and lower logistics costs, contributing to economic growth. Commissioning of 91 Gati Shakti multimodal cargo terminals facilitated efficient cargo handling and streamlined supply chains.

The 'Green Energy Project' is an initiative to make Indian Railways environment-friendly by focusing on renewable sources of energy.

The railway sector is witnessing strong revenue growth, driven by freight and passenger demand. Ongoing capital expansion and electrification efforts are enhancing capacity and sustainability. Technological upgrades are improving efficiency, safety, and asset reliability. This positions the sector to meet India's rising transportation and logistics needs effectively.

All the above developments underscore Indian Railways' commitment to enhancing efficiency, safety and passenger experience, aligning with broader national goals of infrastructure modernization and economic growth. Significant advancements focusing on modernization, sustainability and enhanced connectivity in this sector provide a positive outlook in the coming years.

The sector now anchors multiple national priorities, logistics efficiency, green mobility and regional connectivity, and enters FY2026 with healthy momentum, albeit tempered by execution-risk, funding pressures and the need to lift non-fare revenues.

Financial Year	Budget Allocation (Rs Crore)
2021-22	110000
2022-23	140000
2023-24	235000
2024-25	255000
2025-26	255000

Pennar's Industry-Specific Offerings

Pennar Industries is a trusted partner for Indian Railways, metro projects, and global rolling stock manufacturers, offering high-quality, precision-engineered components and sub-assemblies. With decades of expertise, Pennar supports the modernization and expansion of India's railway infrastructure by supplying products that meet stringent safety and performance standards.

Railway Coach Components: Manufacturing roof panels, side walls, underframes, and crashworthy coach structures for passenger coaches and metro trains.

Wagon Assemblies: Supply of bogie frames, cross members, and load-bearing wagon parts, designed for high durability and performance in freight transportation.

Metro Rail Systems: Providing custom steel profiles, aluminum panels, and interior fitments for metro rail projects across major cities.

Precision Tubes & Sections: Used in rail car frames, handrails, seating structures, and safety-critical parts.

Engineering Services & VAVE: Offering design-to-cost and design-to-manufacture solutions to enhance efficiency and reduce operational costs for railway clients.

Automotive Value Engineering

India's automotive engineering services market (which includes Value Engineering) is projected to grow at an unprecedented rate. This sector has emerged as a strategic differentiator, enabling OEMs and suppliers to optimise costs while enhancing performance and quality. With 7.1% of GDP and 49% of manufacturing output tied to the automotive sector, VE services have become integral to meeting global competitiveness.

Several factors like cost efficiency, export readiness, tech transition support, favourable policies and ecosystem have been lending the necessary boost to the sector. Value engineering in India now represents a core capability, supporting OEMs in transitioning toward high-precision, cost-efficient and technologically advanced mobility solutions. With the industry's shift toward EVs, digitalisation and global sourcing, the VE sector is poised to play a central role in India's aspirations to become a global automotive hub.

The auto component sector and automotive value engineering (VE) are deeply connected, with each driving the growth and innovation of the other. Auto component manufacturers rely on VE to optimize design, material usage and manufacturing processes, ensuring high-quality, cost-effective components that meet global standards. Conversely, the VE sector depends on insights from the auto component industry, including performance data, evolving technologies and regulatory requirements, to innovate and create lighter, stronger and more efficient designs. Together, both the sectors form a synergistic ecosystem that ensures competitiveness, faster time-to-market and alignment with OEM requirements.

The Government of India has urged Indian auto component manufacturers to minimize their dependence on imports and increase manufacturing within the country. He further suggested that they should ambitiously reach a USD 100 billion export target by 2030.

The auto component sector achieved a trade surplus of USD 453 million in FY2025, up from USD 300 million in FY2024, reflecting increasing export of value-added parts, many of which are outcomes of cost-and-value optimization processes. The industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by end of the year.

Source: Business Standard, IBEF

Financial Year	Number of Automobiles Produced (in million)
FY17	25.33
FY18	29.07
FY19	30.92
FY20	26.36
FY21	22.65
FY22	23.04
FY23	25.93
FY24	28.43
FY25	31.03

Source: Society of Indian Automobile Manufacturers (SIAM)

Financial Year	Industry Size (USD Billion)
FY2020	49.3
FY2021	45.9
FY2022	56.6
FY2023	69.7
FY2024	74.1
FY2025(F)	80.4

Source: ACMA, Rubix

Pennar's Industry-Specific Offerings

Pennar Industries plays a critical role in the automotive value engineering (VE) ecosystem, partnering with leading OEMs and Tier-1 suppliers to deliver cost-optimized, high-performance components and assemblies. Leveraging decades of expertise in precision engineering, materials science and design-to-cost principles, Pennar focuses on improving product efficiency, reducing weight and enhancing manufacturability while maintaining stringent quality and safety standards.

Body-in-White (BIW) Solutions: Pennar designs and manufactures structural sub-assemblies, welded components, and chassis parts that adhere to global OEM specifications.

Precision Tubes & Components: Supplies high-precision tubes for fuel lines, suspension systems, and structural reinforcements, vital for both conventional and electric vehicles.

Value Analysis and Value Engineering (VAVE): Offers design-to-cost solutions, optimizing material usage and manufacturing processes to reduce total lifecycle costs.

EV Transition Support: Works on lightweighting strategies and advanced materials to support the emerging EV and hybrid vehicle platforms.

Collaborations with Leading OEMs: Partners with leading auto giants, offering concept-to-production support.

Heavy Engineering

India's engineering industry has become the backbone of the country's industrial base, housing roughly 27% of all registered factories and attracting about 63% of foreign technical-collaboration agreements. Demand for engineering goods and services keeps climbing as marquee sectors, including infrastructure, heavy electrical equipment, machine tools, power, mining, oil & gas, refining, steel, automotive and consumer durables expand capacity at pace. The sector also supports critical segments including railways, road transport, renewables, construction and defense.

Infrastructure and construction equipment demand softened, with mining and construction machinery volumes growing 3% year-on-year, reflecting a slowdown in project awards and execution delays amidst liquidity constraints. Despite the mild slowdown, India's steel demand grew by 8%, making the country one of the few major economies with sustained steel expansion, a key raw material input for heavy engineering.

Thanks to competitive manufacturing costs, deep process knowhow and an innovationoriented talent pool, Indian firms now hold a costandcapability edge across many engineering subsegments and have seen remarkable growth in output and exports over the past few years. Closely intertwined with both manufacturing and largescale infrastructure development, the engineering sector therefore remains a strategic pillar of India's economic trajectory.

Capital goods and machine tool subsectors continued to invest in digital automation and sustainability, as outlined by the Ministry of Heavy Industries' vision for a globally competitive and tech-driven yellow goods ecosystem.

The engineering industry has been de-licensed and allows 100% Foreign Direct Investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports. Export recovery was underway: engineering goods, including steel and components, re-recorded growth in mid-2025, contributing to 27% of India's merchandise exports. Export of engineering goods is expected to reach USD 200 billion by 2030.

India's Engineering Goods Export (USD billion)

Fiscal Year	Value
FY17	65.24
FY18	76.2
FY19	80.95
FY20	75.9
FY21	76.62
FY22	111.63
FY23	107.04
FY24	109.32
FY25*	87.22

Source: IBEF

Investment in engineering R&D sector is expected to reach USD 63 billion by 2025.

Source: IBEF

The 'Make in India' initiative and the government's focus on ease of doing business is likely to present several opportunities in the engineering and capital goods sector in the upcoming years.

Pennar's Industry-Specific Offerings

Pennar Industries is a key player in India's heavy engineering ecosystem, offering end-to-end solutions that span design, fabrication, assembly, testing, and logistics. With over four decades of expertise, Pennar supports industries such as power, oil & gas, infrastructure, steel, defense, and mining by delivering high-precision, large-scale engineered products and systems.

P***rocess Equipment & Boilers***: Pennar manufactures boilers, heat exchangers, pressure vessels, and process heating equipment, essential for power plants, oil refineries, and petrochemical facilities.

Fabricated Structures & Components: Provides custom heavy fabrication services for bridges, cranes, industrial buildings, and heavy machinery.

Value Engineering & Automation: Incorporates New Product Introduction (NPI), Continuous Process Improvement (CPI), and Value Analysis/Value Engineering (VAVE) methodologies to reduce cost and improve performance.

Logistics & Turnkey Capabilities: Pennar delivers end-to-end solutions by integrating design, manufacturing, and project logistics, enabling seamless execution of complex heavy engineering projects.

Solar Energy

India has emerged as one of the world's largest solar energy markets, driven by its commitment to achieving 500 GW of non-fossil fuel-based capacity by 2030, with 280 GW planned from solar alone. With a focus on sustainability, energy security and decarbonization, the country is making rapid strides in solar power generation, driven by government initiatives, favourable policies and growing industrial and consumer demand.

India is the third-largest solar power generator, following China and the U.S. and is a key player in the International Solar Alliance (ISA).

According to the Ministry of New & Renewable Energy (MNRE), India's cleanenergy expansion stayed on a fast track in FY2025, adding a record 29.52 GW of new capacity during the year. That buildout lifted the country's cumulative installed renewable portfolio to 220.10 GW by 31 March 2025, up from 198.75 GW a year earlier. The milestone keeps India firmly on course to reach its 500 GW nonfossil target for 2030, a pillar of the Panchamrit commitments announced by Prime Minister Narendra Modi at COP 26.

Solar energy contributed the most to the year's clean energy capacity expansion, with 23.83 GW added in FY2025, a significant increase over the 15.03 GW added in the previous year. The total installed solar capacity now stands at 105.65 GW. This includes 81.01 GW from ground-mounted installations, 17.02 GW from rooftop solar, 2.87 GW from solar components of hybrid projects and 4.74 GW from off-grid systems. The growth demonstrates continued uptake of solar energy across utility-scale and distributed categories.

Source: GOI

Year	Cumulative Solar Power Capacity (GW)
2015	5
2016	9
2017	13
2018	21
2019	29
2020	36
2021	43
2022	50
2023	63
2024	79
2025	106

Programs such as PM Surya Ghar Muft Bijli Yojana (Subsidizing rooftop installations for homes), Production-Linked Incentive (PLI) Scheme for Solar Manufacturing (Boosting domestic solar manufacturing), ALMM Mandate (Ensuring quality through the Approved List of Models and Manufacturers), National Solar Mission and International Solar Alliance (ISA) (India continues to lead this global coalition promoting solar adoption) have accelerated both domestic production and installations.

Pennar's Industry-Specific Offerings

Pennar Industries plays a pivotal role in supporting India's renewable energy mission by offering engineered solar structures and component solutions for a wide range of photovoltaic (PV) applications. The Company is a trusted supplier of solar module mounting structures (MMS), purlins, C-channels and cold roll-formed sections for ground-mounted, rooftop and hybrid solar projects across India.

With its state-of-the-art manufacturing facilities and in-house design and fabrication capabilities, Pennar delivers customized, corrosion-resistant structures that ensure long-term durability and performance. The Company's offerings are optimized for ease of installation, cost efficiency and structural stability, enabling rapid deployment of solar parks and distributed generation setups.

Pennar is actively contributing to major utility-scale and rooftop solar projects, partnering with EPC contractors, solar developers and power producers. By aligning with national sustainability goals, Pennar strengthens the solar infrastructure ecosystem and contributes to the transition toward clean, renewable energy.

The Company has established a state-of-the-art 2-acre photovoltaic solar module manufacturing facility, with an annual production capacity of 250 MW. The facility produces polycrystalline, monocrystalline and bifacial solar modules ranging from 315 Wp to 400 Wp. All modules are tested and certified by TUV Rheinland, in compliance with IEC and BIS standards. The facility is ISO 9001 certified, has been successfully audited by the National Institute of Solar Energy (NISE) and is listed as an approved ALMM supplier by the Government of India.

To date, Pennar has manufactured and shipped over 200 MW of solar modules to more than 70 satisfied customers, with installations across 500+ sites. These modules have demonstrated exceptional performance and reliability, reinforcing Pennar's position as a trusted contributor to India's solar energy ecosystem.

Another step in this direction is the joint venture between Pennar Industries and Zetwerk which is a leap for Pennar into full-scale solar-module manufacturing. The JV will tansform Pennar's small solar arm into a capital-efficient growth engine while giving Zetwerk a strategic stake in India's upstream PV build-out—pairing Pennar's metallurgical depth with Zetwerk's manufacturing agility to chase a multibillion-dollar clean-energy market.

White Goods

India's rising disposable incomes and rapid technological advancements are driving strong demand for a diverse range of consumer durables. This surge is intensifying competition among numerous brands operating nationwide. Multinational companies increasingly view India as a key market poised to contribute significantly to their future growth trajectories.

The White Goods market was in the USD 13-14 billion range in FY2025 and expanding at a CAGR of 5.5%, it is expected to cross the18.1 billion mark by FY2030. Domestic manufacturing contributes nearly USD 4.6 billion on average to this industry.

Robust growth in disposable income, urbanization and home ownership and the demand for furnishing new homes with appliances, led to a 72% surge in consumer durable spending in FY2025, according to the CMS Consumption Report 2025. Expansion into Tier-2 and Tier-3 markets and rising demand for energy-efficient and smart appliances boosted adoption across rural and urban India.

In the year, the 'white goods' category (mainly air conditioners, refrigerators, washing machines, dishwashers, microwaves) remains dominant, while small appliances like air fryers and mixer grinders showed faster growth.

E-commerce and omni-channel retailing have significantly increased reach and accessibility, driving growth in appliance adoption.

With PLI schemes for electronics and domestic manufacturing incentives, global giants are expanding their India footprints. Sustained steady market growth through 2030 is expected, driven by lifestyle upgrades and technological adoption.

The sector, currently contributing 0.6% to India's GDP, aims to boost its share by 1.5 times and become the fourth-largest market by 2027 and with strong growth, it aspires to lead the global industry by 2030.

Source: IBEF, GOI

Company Overview

About Pennar

Founded in 1975, Pennar Industries Limited is one of India's leading engineering and manufacturing companies, known for its diversified product portfolio, technological expertise and customer-centric solutions. Headquartered in Hyderabad, Pennar operates 10 state-of-the-art, ISO-certified manufacturing facilities, serving a wide range of sectors including pre-engineered buildings (PEBs), process heating, oil & gas, solar, automotive, railways and heavy engineering.

The company's strategic focus on innovation, value engineering (VAVE) and sustainable manufacturing practices ensures its continued leadership across high-growth industries. With a strong order book, global presence and robust operational performance, Pennar Industries is well-positioned for scalable and sustainable growth.

Pre-Engineered Buildings (PEBs) - Build and Deliver strength of Pennar showcased by PEB.

The PEB division remains a cornerstone of the Company's growth strategy. With a robust order book of Rs. 780 crores and marquee customers such as L&T, Ultratech Cement, Dr. Reddy's Laboratories and Reliance Retail, this division continues to scale new heights. The Raebareli facility played a pivotal role in ramping up production, catering to the growing industrial and infrastructure demand across India. Expertise in customized design and execution has solidified its position as a preferred partner for leading industrial and commercial projects.

Pennar's focus on innovative engineering, customization and quality excellence has solidified its leadership in the PEB space. The company is well-positioned to leverage opportunities arising from industrial parks, warehousing expansions and commercial building projects, thereby driving sustainable growth in this segment.

Precision Tubes

The precision tubes division has maintained a strong growth trajectory, serving critical sectors such as automotive, construction equipment, general engineering and power. With state-of-the-art manufacturing technologies, including CNC machines, laser and plasma cutting systems, we are able to deliver high-quality, precision-engineered solutions. Our extensive product portfolio of over 1,000 variants ensures a steady revenue stream and mitigates market fluctuations.

Process Heating

Pennar's process heating solutions have seen increasing adoption, particularly in sectors such as renewable energy, oil and gas, and power generation. Through engineering excellence, we have enhanced product efficiency, safety and energy optimization, which has positioned us as a trusted solutions provider in this high-growth sector.

Hydraulics

The hydraulics business has demonstrated robust performance, driven by demand in industries such as automotive, heavy machinery, and material handling. Our advanced hydraulic cylinders and systems are designed for durability and precision, meeting international standards of performance. The continued focus on R&D and customized solutions has allowed us to expand into new segments and markets.

Heavy Engineering

Pennar Industries continues to strengthen its footprint in the engineering services sector, leveraging its decades of experience, domain knowledge and robust manufacturing capabilities. With a focus on value engineering, design innovation and cost optimization, Pennar has evolved into a trusted solutions provider for clients across sectors such as automotive, railways, infrastructure, process engineering and heavy machinery.

The company offers a wide array of engineering services ranging from product design, prototyping, simulation and tooling to digital engineering and manufacturing support. These services are driven by a blend of technical expertise and a deep understanding of industry-specific requirements, enabling customers to reduce lead time, improve efficiency and enhance product performance.

By integrating its engineering services with its product offerings, Pennar is reinforcing its position as a holistic industrial partner, driving innovation and operational excellence for its customers in India and overseas.

Business Review – Performance Highlights Summary

(Rs. Cr.)

Division	FY2025 Revenue	FY2024 Revenue	% Change
Steel Products and Profiles	738.03	670.37	10.09%
Railways& Assembly sub parts	187.63	183.86	2.05%
Industrial Components	277.41	258.51	7.31%
Precision Tubes	303.84	317.58	(4.33%)
Boilers	108.55	82.20	32.06%
BIW	191.45	145.00	32.03%

Operational and Financial Overview

Net Revenue: The Company has reported a Net Revenue of Rs. 3226.58 crores during the year 2024-25 as against Rs. 3130.57 crores in the previous year, resulting in an increase of 3.07%.

Other Income: Other income comprises of gain on sale of mutual funds, Interest on Bank Margin Money deposits, interest on income tax refund, Profit on Sale of Property, Plant and Equipment, Investment Property(net) and miscellaneous income. The other income of the company for the year is Rs.36.69 crores as against Rs.40.31 crores of the previous year.

Finance cost: The Finance cost during the year has increased to Rs. 119.6 crores from Rs. 115.36 crores of the previous year.

Depreciation: The Company's depreciation for the year has increased from Rs. 66.5 crores to Rs. 68.89 crores.

Tax Expense: The tax expense of the company for the year 2024-25 is Rs. 38.95 crores as against Rs. 33.07 crores of previous year.

EBITDA: The Company has reported an EBITDA of Rs. 346.89 crores as against Rs. 313.28 crores in the previous year.

Profit after Tax: The Company has reported a Profit after Tax of Rs. 119.45 crores as against Rs. 98.35 crores in the previous year and reported a growth of 21.45%. The Increase is mainly due to increase in volume of operations.

Equity & Liabilities:

Net worth: The Company's net worth changed from Rs. 877.47 crores to Rs. 999.60 crores.

Borrowings (Long-Term & Short-Term): During the year under review, the borrowings changed by Rs. 775.12 crores from Rs. 733.95 crores.

Assets:

Property, Plant & Equipment (PPE): The Company's PPE (Net block plus Capital WIP) increased by Rs. 60.25 crores (net) in 2024-25 from Rs. 825.96 crores to Rs. 886.21 crores. The increase in PPE is mainly for new projects received during the year 2024-25.

Investments: The investments increased by 268% from Rs. 2.86 crores to Rs. 10.53 crores during the year 2024-25.

Inventories: The Company's inventories stand at Rs. 935.33 crores as against Rs. 825.17 crores of the previous year.

Trade Receivables (Current & Non-Current): The Company's trade receivables increased by Rs. 69.16 crores in 2024-25 from Rs. 511.63 crores to Rs. 580.79 crores.

Cash Flow: During the year, the Company reported Net cash inflows from operating activities of Rs. 255.98 crores as against Rs. 224.72 crores, Net cash used in investing activities Rs. 104.97 crores as against Rs. 256.75 crores and Net cash used in financing activities Rs.100.39 crores as against Rs. 22.3 crores in the previous year.

Key Financial Ratios

	FY 2024	FY 2025	% Change
Current Ratio	1.04	1.14	9%
Debt Equity Ratio	0.84	0.78	7%
Return on Capital employed(ROCE)	7.31%	7.42%	2%
Inventory Turnover Ratio	4.09	3.67	(10%)
Trade receivable turnover ratio	6.12	5.56	(9%)
Operating Profit Margin	9.88%	10.63%	8%
Net Profit Margin	3.10%	3.66%	18%
Return on Net Worth	11.87%	12.73%	7.18%

Internal Control System

The Company has adequate system of Internal Controls to help Management review the effectiveness of the Financial and Operating Controls and assurance about adherence to Company's laid down Systems and Procedures. As per the provisions of the Companies Act, 2013, Internal Controls and documentation are in place for all activities. Both Internal Auditors and Statutory Auditors have verified the Internal Financial Controls (IFC) at entity level and operations level and satisfied about control design and operating effectiveness. The evaluation included documentation review, inquiry, inspection, testing and other procedures. The controls are reviewed at regular intervals to ensure that transactions are properly authorized, correctly reported and assets are safeguarded. The Audit Committee periodically reviews the findings and recommendations of the Auditors and takes corrective action as deemed necessary. The Company is adopting digital solutions on an ongoing basis to further strengthen the internal control mechanism commensurate with the Company's growth.

Risks and Concerns

The Company has an integrated and structured Enterprise Risk Management process to manage risks with the ultimate objective of maximising stakeholders' value.

The risk management system at the Company has the following key features:

- Risk Management Committee review
- Appropriate policies, procedures and limits
- Comprehensive and timely identification, measurement, mitigation, control, monitoring and reporting of risks
- Appropriate Management Information Systems (MIS) at the business level
- Comprehensive internal controls as required for business operations and governing laws and regulations

Some of the key risks that the Company faces, along with their mitigation strategies adopted, are listed below:

Political Risks: The Company has operations in multiple locations in multiple states and is consequently subject to various geopolitical risks. Appropriate mitigation strategies are in place to address the same.

Competition Risks: There has been an increase in the number of operators in the niche segment in which the Company operates. However, the Company's competitive advantage is derived from an experienced workforce, quality and timely delivery, strong track record, technical expertise, financial strength, brand equity and regular engagement with Clients and representatives.

Operational Risks: To suit the project requirements, due care is exercised in the selection of sub-contractors, vendors, key technical and non-technical employees, insurance coverages, financial tie-ups, timely obtaining of Right of Way and designs and drawings. Identification of associated risks and initiation of mitigation measures are helping the Company to address the operational risks.

Market Risks: Securing orders is always a big challenge for engineering companies and the same depends upon potential in various States and Departments. In order to mitigate the market risks and to ensure continuous order booking, the Company is operating in multiple segments. The Company strategically participates in bids using its multi-segmental experiences.

Working Capital Risks: Project delays, cost overruns and consequent delays in receipt of payments from the clients lead to an increase in working capital requirement. There is a process of close monitoring and follow-up with the clients for timely approvals and payments for better working capital management.

Contract & Claims: In the competitive environment, to address the foreseeable litigations and claims, the Company maintains a robust documentation and follow up mechanism with clients, sub-contractors and vendors to address related claims and disputes. To mitigate the possible risks due to the differences and disputes with the clients, sub-contractors and vendors, the Company uses its in-house capabilities in handling contracts & claims.

Cyber Security Risks: With increasing use of IT in business areas and as systems get interconnected, cyber security becomes an important challenge for the organization in order to protect its information and systems, so as to maintain confidentiality, data integrity and to prevent loss of data. The Company has implemented a cyber-security framework to identify, detect and prevent such risks. The Company has been focusing on systematic communication of possible cyber risks and the remedial measures to be followed through awareness programs for all the employees concerned.

Talent Risks: The large volume of projects by both the Central and State Governments of India has increased the demand for key skill sets and as such, talent risks are likely to persist. Through continuous trainings, institution of rewards and recognition, the Company is able to attract and retain the talent pool.

Financial Risks: Financial risk management is governed by the Risk Management Framework and Policy approved by the Company under the guidance of the Board.

To mitigate financial risks, we maintain robust budgeting and forecasting processes, rigorous project cost tracking and diversify both our client & supplier base to reduce exposure to market volatility. Regular financial scenario planning and risk assessments also help ensure stability and informed decision-making across all operations.

Supply Chain Risks: These risks may arise due to the volatile geo-political environment and in the long-term, persistence of these challenges may result in adverse outcomes. The Company has long-term tie ups with the suppliers and strategic arrangements for uninterrupted supplies.

Climate Change: Climate change increases the impact and likelihood of some physical risks, which could lead to execution disruption and losses. Some of the major challenges are:

a. Heavy and unforeseen rains pose a significant risk to project schedules

b. Climate change poses an additional burden in terms of higher contingencies and insurance costs

c. Availability of adequate water due to changing rainfall patterns

To mitigate such risks, we conduct assessments both at the bidding stage and also during the project execution. Other proactive measures include participating in tenders for projects with green energy choices, rescheduling work-rest cycle taking into account extreme weather patterns, and enhancing site drainage and safety protocols.

SWOT Analysis

Pennar's diversified vertical set, certifications and recent capacity additions give it strong defensive moats and multiple growth levers. Continued integration of systems and accelerated green-energy adoption will be pivotal to convert these structural strengths and market opportunities into sustained value, while cushioning the firm against commodity-price shocks, global competition and tighter ESG scrutiny.

The SWOT analysis below captures Pennar's competitive posture as it gears up for its next growth cycle.

Strengths	Weaknesses
Brand positioning leading engineering service provider for 40+ years	**Capital-intensive verticals** – buildings and boilers require continuous capex (debottlenecking, new lines)
Diversified, capacity-rich portfolio – spanning PEB/structural steel, precision tubes, hydraulics, boilers and engineering services summing to more than 1000 products	**High cost in replacement** – replacing the experienced personnel and established expertise
Robust order visibility – with PEBS Pennar's domestic backlog Rs. 750 cr	**Moderate scale vs. Tier-1 global peers** – limited bargaining power in bulk steel and logistics contracts
Integrated value chain & certifications like ISO 9001/14001/45001, ISO 3834-2 & EN 15085-2 welding, IATF 16949, AS 9100	**Margin sensitivity to steel prices** – raw material swings can have an impact; India's steel sector faces import-price pressure and cost volatility
International presence & cross-sell potential – with customers spread across 25+ cities, thus increasing international visibility	**Long supply chain**
Enormous brand equity – Because of its quality, it is one of the most trusted and famous brands not only in India but also globally	Sustainability score – quite high due to heavy use of natural resources

Strengths	Weaknesses
Government Support – immense support and recognition received through various awards from the Government of India	
Sustainable innovation – focus on providing sustainable innovations and commitment to sustainability	
Strategic tie ups – Acquisitions and Joint Ventures help in expanding product offering	
Opportunities	**Threats**
Booming Indian PEB market	**Competitive intensity** – severe from both local and foreign players
Export diversification – helps expand market share globally	Input-cost & FX volatility – use of resources which are limited increases the cost
Rapid economic expansion – in India and few sectors globally	Cheap steel imports / dumping
Accelerated technological innovations & advances – Rapid technical advancements are increasing industry productivity	Talent shortages in automation
Local Collaboration – Tie ups with companies could help achieve economies of scale	**Governmental regulations** – stricter laws for engineering industries to maintain their control over the consumption of natural resources.
Government support – seeking more government contracts would open new revenue streams	

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 49th Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended 31st March, 2025.

Financial Results:

The Company's financial performance, for the year ended 31st March, 2025 is summarized below:

Amount in Rs. Lakhs

Particulars	Consolidated		Standalone	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	3,22,658	3,13,057	2,57,817	2,45,773
Operating profit (PBIDT)	34,689	31,328	29,400	24,990
Profit before tax (PBT)	15,840	13,142	12,134	7,978
Income Tax and Deferred Tax	3,895	3,307	2,954	2,051
Profit after tax (PAT)	11,945	9,835	9,180	5,927
Other Comprehensive income/(Loss)	267	14	-248	-215
Total Comprehensive income for the year	12,212	9,849	8,932	5,712
Net profit attributable to Owners of the company	12,194	9,848	8,932	5,712
Profit brought forward from previous year	70,647	60,813	62,423	56,496
Surplus available for appropriation	82,574	70,647	71,603	62,423
Balance of profit carried to Balance Sheet	82,574	70,647	71,603	62,423

Result of Operations and the state of Company's affairs:

Your company has generated a consolidated net revenue of Rs. 3,22,658 Lakhs, EBITDA at Rs. 34,689 Lakhs, PAT at Rs. 11,945 Lakhs for the financial year 2024-25.

Consolidated Financial Statement:

The Consolidated Financial Statements of the Company, its subsidiaries prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies. The Financial Statements as stated above are also available on the website of the Company and can be accessed at the website viz., www.pennarindia.com.

Subsidiaries':

The following are five subsidiaries of the company as on 31st March, 2025.

a. Pennar Global, Inc. USA

b. Pennar GmbH, Germany

c. Enertech Pennar Defense and Engineering Systems Private Limited

d. Pennar Metals Private Limited

e. Pennar FZCO, Dubai

The performance of the subsidiaries is as hereunder:

(a) Pennar Global INC, USA

Pennar Global Inc. is in the business of providing engineering services and marketing Pennar Products across the United States of America. The company has recorded a consolidated net revenue of 81.86 Million USD for the financial year 2024-25.

(b) Pennar Gmbh

Pennar Gmbh is in the business of providing engineering services to our European clients. The company has recorded a net revenue of 2.21 million Euros for the financial year 2024-25.

(c) Enertech Pennar Defense and Engineering Systems Private Limited

Enertech Pennar Defence and Engineering Systems Private Limited has recorded a net revenue of Rs. 14.17 crores for the financial year 2024-25.

(d) Pennar Metals Private Limited

Pennar Metals Private Limited has recorded a net revenue of Rs. 1.08 crores for the financial year 2024-25.

(e) Pennar FZCO

Pennar FZCO, a wholly owned subsidiary, was incorporated on 15th November 2024. The subsidiary is currently in the process of establishing its operations and has not commenced business activities as of the reporting date.

The financial position of each of the subsidiaries, as per the Companies Act, 2013 is annexed. The Policy for determining material subsidiaries may be accessed on the Company's website at the link: https://www.pennarindia.com/policy-determining-material.php. The information on subsidiaries pursuant to Section 129(3) of the Act read with rule 5 of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure - A in Form AOC - 1.

Step down subsidiaries:

The following are six step-down subsidiaries of the company as on 31st March, 2025.

a. Pennar Global Metals, LLC
b. Ascent Buildings, LLC
c. Cadnum SARL
d. Pennar Global Investments, LLC
e. Pennar Americas Engineering, LLC
f. Pennar Americas Hydraulics, LLC

Joint Venture:

During the year the company formed a joint venture company viz., ZAP91 Solar India Private Limited.

Material Changes and Commitments if any affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the Company.

Dividend, Fixed Deposits and General Reserves:

The company has been investing in new capital to expand its product profile and increase the markets. This has already shown results by achieving highest sales and EBIDTA. Most of these activities are planned through internal sources. Therefore, your Directors are not recommending dividend on equity shares. Your Company has not accepted any fixed deposits and no amount has been carried to General Reserves during the year.

Share Capital:

Your company share capital as on 31st March, 2025 is Rs. 6,747.31 lakhs (13,49,46,231 equity shares of Rs. 5 each).

Particulars of Loans given, Investments made, Guarantees given and Securities provided:

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement.

Internal Financial Controls:

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

Contract and Arrangement with Related Parties:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had entered into contract / arrangement / transaction with material related party which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: https://www.pennarindia.com/policy-related-party-transactions.php

The Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are annexed herewith as Annexure - B in Form AOC-2.

Change in the nature of business, if any:

There is no material change in the nature of business affecting the financial position of the Company for the year ended 31st March, 2025.

Credit Rating:

CARE has reaffirmed the 'CARE A' Stable (Single A; Outlook: Stable) with rating assigned to long term bank facilities. Further, CARE has reaffirmed the 'CARE A1' (A One) rating to short term bank facilities of the Company.

Cash profit:

Your company has undertaken a number of steps to maintain strong liquidity levels. The consolidated cash profit is at Rs. 188.34 Crores. Your company continues to focus on generating strong cash flows to meet its future growth plans and is comfortable with its current liquidity positions.

Board of Directors and Key Managerial Personnel:

None of the Directors of the company are disqualified under the provisions of the Act or under the Listing Regulations.

Mr. Aditya Rao who retire by rotation and being eligible offer himself for re-appointment. Your Board recommends his appointment. Pursuant to the provisions of Listing Regulations, brief particulars of the Directors who are proposed to be appointed/re-appointed are provided as an annexure to the notice convening the Annual General Meeting.

The Company has received declarations from all the

Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which includes criteria for performance evaluation of the Non-Executive Directors and Executive Directors. The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: https://www.pennarindia.com/policy-familiarization-programme.php

Meetings of the Board:

Five meetings of the Board of Directors were held during the year. For further details, please refer the same in Corporate Governance report in this Annual Report.

Directors Responsibility Statement:

In terms of Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors state that:

a) in the preparation of the annual accounts for the year ended 31st March, 2025, the applicable accounting standards have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2025 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Corporate Governance:

The Company is committed to maintain the highest standard of corporate governance and adhere to the corporate governance requirements set out by Securities Exchange Board of India. The Report on corporate governance as stipulated under the Listing Regulations is annexed herewith as Annexure - C. The requisite certificate from a firm of Chartered Accountants confirming compliance with the conditions of corporate governance is annexed herewith as Annexure - D.

Corporate Social Responsibility (CSR):

Pursuant to the provisions of Section 135 and Schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors had framed the policy on Corporate Social Responsibility. The same is hosted on the website of the Company viz., https://www.pennarindia.com/csr-policy.php. The Company has a CSR Committee to monitor adherence to Corporate Social Responsibility Policy and to track transactions related to CSR activities etc. A detailed report on the CSR activities inter- alia disclosing the composition of CSR Committee and CSR activities is attached as Annexure - E to this Report.

Nomination and Remuneration Policy:

The Nomination and Remuneration Committee of the Company identifies the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board for their appointment and removal. The Committee also carries out evaluation of every Director's performance. The Committee has formulated the criteria for determining qualifications, attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Risk Management:

Pursuant to section 134 (3) (n) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the company has formulated a policy on risk management and constituted a Risk Management Committee which lays down various risk mitigating practices that your Company is required to implement in the Company. At present, the company has not identified any element of risk which may threaten the existence of the company. The risk management policy is hosted on the website of the Company viz., https://www.pennarindia.com/risk-management-policy.php

Statutory Auditors:

M/s. M S K A & Associates, Chartered Accountants (Firm Registration No. 105047W) were appointed as the Statutory Auditors of the Company to hold office for a term of five consecutive years from the conclusion of the Annual General meeting held in the year 2022 till the conclusion of the Annual General Meeting to be held in the year 2027. The Auditors' Report is unmodified i.e. it does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditors:

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit)

Rules, 2014, the Company is required to maintain the cost records in respect of its business and accordingly such accounts and records are made and maintained.

The Board has appointed M/s. Kandikonda & Associates., Cost Accountants, Hyderabad as the Cost Auditors of the Company for auditing the cost accounting records maintained by the Company in respect of the applicable products for the financial year 2025-26. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for the financial year 2025-26 forms part of the Notice for the ensuing Annual General Meeting, which the Board recommends for the shareholders' approval.

Secretarial Auditor:

The Board has appointed Mr. Subhash Kishan Kandrapu, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2024-25. The Secretarial Audit Report for the financial year ended 31st March, 2025 is annexed herewith as Annexure - F. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Audit Committee:

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of annual report.

Vigil Mechanism/Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: https://www.pennarindia.com/vigil-mechanism.php and https://www.pennarindia.com/whistle-blower-policy.php.

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is annexed herewith as Annexure - G.

Extract of Annual Return:

Extract of Annual Return of the Company is annexed herewith as Annexure - H.

Secretarial Standards:

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

Particulars of Employees and related disclosures:

The information required under section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure - I.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment of women at workplace and has adopted a Policy for prevention, prohibition and redressal of sexual harassment at workplace, in terms of provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder and constituted Internal Complaint Committee (ICC) for safe working environment where all employees treat each other with courtesy, dignity and respect, irrespective of their gender, race, caste, creed, religion, place of origin, sexual orientation, disability, economic status or position in the hierarchy.

The following is the summary of sexual harassment complaints received and disposed off during the year:

i) No. of complaints received : nil

ii) No. of complaints disposed off: nil

Insolvency & Bankruptcy Code, 2016

The Company has not made any application and nor any proceedings are pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year.

Loan Settlement

The Company has not done any one-time settlement with any of the Banks or Financial Institution during the period under review.

Listing of Equity Shares:

The Company's equity shares are listed at the Bombay Stock Exchange Limited, National Stock Exchange of India Limited.

Dematerialisation of Shares:

99.54% of the company's paid-up equity share capital is in dematerialized form as on 31st March, 2025 and balance 0.46% is in physical form.

Managing Director's Declaration:

Pursuant to the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a declaration by the Vice-Chairman and Managing Director of the company declaring that all the members of the board and the senior management personnel of the company have affirmed compliance with the Code of Conduct of the company is annexed herewith as Annexure - J. The CFO certification to the board pursuant to Regulation 15 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith Annexure - K.

Personnel / Industrial Relations:

The Company maintained cordial and harmonious relations at all levels at the offices and plants of the Company and its subsidiaries throughout the year under review.

The details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future:

In terms of sub rule 5(vii) of Rule 8 of Companies (Accounts) Rules, 2014, there are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Reporting of frauds by auditors:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the *Board's report*.

Statement of deviation(s) or variation(s) in the use of proceeds:

Pursuant to Regulation 32(1)(b) of SEBI (LODR) Regulations, this is to state that this Regulation is not applicable to the Company since the Company has not made public issue, rights issue or preferential issue during the year under review and accordingly there are no deviations or variations in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable.

Insurance:

All properties and insurable interests of the Company including buildings, plant and machinery and stocks have been fully insured.

Management Discussion and Analysis:

The "Management Discussion and Analysis Report" highlighting the industry structure and developments, opportunities and threats, future outlook, risks and concerns etc. is furnished separately and forms part of this Board's Report.

Business Responsibility and Sustainability Report (BRSR):

The Listing Regulations mandate the inclusion of the BRSR as part of the Annual Report for top 1000 listed entities based on market capitalization. In accordance with the Listing Regulations, we have integrated BRSR disclosures into our Annual Report.

Dividend Distribution Policy:

The web link of the Dividend Distribution Policy has been provided below for the perusal of the shareholders. https://www.pennarindia.com/dividend-distribution-policy.php

Appreciation:

Your directors take this opportunity to express their appreciation for the co-operation to all the suppliers and customers who have been associated with the Company as partners. The Directors would also like to take this opportunity to thank the financial institutions, banks, regulatory and government authorities as well as the shareholders for their continued co-operation and support. The Directors also wish to place on record their appreciation of the devoted and dedicated services rendered by all employees of the Company. We look forward to further support.

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

RVS Ramakrishna
Chairman-Non-Executive
Independent Director
DIN No: 00009421

Place : Hyderabad
Date : 13.08.2025

Annexure - A

Form No. AOC - 1

(Pursuant to the first provision to sub-section 3 of Section 129, read with Rule 5 of Companies (Accounts) Rules, 2014); Salient Features of Financial Statements of Subsidiary/associate companies/joint ventures as per Companies Act, 2013

Part "A": Subsidiaries

1.	Name of Subsidiary	Pennar Global Inc Consol *	Pennar GmbH Consol *	Pennar FZCO	Enertech Pennar Defense and Engineering Systems Private Limited	Pennar Metals Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable				
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD (in Lakhs)**	Euro (in Lakhs)**	AED (in Lakhs)**	Indian Rupees (in Lakhs)	Indian Rupees (in Lakhs)
4.	Share Capital	0.04	23	2.00	1	1
5.	Reserves & Surplus	20,638	-63	0	234	0.41
6.	Total Assets	38,250	2,997	280	1,330	127.90
7.	Total Liabilities	17,612	3,037	277	1,095	126.49
8.	Investments	Nil	Nil	Nil	Nil	Nil
9.	Turnover	69,226	2,007	Nil	1,417	109
10.	Profit Before Taxation	3,933	-220	-0.07	48	0.07
11.	Provision for Taxation	976	-47	-	12	0.02
12.	Profit after Taxation	2,957	-173	Nil	36	0.05
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14.	% of Shareholding	100%	100%	100%	51%	100%

*	Pennar Global includes step down subsidiary Pennar Global Metals and Ascent Buildings LLC, Pennar Global Investments LLC, Pennar Americas Hydraulics LLC, Pennar Americas Engineering LLC.
*	Pennar GMBH includes step down subsidiary Cadnum SARL.
**	Pennar Global Inc . is a USA based foreign subsidiary and its local currency is USD.
**	Exchange rate 84.57 INR/USD for profit and loss account and 85.58 INR/USD for Balance sheet items.
**	Pennar GMBH is a Germany based foreign subsidiary and its local currency is EURO.
**	Exchange rate 90.76 INR/EURO for profit and loss account transactions and 92.32 INR/EURO for Balance sheet items.
**	Pennar FZCO is a Dubai based foreign subsidiary and its local currency is AED.
**	Exchange rate 23.26 INR/AED for profit and loss account and 23.26 INR/AED for Balance sheet items.

Additional Information:

1.	Names of subsidiaries which are yet to commence operations	Pennar FZCO, wholly owned subsidiary
2.	Names of subsidiaries which have been liquidated or sold during the year.	Nil
3.	Names of subsidiaries which have been dissolved during the year.	Nil

Part "B": Associates/Joint Ventures

Indian Rupees (in Lakhs)

1.	Name of Associates/Joint Ventures	ZAP91 Solar India Private Limited
2.	Latest audited Balance Sheet Date	31-03-2025
3.	Shares of Associate/Joint Ventures held by the company on the year end	45% 64,40,400 Equity shares of Rs. 10/- each, fully paid up
4.	Amount of Investment in Associates/Joint Venture	644.04
5.	Extend of Holding %	45%
6.	Description of how there is significant influence	Through 45% of shareholding
7.	Reason why the associate/joint venture is not consolidated	Nil
8.	Networth attributable to Shareholding as per latest audited balance sheet	130.764
9.	Profit/Loss for the year	
	i. Considered in Consolidation	-55.00
	ii. Not Considered in Consolidation	-68.5

Additional Information:

1.	Names of associates or joint ventures which are yet to commence operations	Joint Venture Company viz., ZAP91 Solar India Private Limited yet to Commence its Operations
2.	Names of associates or joint ventures which have been liquidated or sold during the year	Nil

for **Pennar Industries Limited**

Mirza Mohammed Ali Baig	**Shrikant Bhakkad**	**Aditya Rao**	**K Lavanya Kumar Rao**
Company Secretary	Chief Financial Officer	Vice-Chairman & Managing Director	Whole-time Director
ACS 29058		DIN 01307343	DIN 01710629

Annexure - B

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: M/s. Pennar Industries Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2024-25.

a.	Name(s) of the related party and nature of relationship	Not Applicable
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts / arrangements/ transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

a.	Name(s) of the related party and nature of relationship	The Name(s) of the related party and nature of relationship are mentioned in Note No. 35- Standalone financial statements.
b.	Nature of contracts/arrangements/transactions	The details of transactions are mentioned in Note No. 35- Standalone financial statements.
c.	Duration of the contracts / arrangements/ transactions	April 2024 to March 2025
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	The contract was entered into in the ordinary course of business and on arm's length basis. (for details of transactions during the year refer Note No. 35 to the Standalone financial statements).
e.	Date(s) of approval by the Board	22.05.2024, 12.08.2024, 12.11.2024, 12.12.2024 and 14.02.2025
f.	Amount paid as advances, if any	Refer Note No. 35 - Standalone financial statements

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

Place : Hyderabad Date : 13.08.2025	**Aditya Rao** Vice-Chairman and Managing Director DIN No. 01307343	**K Lavanya Kumar Rao** Whole-time Director DIN No. 01710629

Annexure - C

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) your Directors present below a detailed Compliance Report on Corporate Governance.

At Pennar Industries Limited (PIL), Corporate Governance is all about maintaining a valuable relationship and trust with all stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximising stakeholders' value, be it shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

1. Company's philosophy on Code of Corporate Governance:

The Company continues to adhere to the good corporate practices established by it, in all its business activities. The Company aims at achieving transparency, accountability and equity, in its operations, interactions with stakeholders, including shareholders, lenders and the Government through good governance and best business practices. The Company will continue to focus on maximizing its stakeholders' wealth, adopt best business practices and ensure fairness, transparency and ethical governance in its affairs. The Company adopts a Code of Conduct for its employees including the Board of Directors, Insider Trading Policy and Whistle Blower Policy to ensure compliances and fairness in all its operations and dealings. The Code of Conduct is available on the Company's website at https://www.pennarindia.com/. The Company is in compliance of requirements of Corporate Governance guidelines stipulated in the Listing Agreement entered with the Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

2. Appropriate Governance Structure with defined roles and responsibilities:

The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established six committees to discharge its responsibilities in an effective manner. The Executive Director, Non-Executive Independent Chairman and Vice-Chairman & Managing Director provide overall direction and guidance to the Board. Concurrently, the Vice-Chairman and Managing Director and Executive Director are responsible for overall implementation.

3. Board of Directors:

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive and Independent Directors who have an in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of the Company comprises eight Directors that includes one women Director. None of the Directors on the Board is Member of more than ten Committees or Chairman of more than five Committees (only Audit committee and Stakeholders' Relationship Committee) across all the public companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2025, have been made by the Directors. The Independent Directors have given declarations to the Company about their independence to enable the Board for determining its composition as envisaged in Regulation 17 of the Listing Regulations and further confirming compliance as per Section 149 of the Companies Act, 2013 read with the Rules made thereunder.

The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions.

Core Skills / Expertise / Competencies available with the Board

The Board comprises of qualified Members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- Leadership/ Operations
- Business Management/ Strategic Planning
- Sales & Marketing
- Industry Experience, Technical, Research & Development and Innovation
- Global Business Development
- Finance Management
- Law and Governance
- Human Resource Management
- Corporate Governance, Compliance & Risk Management

While all the Board members possess the skills identified, their area of core expertise is given below:

Sl. No.	Name of the Director	Area of Expertise
1.	Mr. Ravi Venkata Siva Ramakrishna	• Leadership/Operations • Business Management/ Strategic Planning • Sales & Marketing • Industry Experience, Technical, Research & Development and Innovation • Global Business Development • Corporate Governance, Compliance & Risk Management
2.	Mr. Aditya Rao	• Strategic Planning • International Business Development • Finance Management • Legal and Compliance • Organization Structuring • Risk Management
3.	Mr. K Lavanya Kumar Rao	• Leadership/Operations • Law and Governance • Human Resource Management • Industry Experience
4.	Mr. P V Rao	• Sales & Marketing • Industry Experience, Technical, Research & Development and Innovation • Global Business Development • Finance Management • Leadership/Operations
5.	Mr. Eric James Brown	• Leadership/ Operations • Business Management/ Strategic Planning • Sales & Marketing • Industry Experience, Technical, Research & Development and Innovation • Global Business Development • Finance Management • Risk Management
6.	Mr. Chandrasekhar Sripada	• Leadership/ Operations • Business Management/ Strategic Planning • Industry Experience, Technical, Research & Development and Innovation • Global Business Development • Human Resource Management • Corporate Governance, Compliance & Risk Management
7.	Ms. Virginia Sharma	• Business Strategy, Brand Building and Leadership • Sales and Marketing • Strategic Planning • Global Business Development • Industry Knowledge • Research and Innovation
8.	Mr. V S Parthasarathy	• Business Strategy, Brand Building and Leadership • Law and Governance • Strategic Planning • Financial Management • Corporate Governance, Compliance & Risk Management • Global Business Development Leadership

(a) Composition and Category of Directors as of 31st March, 2025 is as follows:

Category	No. of Directors	%
Executive Directors	2	25
Non-Executive Non-Independent Directors	2	25
Non-Executive Independent Directors	4	50
Total	**8**	**100**

(b) Number of Board meetings held during the financial year and the dates of the Board meetings:

The Board of Directors duly met 5 times during the financial year from 1st April, 2024 to 31st March, 2025. The dates on which the meetings were held are as follows: 22nd May, 2024, 12th August, 2024, 12th November, 2024, 12th December, 2024 and 14th February, 2025.

(c) Attendance of each Director at Board meetings and the last Annual General Meeting:

Sl. No.	Name of the Director	Category of Directorship	Number of Board meeting held during his/her Directorship	Number of Board meetings attended	Attendance at the last AGM held on 28th September, 2024
1.	Mr. Ravi Venkata Siva Ramakrishna	Chairman-Non-Executive Independent Director	5	5	Yes
2.	Mr. Aditya Rao	Vice-Chairman and Managing Director	5	5	Yes
3.	Mr. K Lavanya Kumar Rao	Whole-time Director	5	4	Yes
4.	Mr. V S Parthasarathy	Independent Non-Executive Director	5	4	Yes
5.	Mr. Chandrasekhar Sripada	Independent Non-Executive Director	5	4	Yes
6.	Ms. Virginia Sharma	Independent Non-Executive Director	5	5	No
7.	Mr. P V Rao	Non-Executive Director	5	5	No
8.	Mr. Eric James Brown	Non-Executive Director	5	5	No

Note: None of the Directors are related to any other Director.

(d) Number of other Boards/Board Committees each Director (being a Director of the Company as at the end of the financial year) is a Director/Chairman:

Sl. No.	Name of the Director	Number of Directorships in other Public Companies		Number of Committee memberships held in other Public Companies		Directorship in other Listed entities	Category of Directorship
		Chairman	Director	Chairman	Member		
1.	Mr. Ravi Venkata Siva Ramakrishna	-	-	-	-	-	-
2.	Mr. Aditya Rao	-	2	-	-	-	-
3.	Mr. P V Rao	-	-	-	-	-	-
4.	Mr. K Lavanya Kumar Rao	-	-	-	-	-	-
5.	Mr. Eric James Brown	-	-	-	-	-	-
6.	Mr. Chandrasekhar Sripada	-	-	-	-	-	-
7.	Ms. Virginia Sharma	-	-	-	-	-	-
8.	Mr. V S Parthasarathy	5	-	2	2	a. NIIT Learning systems limited b. Life Insurance Corporation of India	Independent Director

For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Mr. Subhash Kishan Kandrapu, Company Secretary in practice has certified that none of the directors on the board of the company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority. The certificate is given as Annexure - L.

(e) CEO and CFO Certification:

A Compliance Certificate, pursuant to the provisions of Regulation 17(8) of the Listing Regulations read with Part B of Schedule II thereunder, duly signed by the Vice-Chairman and Managing Director and Mr. Shrikant Bhakkad, Chief Financial Officer of the Company in respect of the financial year ended 31st March, 2025 was taken on record by the Board of Directors of the Company.

4. Independent Directors:

The Company has complied with the definition of Independence as per the Clauses of the Listing Regulations and according to the Provisions of Section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

(a) Training of Independent Directors:

Whenever new Non-executive and Independent Directors are inducted in the Board, they are introduced to our Company's culture through appropriate orientation session and they are also introduced to our organization structure, our business, constitution, board procedures, our major risks and management strategy. The terms of appointment of Independent Directors has been placed on the Company's website at https://www.pennarindia.com/investors/terms-of-appointment-of-independent-directors.pdf

(b) Familiarisation programmes for Board Members

The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Updates on relevant statutory changes are circulated to the Directors. The details of familiarisation programmes for Independent Directors are available in the website of the company at https://www.pennarindia.com/policy-familiarization-programme.php

(c) Performance Evaluation of non-executive and Independent Directors:

The Board evaluates the performance of Non-executive and Independent Directors every year. All the Non-executive and Independent Directors are eminent personalities having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

(d) Separate Meeting of the Independent Directors:

The Independent Directors held a Meeting on 13th February, 2025, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following issues were discussed in detail:

i) Reviewed the performance of non-independent directors and the Board as a whole;

ii) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

iii) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

5. Audit Committee

(a) Brief description of the terms of reference

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and, inter alia, performs the following functions:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- Reviewing and examining with management the quarterly financial results before submission to the Board;
- Reviewing and examining with management the annual financial statements before submission to the Board and the auditors' report thereon;
- Review management discussion and analysis of financial condition and results of operations;
- Scrutiny of inter-corporate loans and investments made by the Company;

- Reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- Reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- Approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Discussing with Statutory Auditors, before the commencement of audit, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- Reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- Recommending appointment, remuneration and terms of appointment of Internal Auditor of the Company;
- Reviewing the adequacy of internal audit function and discussing the significant findings with Internal Auditor and reviewing the progress of corrective actions on such issues;
- Evaluating internal financial controls and risk management systems;
- Valuating undertaking or assets of the Company, wherever it is necessary;
- Reviewing the functioning of the Whistle Blowing mechanism;

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed. The Committee is governed by the Terms of Reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company and cases reported thereunder. The recommendations of Audit Committee are duly approved and accepted by the Board.

(b) Composition, name of members and chairperson

The Committee comprises of the following:

1. Mr. V S Parthasarathy – Chairman (Independent Non-Executive Director)
2. Mr. RVS Ramakrishna – Member (Independent Non-Executive Director)
3. Mr. Eric James Brown – Member (Non-Executive Director Non-Independent)

(c) Meetings and attendance during the year

During the year under review, the Committee met 5 times on 20th May, 2024, 9th August, 2024, 11th September, 2024, 11th November, 2024 and 13th February, 2025. The details of attendance are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr. V S Parthasarathy	5	5
2.	Mr. RVS Ramakrishna	5	5
3.	Mr. Eric James Brown	5	5

Company Secretary is the Secretary to the Audit Committee. All the members are financially literate and possess the requisite financial / business acumen to specifically look into the internal controls and audit procedures.

M/s. M S K A & Associates., Statutory Auditors, M/s. R Krishna & Associates., Internal Auditors, Mr. Aditya Rao, Vice-Chairman and Managing Director and Mr. Shrikant Bhakkad, Chief Financial Officer of the Company are invited to attend the Audit Committee meetings and the Company Secretary acts as the Secretary of the Committee. The minutes of the meetings of the Audit Committee are circulated to all the members of the Board. The Chairman of the Audit Committee was present at the last Annual General Meeting.

The Committee periodically interacts with the Auditors, reviews the Company's financial and risk management policies and adequacy of internal controls with the management and is responsible for effective supervision of the financial reporting process and compliance with financial policies etc.,

6. Nomination and Remuneration Committee

(a) Brief description of terms of reference

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Nomination and Remuneration Committee should comprise of at least three Directors; all of whom should be Non-Executive Directors. At least two-thirds of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The terms of reference of Nomination and Remuneration Committee Inter alia includes:

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- Formulate criteria and carry out evaluation of each Director's performance and performance of the Board as a whole;

(b) Composition, name of members and chairperson

The Nomination and Remuneration Committee of the Company consists of 3 Non-Executive Independent Directors of the Company.

1. Mr. Chandrasekhar Sripada - Chairman (Independent Non-Executive Director)
2. Mr. RVS Ramakrishna - Member (Independent Non-Executive Director)
3. Ms. Virginia Sharma - Member (Independent Non-Executive Director)

(c) Meetings and attendance during the year

During the year the Committee had 2 meeting on 11th September, 2024 and 13th February, 2025. The details of attendance are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr. Chandrasekhar Sripada	2	2
2.	Mr. RVS Ramakrishna	2	2
3.	Ms. Virginia Sharma	2	2

(d) Performance Evaluation of Board, Committees, Individual Directors and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder and provisions of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Board carried out the annual performance evaluation of its own performance, as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders Relationship Committees. The evaluation took into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance the Company and its stakeholders. It was observed that the Board played a vital role in formulation and monitoring of policies.

The evaluation in respect of the committees took into consideration inputs received from the Directors, covering various aspects of the Committees functioning such as, the amount of responsibility delegated by the Board to each of the committees is appropriate, the committees take effective and proactive measures to perform its functions, the reporting by each of the Committees to the Board is sufficient. It was observed that the Board had constituted sufficient committees wherever required with well-defined terms of reference whose composition was in compliance with the legal requirement and their performance reviewed periodically. It was found that the Committees gave effective suggestion and recommendation to the Board.

The evaluation of individual director was made taking into consideration inputs received from the Directors, covering various aspects such as the directors understand their duties, responsibilities, qualifications, disqualifications and liabilities as a director, the directors are familiar with the Company's vision, policies, values and code of conduct, they have adequate knowledge of the Company's key operations, financial condition, key developments and abreast with the latest developments and factors affecting the business of the Company and the sector as a whole. It was observed that the directors understood the governance, regulatory, legal, financial, fiduciary and ethical requirements of the Board, attended all Board/Committee Meetings well prepared and participated in the meetings constructively by providing inputs and suggestions to the Management/Board in areas of their domain expertise.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at a separate meeting held on 13th February, 2025. The evaluation also assessed the quality, quantity and timeliness of the flow of information between the management and the Board that is necessary for it to effectively and reasonably perform its duties. A separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The Chairman and the Non-Independent Directors discharged their responsibilities in an effective manner.

The Board evaluated the performance of Independent Directors considering various parameters such as their familiarity with the Company's vision, policies, values, code of conduct, their attendance at Board and Committee Meetings, whether they participate in the meetings constructively by providing inputs and provide suggestions to the Management/ Board in areas of domain expertise, whether they seek clarifications by raising appropriate issues on the presentations made by the Management/reports placed before the Board, Practice Confidentiality, whether the director is a team player and considers the views of the other members, Engages with the senior management personnel as and when required, Understands the governance, regulatory, legal, financial, fiduciary and ethical requirements of the Board. The directors took advantage of opportunity to upgrade skills by regularly attending familiarization programmes. All the Directors have discharged their responsibilities in an effective manner.

(e) Remuneration policy:

The Company has formulated a Remuneration Policy. It is in consonance with the existing industry practice and also with provisions of the Companies Act, 2013. Following are the objectives covered in the policy:

* Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria.
* Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions.
* Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration.
* Review the performance of the Board of Directors and Key Managerial Personnel based on certain criteria as approved by the Board. In reviewing the overall remuneration of the Board of Directors and Key Managerial Personnel, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

(f) The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Vice-Chairman and Managing Director and the Executive Director. Annual increments are recommended by the Nomination and Remuneration Committee and approved by the Board and Members and are effective April 1, each year.

The Non-Executive Directors receive remuneration by way of sitting fees for attending the meetings of the Board and Committee thereof. Select Independent Directors are being paid Remuneration in addition to the sitting fee. The payment of remuneration and sitting fee is approved by the Board upon recommendation of Nomination and Remuneration Committee., the actuals of remuneration paid to the entire Board of Director's for 2024-25 is given below:

Amount in Rs. lakhs.

Name of the Director	Designation	Remu-neration	Commission	Provident fund, Superannuation fund and other perquisites	Sitting Fee	Total
Mr. Aditya Rao	Vice-Chairman & Managing Director	74	20	12	-	106
Mr. K Lavanya Kumar Rao	Whole-time Director	92	20	17	-	129
Mr. Chandrasekhar Sripada	Independent Non-Executive Director	24	-	-	4	28
Mr. Ravi Venkata Siva Ramakrishna	Chairman-Independent Non-Executive Director	24	-	-	6	30
Ms. Virginia Sharma	Independent Non-Executive Director	24	-	-	5	29
Mr. V S Parthasarathy	Independent Non-Executive Director	24	-	-	4	28
Mr. P V Rao	Non-Executive Director	-	-	-	5	5

All the Non-Executive Directors receive remuneration by way of sitting fees for attending the meetings of the Board and Committee thereof. However the Criteria of making payments to non-executive directors is available on the website of the Company viz., www.pennarindia.com

(g) Details of number of shares held by the Non-Executive/Independent Directors as on 31st March 2025:

Name of the Director	Designation	No. of Shares held
Mr. Chandrasekhar Sripada	Independent Non-Executive Director	-
Mr. Ravi Venkata Siva Ramakrishna	Independent Non-Executive Director	-
Ms. Virginia Sharma	Independent Non-Executive Director	-
Mr. V S Parthasarathy	Independent Non-Executive Director	-
Mr. Eric James Brown	Non-Executive Director	-
Mr. P V Rao	Non-Executive Director	33,360

7. Stakeholders Relationship Committee:

The role of Stakeholders' Relationship Committee is as follows:

- Consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- Evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- Provide guidance and make recommendations to improve investor service levels for the investors.

a) Brief description of terms of reference

The Committee focuses primarily on monitoring expeditious redressal of investors / stakeholders grievances and also function in an efficient manner that all issues / concerns stakeholders are addressed / resolved promptly.

b) Name of Non-Executive Director heading the Committee:

The Committee functions under the Chairmanship of Mr. RVS Ramkrishna, a Non-Executive Independent Director.

Other members include Mr. Aditya Rao, Vice-Chairman & Managing Director and Mr. K Lavanya Kumar Rao, Whole-time Director.

c) Name and designation of Compliance Officer: Mr. Mirza Mohammed Ali Baig, Company Secretary.

d) Number of complaints received from shareholders: During the period under review, the Company has received and resolved 81 complaints and there were no pending complaints as at the year end.

e) Number of pending share transfers and complaints: Nil

f) In order to facilitate faster redressal of investor's grievance's the Company has created an exclusive emai ID 'mirza.baig@pennarindia.com' Investors and shareholders may lodge their query / complaints addressed to the email ID which would be attended immediately.

g) Details of meetings and attendance by the members:

During the year the Committee met one time on 20th May, 2024.

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr. RVS Ramakrishna	1	1
3.	Mr. Aditya Rao	1	1
4.	Mr. K Lavanya Kumar Rao	1	0

8. Corporate Social Responsibility (CSR):

(a) Brief description of terms of reference

The Committee formulate and recommend to the Board, a CSR Policy and recommend the amount of expenditure to be incurred on CSR activities. Committee framed a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and also monitor CSR policy from time to time.

(b) Composition, name of members and chairperson

The Committee comprises of the following:

1. Mr. Chandrasekhar Sripada - Chairman (Independent Non-Executive Director)
2. Mr. Aditya Rao - Member (Vice-Chairman & Managing Director)
3. Mr K Lavanya Kumar Rao - Member (Whole-time Director)

(c) Meetings and attendance during the year

During the year the Committee had 2 meetings i.e., on 22nd May, 2024 and 12th November, 2024. The details of attendance are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr. Chandrasekhar Sripada	2	2
2.	Mr. Lavanya Kumar Rao	2	1
3.	Mr. Aditya Rao	2	2

8A. Risk management committee:

As per Regulation 21 of the Listing Regulations and provisions of the Act, as amended which requires the Company to lay down procedures about risk assessment and risk minimization. The scope and functions of the Risk Management Committee are in accordance with the Listing Regulations and its terms of reference are set forth below.

(a) Brief description of terms of reference:

The terms of reference of the Risk Management Committee shall include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including:

(a) Evaluating the adequacy of risk management systems;

(b) Knowing the extent to which management has established effective ERM in the organization

(c) Being aware of and concurring with the entity's risk appetite policy

(d) Reviewing the entity's portfolio view of risk and considering it against the entites risk tolerance

(e) Being apprised of the most significant risks and assuring that management is responding appropriately

(f) Being able to get answers to the following questions:

a. Are we taking the right risks

b. Are we taking the right amount of risk

c. Are the risks being managed appropriately

(4) To periodically review the risk management policy, at least once a year, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

(b) Composition, name of members and chairperson

The Committee comprises of the following:

1.	Mr. Eric James Brown	-	Chairman (Non-Independent Non-Executive Director)
2.	Mr. RVS Ramakrishna	-	Member (Non-Executive Independent Director)
3.	Mr. Aditya Rao	-	Member (Vice-Chairman & Managing Director)
4.	Mr K Lavanya Kumar Rao	-	Member (Whole-time Director)

(c) Meetings and attendance during the year

During the year the Committee had 3 meetings i.e., on 20th May, 2024 and 9th August, 2024 and 11th November, 2024 The details of attendance are given below:

Sl. No.	Name of the Member	No. of Meetings held	No. of Meetings attended
1.	Mr. Eric James Brown	3	3
2.	Mr. RVS Ramakrishna	3	3
3.	Mr. Lavanya Kumar Rao	3	1
4.	Mr. Aditya Rao	3	3

8B. Senior management:

The following persons are the senior management the company as on 31st March, 2025.

Sl. No.	Name	Designation
1.	N Dayasagar Rao	Executive Vice President Operations and BU Head
2.	A Suresh Pandian	Business Unit Head-Steel and Tubes
3.	K Shiva Kumar	Executive Vice President ICD
4.	M Bhoopal Reddy	Executive Vice President - Tubes
5.	K Rajasekhar Rao	General Manager-Procurement
6.	P Sudhakar	Business Unit Head-Boilers
7.	Nadaraja Money	Business Unit Head-PEB
8.	Shrikant Bhakkad	Chief Financial Officer
9.	Rajat Narain	President – HR
10.	Mirza Mohammed Ali Baig	Company Secretary

9. Subsidiary Companies

The Company does not have any material unlisted Indian subsidiary in terms of Regulation 24 of the Listing Regulations. The Minutes of the Meetings of Board of Directors of all the subsidiary companies are periodically placed before the Board of Directors of the Company. The Policy on Material Subsidiary is available on the website of the Company at link: https://www.pennarindia.com/policy-determining-material.php

10. General body meetings:

(a) Details of the location and time of the General meetings held in the last three years

Date	Year	Type	Venue	Time
28th September, 2024	2023-24	Annual General Meeting	Video Conferencing	11:00 A.M.
30th September, 2023	2022-23	Annual General Meeting	Video Conferencing	11:00 A.M.
22nd September, 2022	2021-22	Annual General Meeting	Video Conferencing	11:00 A.M.

(b) Special resolutions

All resolutions moved at the last Annual General Meeting were passed accordingly by the requisite majority of members attending the meeting. The following are the special resolutions passed at the previous General meetings held in the last three years:

AGM/EGM held on	Whether special resolution passed	Summary of the resolution
28th September, 2024	Yes	1. To Create Charges 2. To borrow in excess of paid-up capital and free reserves
30th September, 2023	Yes	1. To appoint Mr. Nrupender Rao as Chairman Emeritus in the Company
22nd September, 2022	Yes	1. To Create Charges 2. To borrow in excess of paid-up capital and free reserves

(c) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during Financial Year 2024-2025.

(d) Postal Ballot:

No special resolution were passed through postal ballot during Financial Year 2024-2025.

11. Disclosures:

a) Related Party Transactions:

No transaction of material nature that may have potential conflict with the interests of company at large was entered in to by the Company with the related parties.The transactions with the related parties as required under Indian Accounting Standard (Ind AS) - 24, Related Party Transactions, are disclosed in Note No. 35 of the financial statements forming part of this Annual Report.

b) Disclosure of Accounting Treatment:

The Company has followed the applicable accounting standards in the preparation of its financial statements.

c) Strictures/Penalty etc.:

There has been no instance of non-compliance with any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI on any matters relating to the capital market over the last three years.

d) Whistle Blower Policy:

The Company has a Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link: https://www.pennarindia.com/vigil-mechanism.php and https://www.pennarindia.com/whistle-blower-policy.php

e) **Risk Management:**

The Board regularly discusses the significant business risks identified by the Management and the mitigation process being taken. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. At present the company has not identified any element of risk which may threaten the existence of the company.

f) **Code of Conduct:**

The Company has adopted the Code of Conduct which is applicable to the members of the Board and senior management of the Company. The Code of Conduct is available on the Company's website at the link: https://www.pennarindia.com/code-conduct-insider-trading.php

g) **Policy on Prevention of Insider Trading:**

The Company has also adopted a policy for prevention of Insider Trading which is made applicable to all the Directors and other designated employees who may have access to unpublished price-sensitive information, in accordance with SEBI (Prohibition of Insider Trading) Regulations. Accordingly such officials are prohibited from trading in the securities of the Company during the notified "Trading Window" period.

h) **Proceeds from public issues, rights issues, preferential issues etc**

During the financial year ended 31st March, 2025, there were no proceeds from public issues, rights issues, preferential issues, among others.

i) Management Discussion & Analysis is annexed to the Directors' Report and forms part of the Annual Report.

j) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause: The Company has complied with all the mandatory requirements of the Clauses of the Listing Regulations.

k) Policy for determining 'material' subsidiaries is disclosed at www.pennarindia.com In terms of the Listing Agreement, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

l) Web link where policy on dealing with related party transactions: The Board has approved a policy for related party transactions which has been uploaded on the Company's website at https://www.pennarindia.com/policy-related-party-transactions.php

m) Disclosure of Commodity price risks and commodity hedging Activities: Not Applicable

n) Disclosures in Relation to Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013: The details have been disclosed in the Directors Report forming part of this Annual Report.

o) Fees paid to statutory Auditors: Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Statutory Auditors of the Company and their other associated firms during the Financial Year ended 31st March, 2025, is as follows:

Rs. in lakhs

Particulars	M S K A & Associates
Audit Fee	45
Limited Review	15
Other Services	4
Out of pocket expenses	4
Total	**68**

p) Disclosure of loans and advances in the nature of loans to firms/companies in which directors are interested along with name and amount: The contract was entered into in the ordinary course of business and on arm's length basis. (for details of transactions during the year refer Note No. 35 to the Standalone financial statements).

q) The compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are complied with.

r) Disclosure of certain types of agreements binding listed entity: Nil

12. The requirements of Corporate Governance Report of sub-paras (2)-(10) of Part C to Schedule V of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 are complied with.

13. The details of compliance of all discretionary requirements as specified in Part E of Schedule II of SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 are as under:

a. **The Board:** The Company has appointed Mr. RVS Ramakrishna, Non-Executive Independent Director as the Chairman. We also ensure that the persons who are being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and contribute effectively to the Company.

b. **Shareholder Rights:** The Company publishes its results on its website at the link https://www.pennarindia.com/financial-information.php which is accessible to the public at large. A half-yearly declaration of financial performance including summary of the significant events is presently not being sent to each household of shareholders. The Company's results for each quarter are published in an English newspaper having wide national circulation and also in a Telugu newspaper having wide circulation in Telangana. Hence, half-yearly results are not sent to the shareholders individually.

c. **Modified opinion(s) in audit report:** During the period under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure unmodified audit opinion in its audit report.

d. **Separate posts of Chairman and CEO:** The Company has appointed Mr. RVS Ramakrishna Rao, Non-Executive Independent Director as the Chairman and Mr. Aditya Rao as Vice-Chairman and Managing Director.

e. **Reporting of Internal Auditor:** The Internal auditors are invited to the meetings of the Audit Committee wherein they report to the Audit Committee.

14. Disclosures

The Company has complied with the requirements specified in Regulations 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the Listing Regulations. The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2) (a) of the Listing Regulations.

Website Disclosures: The information regarding Details of business of the Company, Terms and conditions of appointment of Independent Directors, Composition of various Committees of Board of Directors, Code of Conduct for Board of Directors and Senior Management Personnel, Details of establishment of vigil mechanism/ Whistle Blower policy, Criteria of making payments to Non-Executive Directors, Policy on dealing with Related Party Transactions, Details of familiarization programmes imparted to Independent Directors, Policy for determination of materiality of events, Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances, Email address for grievance redressal and other relevant details, Financial results, Shareholding pattern has been disseminated on the website of the Company at https://www.pennarindia.com/

15. Disclosures with respect to demat suspense account/ unclaimed suspense account- Nil

8,93,453 Shares are in Investor Education Protection fund. (IEPF).

16. Means of communication

(a) The quarterly/half-yearly/annual financial results of the Company are sent to the stock exchanges immediately after they are approved by the Board.

(b) The Statutory advertisements and financial results of the company (Quarterly, Half-yearly and Annual) are normally published in 'Business Standards' in English and in 'Nava Telangana' regional language dailies (Telugu) within 48 hours of the conclusion of the Board meeting.

(c) The Company's website www.pennarindia.com contains a separate dedicated section "Investors" where latest information for shareholders is available. The quarterly/half yearly/ annual financial results of the Company are simultaneously posted on the website. The Company's website also displays official news releases related to the activities of the Company.

(d) Scores: The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES/ODR, a web based complaints redressal system. The system processes complaints in a centralized web based mechanism. The company is in compliance with this system. During the financial year 2024-25 there were 3 complaints received and resolved.

(e) BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on the Listing Centre.

(f) National Electronic Application Processing System ('NEAPS') and NSE Digital Portal: National Stock Exchange announced a web based application system NEAPS and NSE Digital portal for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, among others are also filed electronically on NEAPS and Digital Portal.

17. General Shareholders Information:

Sl. No.	Particulars	Description
1.	Date, time and venue of Annual General Meeting	30th September, 2025 at 11:00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2.	Financial calendar (Tentative schedule)	Financial year : 1st April, 2025 to 31st March, 2026 First Quarter Results within 45 days from the end of quarter. Half yearly Quarter Results within 45 days from the end of quarter. Third Quarter Results within 45 days from the end of quarter. Results for the year ending 31st March, 2026. Within 60 days of the end of Financial Year. Annual general meeting for the year 2025-26 : In accordance with Companies Act, 2013 and amendment if any.
3.	Dividend payment due	-
4.	Listing on Stock Exchanges	1. *BSE Limited (formerly The Bombay Stock Exchange Limited)* P. J. Towers, Dalal Street, Mumbai – 400001 2. *The National Stock Exchange of India Limited* Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051
5.	Stock Code	BSE: Equity - 513228; NSE: Equity - PENIND;
6.	Electronic connectivity	1. The National Securities Depository Ltd Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel Mumbai - 400013 2. Central Depository Services (India) Ltd 25th Floor, Marathon Futurex, NM Joshi Marg, Lower Parel (East), Mumbai – 400013
7.	Registered Office (address for correspondence)	2-91/14/8/PIL/10 & 11, 7th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy - 500084, Tel. No: +91 40 41923108 E-mail ID corporatecommunications@pennarindia.com
8.	Registrar and Transfer Agents Communication regarding share transfers and other related correspondence	M/s. KFin Technologies Limited (Formerly Karvy Fintech Private Limited.) Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India, Hyderabad - 500032, Toll Free No. 1800 309 4001, Mail : einward.ris@kfintech.com/ rajeev.kr@kfintech.com Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.
9.	Share transfer System	The Company's shares are transferable through the depository system. The Company has appointed KFin Technologies Limited (Formerly KFin Technologies Private Limited) as its Registrars and Share Transfer Agents and also Depository Transfer Agent. The Company has signed a tripartite agreement with NSDL/ CDSL and KFin Technologies Limited to facilitate dematerialisation of shares. The Members may contact for the redressal of their grievances to either KFin Technologies or the Company Secretary of the Company.
10	Nomination Facility	Section 72 of the Companies Act 2013, provides the facility of nomination to share / debenture / deposit holders. The facility is mainly useful for all those holding the shares / debentures / deposits in single name. In cases where the securities / deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders. Investors are advised to avail of this facility, especially investors holding securities in single name. The nomination form may be had on request from the Company's Registrars & Transfer Agents for the shares held in physical form. For the shares held in dematerialized form, the nomination has to be conveyed by the shareholders to their respective Depository Participant directly, as per the format prescribed by them.

Sl. No.	Particulars	Description
11	Details of all credit ratings obtained by the Company along with any revisions thereto during the year 2024-25, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	Long term bank facilities CARE A; Stable (Single A; Outlook: Stable) and Short term bank facilities CARE A1 (A One).

The Company has paid Listing fees for the year 2025-26 to all the aforesaid Stock Exchanges.

18. Distribution of shareholding as on 31st March, 2025 was as under:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	81,126	90.563637	1,40,71,359	7,03,56,795	10.427382
5001- 10000	3,985	4.448587	59,43,311	2,97,16,555	4.404207
10001- 20000	2,273	2.537425	65,33,930	3,26,69,650	4.841877
20001- 30000	840	0.937720	41,87,776	2,09,38,880	3.103292
30001- 40000	317	0.353878	22,38,259	1,11,91,295	1.658630
40001- 50000	272	0.303643	25,39,558	1,26,97,790	1.881904
50001- 100000	397	0.443184	56,62,841	2,83,14,205	4.196368
100001& Above	369	0.411927	9,37,69,197	46,88,45,985	69.486340
Total	**89,579**	**100.00**	**13,49,46,231**	**67,47,31,155**	**100.00**

Shareholding Pattern as on 31st March, 2025 was as under:

Sl. No.	Description	Total Shares	% Equity
1.	ALTERNATIVE INVESTMENT FUND	22,76,963	1.69
2.	BANKS	1,615	0.00
3.	BODIES CORPORATES	91,17,775	6.76
4.	CLEARING MEMBERS	298	0.00
5.	DIRECTORS	33,360	0.02
6.	FOREIGN PORTFOLIO-CORP	51,41,723	3.81
7.	H U F	29,00,153	2.15
8.	I E P F	8,93,453	0.66
9.	KEY MANAGEMENT PERSONNEL	2,238	0.00
10.	MUTUAL FUNDS	950	0.00
11.	NATIONALISED BANKS	160	0.00
12.	NON RESIDENT INDIAN NON REPATRIABLE	12,58,544	0.93
13.	NON RESIDENT INDIAN	23,08,152	1.71
14.	PROMOTER GROUP	22,88,154	1.70
15.	PROMOTERS	5,12,33,621	37.97
16.	RESIDENT INDIVIDUALS	5,74,89,072	42.60
	TOTAL	13,49,46,231	100.00

19. Dematerialisation of shares and liquidity:

(a) Equity shares: The Company's equity shares are in compulsory demat list. The International Securities Identification Number (ISIN) allotted to the Company's scrip is INE932A01024. 99.54% of equity shares are held in dematerialised form as on 31st March, 2025.

(b) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: During the financial year 2024-25, the Company has not issued any GDRs/ADRs and there are no outstanding warrants or any convertible instruments.

20. Plant locations:

1) Patancheru plant: Plot no 13 &14 , IDA Phase -1 Bandalaguda, Patancheru Sangareddy District, 502319 Telangana

2) Isnapur plant: Isnapur Village, IDA Pashamailaram, Patancheru (M) Sanagareddy District, 502307 Telangana

3) Velchal plant: Survey 24, 27 to 38, Velchal (V) Mominpet (M), Vikarabad District, 501202 Telangana

4) Chennai plant: Survey 669 Kannigaipair Village, Uthukottai Tq Thiruvellore Dist., 601102 Tamil Nadu

5) Tarapur plant: J-72/2, MIDC Industrial Estate OFF Navapur Road Boiser Village Tarapur, 401506 Maharashtra

6) Sadashivpet plant: Survey 144 & 145 Chandapur Village, Sadasivpet Mandal, Sangareddy District, 502291 Telangana

7) Mallapur plant: 186/A & 188/A, IDA Mallapur, Medchal District, Hyderabad, 500076 Telangana

8) Tiruchirappalli plant: 49/23, 49/10, 49/3, 49/2, 49/5, 49/7, 50/19, 50/5, 50/11, 50, Pudhukudi Thenpati, Pudukudi, Thanjavur District, 613001 Tamil Nadu

9) Raebareli plant: Khata No. 00079, Plot No. 200, Rampur Nihastha, Lalgunj Tehsil, Raebareli District, 229206 Uttar Pradesh

10) Ascent Buildings Systems: 214 Fountainhead Road Portland TN 37148 USA

21. Unclaimed Dividend Amounts:

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend for the following years, which remain unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013.

Members who have not so far encashed their dividend warrant(s) are requested to seek revalidation of dividend warrants in writing to the Company's Registrar and Transfer Agents, M/s. KFin Technologies Limited, immediately. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

Members are also advised to update their correspondence address in their demat accounts in case of their holdings in electronic form or inform their latest correspondence address to the Registrars in case of holdings in physical form.

22. Share Transfer System

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, transfer, transmission and transposition of securities shall be effected only in dematerialized form.

Pursuant to SEBI Circular dated 25th January, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorized by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

23) Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSIL) and the total issued and paid-up capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the board of directors of the Company. The audit, inter alia, confirms that the listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSIL and the total number of shares in physical form.

24) Corporate Identity Number (CIN):

Corporate Identity Number (CIN) of the company, allotted by the Ministry of Corporate Affairs, Government of India is L27109TG1975PLC001919.

25) Managing Director Certification:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Managing Director Certification is provided in the Annual Report.

26) Green Initiative in the Corporate Governance:

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

27) Declaration of Code of Conduct:

The Board of Directors of Pennar Industries Limited adopted the Code of Conduct for the Directors and senior management personnel, which was posted on the Company's website. We here by confirm that, all the Directors and the senior management personnel of the Company have affirmed compliance with the aforesaid Code of Conduct as applicable to them for the financial year ended 31st March, 2025.

for **Pennar Industries Limited**

Aditya Rao
Vice-Chairman and Managing Director
DIN 01307343

Date: 13.08.2025
Place: Hyderabad

Annexure - D

Ref: RK/193/2025-26

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Pennar Industries Limited

We, R Krishna & Associates, Chartered Accountants, have examined the compliance of conditions of Corporate Governance by **Pennar Industries Limited** (the Company), for the year ended on 31 March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations).

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

Our responsibility was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **R Krishna & Associates**
Chartered Accountants

M Rama Krishna
Partner
M.no: 221908
UDIN: 25221908BMIJNV1529

Place: Hyderabad
Date: 19/07/2025

Annexure - E

Annual Report on Corporate Social Responsibility activities

for the Financial Year 2024-25

1. **Brief outline on Corporate Social Responsibility (CSR) Policy of the Company.**

Pursuant to section 135 of the Companies Act, 2013 (the act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended (the Rules) framed thereunder it was a mandatory commitment for a corporate to contribute and operate in an economically, socially and environmentally sustainable manner and also establish a Corporate Social Responsibility Policy and a committee track the transactions relating to CSR initiatives.

Accordingly, henceforth, it is a continuing commitment for a company to contribute to economic development of the society at large. CSR, therefore, is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities. The detailed policy as per the regulations has been duly established and the same is uploaded on the website of the company at the link: https://www.pennarindia.com/csr-policy.php A Foundation to undertake the CSR activities have been formed namely Pennar Foundation.

2. **Composition of CSR Committee**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Chandrasekhar Sripada	Chairman (Non-Executive Independent Director)	2	2
2.	Mr. Aditya Rao	Member (Vice-Chairman and Managing Director)	2	2
3.	Mr. K Lavanya Kumar Rao	Member (Executive Director)	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.pennarindia.com/downloads/Composition%20of%20mandatory%20committees%20in%20PIL%20w.e.f%2009022024.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.: Not Applicable for the financial year under review.

5. (a) Average net profit of the company as per sub-section (5) of section 135.- Rs. 6,144.00 lakhs

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - Rs.122.88 Lakhs

   (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. - Nil

   (d) Amount required to be set off for the financial year, if any-Nil

   (e) Total CSR obligation for the financial year [(b)+(c)-(d)]-Rs. 122.88 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : Rs 16.29 Lakhs

   (b) Amount spent in Administrative Overheads: Rs. 2.71 lakhs

   (c) Amount spent on Impact Assessment, if applicable: Nil

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs.19.00 lakhs

   (e) CSR amount spent or unspent for the financial year:

Total Amount spent for the Financial Year (in Rs. lakhs)	Amount Unspent (in Rs. lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
19.00	103.88	30th April 2025	-	-	-

(f) Excess amount set-off, if any:

Sl. No.	Particular	Amount (in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs.122.88
(ii)	Total amount spent for the Financial Year	Rs.19.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs. lakhs)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Rs. Lakhs)	Amount spent in the Financial Year (in lakhs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in Rs. lakhs)	Deficiency, if any
					Amount (in Rs. lakhs)	Date of transfer		
1.	2023-24	103.88	103.88	Nil	Nil	Nil	103.88	-
2.	2022-23	Nil	Nil	Nil	Nil	Nil	Nil	-
3.	2021-22	86.00	1.00	52.00	Nil	Nil	1.00	-
4.	2020-21	23.00	00	1.27	Nil	Nil	Nil	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No.**

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of Creation	Amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration No. if applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).- Not Applicable

for **Pennar Industries Limited**

Shrikant Bhakkad	**Aditya Rao**	**Chandrasekhar Sripada**
Chief Financial Officer	Vice-Chairman and Managing Director	Chairman of CSR Committee
	DIN 01307343	DIN 02813923

Annexure - F

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
M/s. PENNAR INDUSTRIES LIMITED
CIN: L27109TG1975PLC001919
2-91/14/8/PIL/10 & 11, 7th floor, Whitefields,
Hyderabad, Kondapur, K.V.Rangareddy, Serilingampally,
Telangana, India, 500084

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. PENNAR INDUSTRIES LIMITED (CIN: L27109TG1975PLC001919) (hereinafter called **"the Company"**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2024 and ended 31st March, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 and made available to me, according to the provisions of:

i The Companies Act, 2013 (the Act) and the rules made there under;

ii The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

 (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

 (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

 (iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

 (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;***Not Applicable for the financial year 2024-2025***.

 (v) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi. Other laws applicable specifically to the Company namely:

 I. Environmental Laws:

  (a) The Environment (Protection) Act, 1986;

  (b) The Water (Prevention and Control of Pollution) Act, 1974

  (c) The Water (Prevention and Control of Pollution) Cess Act, 1977

  (d) The Air (Prevention and Control of Pollution) Act, 1981

  (e) The Petroleum Act, 1934 & Explosion Act, 1884

  (f) The Civil Supplies Act

  (g) Indian Broilers Act, 1923

 II. Labour Related Regulations

  (a) The Factories Act, 1948

  (b) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

  (c) The Contract Labour (Regulation and Abolition) Act, 1970

  (d) The Employees' State Insurance Act, 1948

  (e) The Industrial Employment (Standing Orders) Act, 1946

  (f) The Payment of Bonus Act, 1965

  (g) The Payment of Gratuity Act, 1972

  (h) The Minimum Wages Act, 1948

  (i) The Payment of Wages Act, 1936

  (j) The Trade Unions Act, 1926

  (k) The Employment Exchange CNV Act, 1959 & Rules

(l) The Industrial Disputes Act, 1947

(m) Labour welfare fund Act 1987 & Rules

(n) Maternity Benefits Act, 1961

(o) Child Labour (Prohibition and Abolition) Act, 1986

(p) Apprentices Act, 1961

III. Miscellaneous Regulations

(a) Shops and Establishments Act

(b) Approvals from Local Authorities

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations and Guidelines mentioned above herein.

I further report that, there were no events/actions in pursuance of:

(i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. ***Not Applicable for the financial year 2024-2025.***

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. ***Not Applicable for the financial year 2024-2025.***

(iii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 requiring compliance thereof by the Company during the audit period. ***Not Applicable for the financial year 2024-2025.***

(iv) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***Not Applicable for the financial year 2024-2025***

I further report that, the compliance by the Company of applicable finance laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subjected to review by statutory financial audit and other designated professionals.

I further report that:

(a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Companies Act, 2013.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.

(c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded

I further report that, based on the review of the compliance reports and the certificates of Company Secretary/ Managing Director taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and processes in the Company with the size and operation of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

I report further that, during the audit period there were no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Hyderabad
Date: 16/07/2025

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743G000787530

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.

"Annexure – A"

To
The Members
M/s. PENNAR INDUSTRIES LIMITED
CIN: L27109TG1975PLC001919
2-91/14/8/PIL/10 & 11, 7th floor, Whitefields,
Hyderabad, Kondapur, K.V.Rangareddy, Serilingampally,
Telangana, India, 500084

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of M/s. PENNAR INDUSTRIES LIMITED ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: 16/07/2025

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743G000787530

Annexure - G

Conservation of Energy, Technology Absorption, and foreign exchange Earning and Outgo etc:

Information on conservation of energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under section 134 of the companies' act, 2013 read with companies (accounts) Rules, 2014 are provided here under:

(A) Conservation of Energy: 1. The steps taken or impact on conservation of energy	• Replaced the 182 No's 200w led fittings in places of 400w metal halide fittings 2024-25 PTC Plant- 105 No's Isnapur plant-77 No's
2. The steps taken by the company for utilizing alternate sources of energy	• From the year Mar 2024-June 2025 PTC roof top solar generate : 14,25,281 units.
3. The capital investment on energy conservation equipment;	• Nil
(B) Technology absorption: 1. The efforts made towards technology absorption	• Digital DC Drives & S7 PLC replaced in skin pass mill (4hi 3) in place of analog drives &S5 PLC in 2024-25. • Digital DC drive replaces for 4HI-2 entry slave in place of ABB drive in 2024-25. • 60T press eddy current drive replaced with digital drive in 2024-25. • 4 no's of forming mills erected by using AC drives, PLC, HMI with in house technology from 2024- 2025 . • Boschert Punching M/C updated its control 'S'box & HMI to new technology in 2025.
2. The benefits derived like product improvement, cost reduction, product development or import substitution.	• Shell trimming-1 electromagnetic clutch motor replaced with pneumatic breaking. This is cost effective in 2024-2025.
3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a. The details of technology imported b. The year of import: c. Whether the technology been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	-
4. The expenditure incurred on research and development	-
(C) Foreign exchange earnings and outgo	Total foreign Exchange earnings Rs. 16,872.84 Lakhs Total foreign Exchange Outgo Rs. 5,597.11 Lakhs

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

Aditya Rao
Vice-Chairman and Managing Director
DIN No. 01307343

K Lavanya Kumar Rao
Whole-time Director
DIN No. 01710629

Place : Hyderabad
Date : 13.08.2025

Annexure - H

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2025

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

i)	Corporate Identification Number (CIN)	L27109TG1975PLC001919
ii)	Registration Date	08.08.1975
iii)	Name of the Company	Pennar Industries Limited
iv)	Category/Sub Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered office and contact details	2-91/14/8/PIL/10 & 11, 7th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy – 500084, Tel No. +91 40 41923108 e-Mail ID: corporatecommunications@pennarindia.com
vi)	Whether Listed Company	Yes listed on NSE and BSE Stock Exchanges.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032, India, Toll Free No. 1800 309 4001, Fax: +91 40 23114087

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name & Description of main product/service	NIC code of Product/service	% to total turnover of the company
1.	Diversified Engineering	24105	53.35%
2.	Custom designed building solutions & auxiliaries	28112	46.65%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name & Registered Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Pennar Global Inc. Registered office: 1013 Centre Road, Suite 403S Street , Willington City, Delaware State , Zip Code - 19805, USA.	-	Subsidiary	100%	2(87)
2.	Pennar GmbH Registered Office: Am Borsigturm 40, 13507, Berlin, Germany	-	Subsidiary	100%	2(87)
3.	Pennar FZCO Registered Office: DSO-IFZA Properties, Dubai Silicon Oasis	-	Subsidiary	100%	2(87)
4.	Enertech Pennar Defense and Engineering Systems Private Limited Registered Office: 2-91/14/8/PIL/10 & 11, 6th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy - 500084	U74999TG2018PTC123704	Subsidiary	51%	2(87)
5.	Pennar Metals Private Limited Registered Office: 2-91/14/8/PIL/10 & 11, 6th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy - 500084	U24105TS2023PTC174283	Subsidiary	100%	2(87)

Sl. No.	Name & Registered Address of the Company	CIN/GLN	Holding Subsidiary/ Associate	% of Shares held	Applicable Section
6.	ZAP91 Solar India Private Limited Registered Office: 84/1, Vaishnavi Sovereign, Green Glen Layout, Bellandur, Bangalore, Bangalore South, Karnataka, India, 560103	U26105KA2024PTC196319	Joint Venture	45%	2(6)

IV. Shareholding pattern (Equity Share Capital Breakup as Percentage of total Equity)

The Shareholding pattern is attached hereunder as Attachment - A.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in Rs. Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal amount	73,064	215	NIL	73,279
ii. Interest due but not paid	0	0	NA	0
iii. Interest accrued but not due	151	0	NA	151
Total (i+ii+iii)	73,215	215	-	73,430
Change in Indebtedness during the financial year	-	-	-	-
* Additions	14,575	-	NIL	14,575
* Reductions	18,920	215	NIL	19,135
Net Change	-4,345	-215	0	-4,560
Indebtedness at the end of the financial year				
i. Principal amount	77,409		NIL	77,409
ii. Interest due but not paid			NA	
iii. Interest accrued but not due	292		NA	292
Total (i+ii+iii)	77,701	0	0	77,701

VI. Remuneration of Directors and Key Managerial Personnel

A) Remuneration to Managing Director, Whole-time Directors and/or Manager

Amount in Rs. Lakhs

Sl No.	Particulars of Remuneration	Aditya Rao	K Lavanya Kumar Rao	Total Amount
		Managing Director	Whole-time Director	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74	92	166
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12	17	29
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	20	20	40
	- others, specify	-	-	-
5.	Others	-	-	-
	Total	**106**	**129**	**235**

B) Remuneration to other directors

Amount in Rs. Lakhs

Sl No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Chandrasekhar Sripada	Virginia Sharma	RVS Ramakrishna	P V Rao	V S Parthasarathy	
1.	Independent Directors						
	* Fee for attending board, committee meetings	4	5	6	-	4	19
	* Commission	-	-	-	-	-	-
	* Others, please specify: Remuneration	24	24	24	-	24	96
	Total (1)	28	29	30	-	28	115
2.	Others Non-Executive Directors						
	* Fee for attending board meetings	-	-	-	5	-	5
	* Commission	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	5	-	5
	Total (1+2)	28	29	30	5	28	120

C) Remuneration to Key Managerial Personnel other than MD/ MANAGER/ WTD

Amount in Rs. Lakhs

Sl No.	Particulars of Remuneration	Shrikant Bhakkad	Mirza Mohammed Ali Baig	Total Amount
		Chief Financial Officer	Company Secretary & Compliance Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	103	16	119
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16	-	16
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	119	16	135

VII. Penalties / Punishment/ Compounding of Offences

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty, Punishment Compounding			Nil		
B. Directors					
Penalty, Punishment Compounding			Nil		
C. Other Officers in Default					
Penalty, Punishment Compounding			Nil		

Annexure - A to Annexure H - (Contd..)

(i) Shareholding Pattern (Equity Share Capital Breakup as % to Equity)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 30/03/2024			% OF TOTAL SHARES	NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2025				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	3,24,58,965	-	3,24,58,965	24.05	3,25,16,320	-	3,25,16,320	24.10	0.04
(b)	Central Government/ State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Bodies Corporate	2,10,05,455	-	2,10,05,455	15.57	2,10,05,455	-	2,10,05,455	15.57	0.00
(d)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total A(1) :	**5,34,64,420**	**-**	**5,34,64,420**	**39.62**	**5,35,21,775**	**-**	**5,35,21,775**	**39.66**	**0.04**
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Bodies Corporate	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total A(2) :	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
	Total A=A(1)+A(2)	**5,34,64,420**	**-**	**5,34,64,420**	**39.62**	**5,35,21,775**	**-**	**5,35,21,775**	**39.66**	**0.04**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	3,67,450	-	3,67,450	0.27	22,77,913	-	22,77,913	1.69	1.42
(b)	Financial Institutions /Banks	425	1,350	1,775	0.00	425	1,350	1,775	0.00	0.00
(c)	Central Government / State Government(s)	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
(f)	Foreign Institutional Investors	62,33,634	-	62,33,634	4.62	51,41,723	-	51,41,723	3.81	-0.81
(g)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Qualified Foreign Investor	-	-	-	0.00	-	-	-	0.00	0.00

Annexure - A to Annexure H - (Contd..)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 30/03/2024			% OF TOTAL SHARES	NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2025				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(i)	Others	-	-	-	0.00	-	-	-	0.00	0.00
	Sub-Total B(1) :	**66,01,509**	**1,350**	**66,02,859**	**4.89**	**74,20,061**	**1,350**	**74,21,411**	**5.50**	**0.61**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	85,58,607	2,855	85,61,462	6.34	91,14,920	2,855	91,17,775	6.76	0.41
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	3,50,47,263	5,89,179	3,56,36,442	26.41	3,74,60,806	5,61,161	3,80,21,967	28.18	1.77
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2,69,21,684	44,000	2,69,65,684	19.98	2,23,23,258	44,000	2,23,67,258	16.58	-3.41
(c)	Others									
	CLEARING MEMBERS	2,111	-	2,111	0.00	298	-	298	0.00	0.00
	DIRECTORS	2,27,360	-	2,27,360	0.17	33,360	-	33,360	0.02	-0.14
	I E P F	8,94,262	-	8,94,262	0.66	8,93,453	-	8,93,453	0.66	0.00
	NON RESIDENT INDIANS	16,67,126	13,415	16,80,541	1.25	22,95,937	12,215	23,08,152	1.71	0.47
	NRI NON-REPATRIATION	9,08,852	-	9,08,852	0.67	12,58,544	-	12,58,544	0.93	0.26
	KEY MANAGERIAL PERSONNEL	2,238		2,238	0.00	2,238		2,238	0.00	0.00
(d)	Qualified Foreign Investor	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
	Sub-Total B(2) :	**7,42,29,503**	**6,49,449**	**7,48,78,952**	**55.49**	**7,33,82,814**	**6,20,231**	**7,40,03,045**	**54.84**	**-0.65**
	Total B=B(1)+B(2) :	8,08,31,012	6,50,799	8,14,81,811	60.38	8,08,02,875	6,21,581	8,14,24,456	60.34	-0.04
	Total (A+B) :	13,42,95,432	6,50,799	13,49,46,231	100.00	13,43,24,650	6,21,581	13,49,46,231	100.00	0.00
(C)	**Shares held by custodians, against which**									
	Depository Receipts have been issued									
(1)	Promoter and Promoter Group	-	-	-	0.00	-	-	-	0.00	0.00
(2)	Public	-	-	-	0.00	-	-	-	0.00	0.00
	GRAND TOTAL (A+B+C) :	**13,42,95,432**	**6,50,799**	**13,49,46,231**	**100.00**	**13,43,24,650**	**6,21,581**	**13,49,46,231**	**100.00**	

Annexure - A to Annexure H - (Contd..)

(ii) Shareholding of Promoters

Sl. No.	Date	Type	Name of the Share Holder	Shareholding at the beggining of the Year		Cumulative Shareholding during the Year	
				No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1		Opening Balance	PENNAR HOLDINGS PRIVATE LIMITED	2,10,05,455	15.57	2,10,05,455	15.57
	31/03/2025	Closing Balance				2,10,05,455	15.57
2		Opening Balance	ADITYA NARSING RAO	88,97,753	6.59	88,97,753	6.59
	07/06/2024	Purchase		15,750	0.01	89,13,503	6.61
	23/08/2024	Purchase		41,605	0.03	89,55,108	6.64
	14/03/2025	Purchase		8,750	0.01	89,63,858	6.64
	28/03/2025	Purchase		26,550	0.02	89,90,408	6.66
	31/03/2025	Closing Balance				89,90,408	6.66
3		Opening Balance	J. RAJYALAKSHMI	69,33,038	5.14	69,33,038	5.14
	31/03/2025	Closing Balance				69,33,038	5.14
4		Opening Balance	JOGINAPALLY VENKATA NRUPENDER RAO	60,10,786	4.45	60,10,786	4.45
	31/03/2025	Closing Balance				60,10,786	4.45
5		Opening Balance	J. AVANTI RAO	23,97,951	1.78	23,97,951	1.78
	31/03/2025	Closing Balance				23,97,951	1.78
6		Opening Balance	DANAPUNENI SUDEEPTA RAO	18,61,054	1.38	18,61,054	1.38
	31/03/2025	Closing Balance				18,61,054	1.38
7		Opening Balance	JAYANTHI PULJAL	17,91,751	1.33	17,91,751	1.33
	31/03/2025	Closing Balance				17,91,751	1.33
8		Opening Balance	KALPANA PULJAL	17,50,091	1.30	17,50,091	1.30
	31/03/2025	Closing Balance				17,50,091	1.30
9		Opening Balance	BHAVANA PULJAL	16,94,027	1.26	16,94,027	1.26
	31/03/2025	Closing Balance				16,94,027	1.26
10		Opening Balance	JOGINAPALLY NRUPENDER RAO HUF	6,60,114	0.49	6,60,114	0.49
	31/03/2025	Closing Balance				6,60,114	0.49
11		Opening Balance	LAVANYAKUMAR RAO KONDAPALLY	2,15,400	0.16	2,15,400	0.16
	14/03/2025	Gift		8,750	0.01	2,06,650	0.15
	21/03/2025	Gift		18,450	0.01	1,88,200	0.14
	28/03/2025	Gift		8,100	0.01	1,80,100	0.13
	31/03/2025	Closing Balance				1,80,100	0.13
12		Opening Balance	KONDAPALLY LAKSHMAN RAO HUF	95,200	0.07	95,200	0.07
	31/03/2025	Closing Balance				95,200	0.07
13		Opening Balance	KONDAPALLY LAVANYA KUMAR RAO HUF	82,200	0.06	82,200	0.06
	31/03/2025	Closing Balance				82,200	0.06
14		Opening Balance	KONDAPALLY SANDHYA	69,600	0.05	69,600	0.05
	31/03/2025	Closing Balance				69,600	0.05

Annexure - A to Annexure H - (Contd..)

(iii) Change in Promoters Shareholding (Specify if there is no change)

Sl. No.	Type	Name of the Share Holder	Shareholding at the beggining of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance - 30/03/2024	ADITYA NARSING RAO	88,97,753	6.59				88,97,753	6.59
	Purchase		15,750	0.01	07/06/2024	Increase	Purchase	89,13,503	6.61
	Purchase		41,605	0.03	23/08/2024	Increase	Purchase	89,55,108	6.64
	Purchase		8,750	0.01	14/03/2025	Increase	Purchase	89,63,858	6.64
	Purchase		26,550	0.02	28/03/2025	Increase	Purchase	89,90,408	6.66
	Closing Balance - 31/03/2025							89,90,408	6.66
2	Opening Balance - 30/03/2024	LAVANYAKUMAR RAO KONDAPALLY	2,15,400	0.16				2,15,400	0.16
	Gift		8,750	0.01	14/03/2025	Decrease	Gift	2,06,650	0.15
	Gift		18,450	0.01	21/03/2025	Decrease	Gift	1,88,200	0.14
	Gift		8,100	0.01	28/03/2025	Decrease	Gift	1,80,100	0.13
	Closing Balance - 31/03/2025				31/03/2025			1,80,100	0.13

(iv) Shareholding Pattern of Top ten Shareholders other than Directors, Promoters and Holders of ADR & GDR

Sl. No.	Date	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1		LTD	Opening Balance - 30/03/2024	SOUTHEND SECURITIES PRIVATE LIMITED	20,94,730	1.55	20,94,730	1.55
	31/03/2025		Closing Balance - 31/03/2025				20,94,730	1.55
2		FPC	Opening Balance - 30/03/2024	ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER F	14,19,735	1.05	14,19,735	1.05
	09/08/2024		Purchase		14,19,735	1.05	28,39,470	2.10
	09/08/2024		Sale		14,19,735	1.05	14,19,735	1.05

Annexure - A to Annexure H - (Contd..)

Sl. No.	Date	Category	Type	Name of the Share Holder	Shareholding at the begginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	06/09/2024		Sale		35,911	0.03	13,83,824	1.03
	13/09/2024		Sale		28,643	0.02	13,55,181	1.00
	20/09/2024		Sale		19,993	0.01	13,35,188	0.99
	27/09/2024		Sale		4,640	0.00	13,30,548	0.99
	01/11/2024		Sale		36,546	0.03	12,94,002	0.96
	29/11/2024		Sale		39,405	0.03	12,54,597	0.93
	31/03/2025		Closing Balance - 31/03/2025				12,54,597	0.93
3		LTD	Opening Balance - 30/03/2024	ZEN SECURITIES LTD	13,60,099	1.01	13,60,099	1.01
	31/03/2025		Closing Balance - 31/03/2025				13,60,099	1.01
4		FPC	Opening Balance - 30/03/2024	ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC	11,82,311	0.88	11,82,311	0.88
	09/08/2024		Purchase		11,82,311	0.88	23,64,622	1.75
	09/08/2024		Sale		11,82,311	0.88	11,82,311	0.88
	13/12/2024		Sale		25,429	0.02	11,56,882	0.86
	10/01/2025		Sale		35,264	0.03	11,21,618	0.83
	31/03/2025		Closing Balance - 31/03/2025				11,21,618	0.83
5		LTD	Opening Balance - 30/03/2024	ARUNA FINECAP PVT LTD	11,78,846	0.87	11,78,846	0.87
	07/02/2025		Purchase		15,207	0.01	11,94,053	0.88
	31/03/2025		Closing Balance - 31/03/2025				11,94,053	0.88
6		IEP	Opening Balance - 30/03/2024	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	8,94,262	0.66	8,94,262	0.66
	28/06/2024		Sale		300	0.00	8,93,962	0.66
	12/07/2024		Sale		59	0.00	8,93,903	0.66
	15/11/2024		Sale		150	0.00	8,93,753	0.66
	29/11/2024		Sale		300	0.00	8,93,453	0.66
	31/03/2025		Closing Balance - 31/03/2025				8,93,453	0.66
7		LTD	Opening Balance - 30/03/2024	MC JAIN INFOSERVICES PRIVATE LIMITED	4,34,616	0.32	4,34,616	0.32
	26/07/2024		Purchase		4,34,616	0.32	8,69,232	0.64
	26/07/2024		Sale		4,34,616	0.32	4,34,616	0.32

Annexure - A to Annexure H - (Contd..)

Sl. No.	Date	Category	Type	Name of the Share Holder	Shareholding at the begginning of the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
	16/08/2024		Sale		61,739	0.05	3,72,877	0.28
	23/08/2024		Sale		72,877	0.05	3,00,000	0.22
	31/03/2025		Closing Balance - 31/03/2025				3,00,000	0.22
8		NRI	Opening Balance - 30/03/2024	VIJAYKUMAR CHHOTABHAI KALIDAS PATEL	4,02,000	0.30	4,02,000	0.30
	31/03/2025		Closing Balance - 31/03/2025				4,02,000	0.30
9		LTD	Opening Balance - 30/03/2024	LAXMINARAYAN VYAPAAR P LTD	3,87,000	0.29	3,87,000	0.29
	31/03/2025		Closing Balance - 31/03/2025				3,87,000	0.29
10		LTD	Opening Balance - 30/03/2024	INDFRAG BIOSCIENCES PRIVATE LIMITED	3,75,000	0.28	3,75,000	0.28
	31/03/2025		Closing Balance - 31/03/2025				3,75,000	0.28

(v) Shareholding of Directors and Key Management Personnel

Sl. No.	Type	Name of the Share Holder	Shareholding at the begginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	Opening Balance - 31/03/2024	ADITYA NARSING RAO	88,97,753	6.59	31/03/2024			88,97,753	6.59
	Purchase		15,750	0.01	07/06/2024	Increase	Purchase	89,13,503	6.61
	Purchase		41,605	0.03	23/08/2024	Increase	Purchase	89,55,108	6.64
	Purchase		8,750	0.01	14/03/2025	Increase	Purchase	89,63,858	6.64
	Purchase		26,550	0.02	28/03/2025	Increase	Purchase	89,90,408	6.66
	Closing Balance - 31/03/2025							89,90,408	6.66
2	Opening Balance - 31/03/2024	LAVANYAKUMAR RAO KONDAPALLY	2,15,400	0.16	31/03/2024			2,15,400	0.16
	Gift		8,750	0.01	14/03/2025	Decrease	Gift	2,06,650	0.15
	Gift		18,450	0.01	21/03/2025	Decrease	Gift	1,88,200	0.14
	Gift		8,100	0.01	28/03/2025	Decrease	Gift	1,80,100	0.13
	Closing Balance - 31/03/2025				31/03/2025			1,80,100	0.13

Annexure - A to Annexure H - (Contd..)

Sl. No.	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
3	Opening Balance - 31/03/2024	KONDAPALLY LAVANYA KUMAR RAO HUF	82,200	0.06	31/03/2024			82,200	0.06
	Closing Balance - 31/03/2025				31/03/2025			82,200	0.06
4	Opening Balance - 31/03/2024	VENKATESWARA RAO POTLURI	2,27,360	0.16	31/03/2024			2,27,360	0.17
	Sale		27,000		06/09/2024	Decrease	Sale	2,00,360	0.15
	Sale		25,000		27/09/2024	Decrease	Sale	1,75,360	0.13
	Sale		35,000		22/11/2024	Decrease	Sale	1,40,360	0.10
	Sale		15,000		29/11/2024	Decrease	Sale	1,25,360	0.09
	Sale		12,000		13/12/2024	Decrease	Sale	1,13,360	0.08
	Sale		10,000		27/12/2024	Decrease	Sale	1,03,360	0.08
	Sale		10,000		31/12/2024	Decrease	Sale	93,360	0.07
	Sale		10,000		03/01/2025	Decrease	Sale	83,360	0.06
	Sale		25,000		21/02/2025	Decrease	Sale	58,360	0.04
	Sale		5,000		07/03/2025	Decrease	Sale	53,360	0.04
	Sale		10,000		21/03/2025	Decrease	Sale	43,360	0.03
	Sale		10,000		28/03/2025	Decrease	Sale	33,360	0.02
	Closing Balance - 31/03/2025				31/03/2025			33,360	0.02
5	Opening Balance - 31/03/2024	CHANDRASEKHAR SRIPADA	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00
6	Opening Balance - 31/03/2024	RVS RAMAKRISHNA	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00
7	Opening Balance - 31/03/2024	V S PARTHASARTHY	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00
8	Opening Balance - 31/03/2024	VIRGINIA SHARMA	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00
9	Opening Balance - 31/03/2024	ERIC JAMES BROWN	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00

Annexure - A to Annexure H - (Contd..)

Sl. No.	Type	Name of the Share Holder	Shareholding at the beggining of the Year		Date	Increase/ Decrease in share holding	Reason	Cumulative Shareholding during the Year	
			No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
10	Opening Balance - 31/03/2024	SHRIKANT BHAKKAD	2,238	0.00	31/03/2024			2,238	0.00
	Closing Balance - 31/03/2025				31/03/2025			2,238	0.00
11	Opening Balance - 31/03/2024	MIRZA MOHAMMED ALI BAIG	-	0.00	31/03/2024			-	0.00
	Closing Balance - 31/03/2025				31/03/2025			-	0.00

Annexure - I

PARTICULARS OF EMPLOYEES

(a) The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Amount in Rs. lakhs

Sl No.	Name of the Director and KMP	Designation	Remuneration paid in 2024-25	Remuneration paid in 2023-24	Increase in remuneration from previous year	Ratio/median of employee remuneration (2024-25)
1.	Mr. Nrupender Rao *	Chairman	-	64	-64	-
2.	Mr. Aditya Rao	Vice-Chairman & Managing Director	106	105	1	20.57
3.	Mr. K Lavanya Kumar Rao	Executive Director	129	128	1	25.04
4.	Mr. Shrikant Bhakkad @	Chief Financial Officer	119	90	29	23.10
5.	Mr. J S Krishna Prasad #	Chief Financial Officer	-	6	-6	-
6.	Mr. Mirza Mohammed Ali Baig	Company Secretary & Compliance Officer	16	16	-	3.11
Non-Executive Directors						
1.	Mr. B Kamalaker Rao $	Non-Executive Independent Director	-	5	-5	-
2.	Mr. Chandrasekhar Sripada	Non-Executive Independent Director	28	15	13	5.43
3.	Mr. V S Parthasarathy	Non-Executive Independent Director	28	4	24	5.43
4.	Mr. Manish Sabharwal #	Non-Executive Independent Director	-	4	-4	-
5.	Mr. Potluri Venkateswara Rao	Non-Executive Independent Director	5	4	1	0.97
6.	Mr. Ravi Venkata Siva Ramakrishna	Non-Executive Independent Director	30	17	13	5.82
7.	Ms. Virginia Sharma	Non-Executive Independent Director	29	16	13	5.63

* Mr. Nrupender Rao resigned as Executive Chairman and Director on 9th August, 2023.

@ Mr. Shrikant Bhakkad appointed as Chief Financial Officer w.e.f 25th May, 2023.

Mr. J S Krishna Prasad, Chief Financial Officer resigned on 24th May, 2023.

$ Mr. B Kamalaker Rao, Independent Director resigned on 9th February, 2024.

Mr. Manish Sabharwal upon completion of two consecutive terms of Independent Director ceases to be an Independent Director w.e.f 31st March, 2024.

(iii) The percentage increase in the median remuneration of employees in the financial year: 0.71%

(iv) The number of permanent employees on the rolls of company as on 31st March, 2025: 2,409

(v) Average percentile/percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile/percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The Average percentile/percentage increase in the last financial year in the salaries of employees is 9.33%. This is arrived basis the fulltime equivalent (FTE) for FY 24 & FY 25.

There were no exceptional circumstances for increase in the managerial remuneration. The Company affirms that remuneration to the Directors and Key Managerial Personnel is as per the remuneration policy of the Company.

(vi) Affirmation that the remuneration is as per the remuneration policy of the company: The Company affirms remuneration is as per the remuneration policy of the Company.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Annexure - J

Managing Director Declaration

I, Aditya Rao, Vice-Chairman and Managing Director do hereby declare that pursuant to the provisions of Schedule V of the SEBI LODR Regulations, 2015 all the members of the Board and Senior Management Personnel of the Company have furnished their affirmation of compliance with the Code of Conduct of the Company, for the financial year ended 31st March, 2025.

for **Pennar Industries Limited**

Date: 13.08.2025
Place: Hyderabad

Aditya Rao
Vice-Chairman & Managing Director
DIN 01307343

Annexure - K

Managing Director and Chief Financial Officer Certification pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
M/s. Pennar Industries Limited

Sub: Certificate pursuant to Regulation 17 (8) of the SEBI LODR Regulations, 2015

1. We have reviewed financial statements and the cash flow statement of M/s. Pennar Industries Limited for the year ended 31st March, 2025 and to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

   (i) that there are no significant changes in internal control over financial reporting during the year;

   (ii) that there are no significant changes in accounting policies during the year; and

   (iii) that there are no instances of significant fraud of which we have become aware.

for **Pennar Industries Limited**

Date: 13.08.2025
Place: Hyderabad

Shrikant Bhakkad
Chief Financial Officer

Aditya Rao
Vice-Chairman and Managing Director
DIN 01307343

Annexure - L

To
The Members
PENNAR INDUSTRIES LIMITED
CIN: L27109AP1975PLC001919
2-91/14/8/PIL/10 & 11, 7thFloor, Whitefields, Kondapur,
Serilingampally, Hyderabad, K.V.Rangareddy- 500084

Sub: Certificate of Non-disqualification of Directors

Ref: Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015

I, SubhashKishanKandrapu, Practicing Company Secretary, have examined the relevant registers, records, forms, returns and disclosures received from the Company & its officers having its registered office at 2-91/14/8/PIL/10 & 11, 7thFloor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy- 500084 (hereinafter referred to as 'the Company') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on 31st March, 2025.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31stMarch 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl. No.	Name of the Director	Designation	DIN
1.	Ravi Venkata Siva Ramakrishna	Chairman - Non-Executive Independent Director	00009421
2.	Aditya Narsing Rao	Vice-Chairman and Managing Director	01307343
3.	Lavanya Kumar Rao Kondapalli	Executive Director	01710629
4.	PotluriVenkateswara Rao	Non-Executive Director	03157581
5.	Eric James Brown	Non-Executive Director	07670880
6.	Chandrasekhar Sripada	Non-Executive Independent Director	02813923
7.	Virginia Sharma	Non-Executive Independent Director	02306909
8.	ParthasarathyVankipuram Srinivasa	Non-Executive Independent Director	00125299

Thanking you.

Yours Truly,

SUBHASH KISHAN KANDRAPU
Practicing Company Secretary
ACS 32743
PCS 17545
UDIN: A032743G000708803

Date: 04/07/2025
Place: Hyderabad

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2024-25

Sl.No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L27109TG1975PLC001919
2	Name of the Company	PENNAR INDUSTRIES LIMITED
3	Year of Incorporation	1975
4	Registered Office Address	2-91/14/8/PIL/10 & 11, 7th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy - 500084
5	Corporate Address	2-91/14/8/PIL/10 & 11, 7th Floor, Whitefields, Kondapur, Serilingampally, Hyderabad, K.V.Rangareddy - 500084
6	Email Address	corporatecommunications@pennarindia.com
7	Telephone	+91 40 41923108
8	Website	https://www.pennarindia.com/index.php
9	Financial Year Reported	1st April, 2024 to 31st March, 2025
10	Name of the Stock Exchanges where shares are listed	National Stock Exchange of India Limited, BSE Limited
11	Paid-up Capital	INR 67,47,31,155
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Mirza Mohammed Ali Baig Telephone: +91 40 41923108 e-Mail ID: mirza.baig@pennarindia.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Whether the company has undertaken assessment or assurance of the BRSR Core?	No
15	Name of assurance provider	NA
16	Type of assurance obtained	NA

SECTION A

II. Product & Services

16. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Diversified Engineering	Railways-Wagons, Steel, Solar Module Mounting solutions, Industrial Boilers & Heaters, Chemicals & Fuel Additives, solar panels, precission tubes, BIW, hydraulics and auto components.	53.35%
2	Custom designed building solutions & auxiliaries	Pre-engineered Buildings, construction equipments and Engineering Services	46.65%

17. Products/Services sold by the entity (accounting for 90% of the entity's turnover)

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Diversified Engineering	24105	53.35%
2	Custom designed building solutions & auxiliaries	28112	46.65%

III. Operations

18. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
National	13	42	55
International	2	5	7

19. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No of States)	4
International (No of Countries)	3

IV. Employees

20 a. Employees and workers(including differently abled):

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
			Employees			
1	Permanent (D)	2078	1905	92%	173	8%
2	Other than Permanent (E)	161	149	93%	12	7%
3	Total Employees (D+E)	2239	2054	92%	185	8%
			Workers			
4	Permanent (F)	747	701	94%	46	6%
5	Other than Permanent (G)	2816	2525	90%	291	10%
6	Total (F+G)	3563	3226	91%	337	9%

20 b. Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently Abled Employees					
1	Permanent (D)	2	2	100%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total Employees (D+E)	2	2	100%	-	100%
	Differently Abled Workers					
4	Permanent (F)	2	2	100%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total (F+G)	2	2	100%	0	0%

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 25 (Turnover Rate in current FY)			FY 24 (Turnover Rate in previous FY)			FY 23 (Turnover Rate in the year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	25.47%	1.80%	27.27%	18.00%	1.00%	19.00%	33.94%	3.49%	37.43%
Permanent Workers	3.61%	0%	3.61%	2.00%	0.00%	2.00%	5.62%	0.26%	5.88%

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures

S No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Include whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Pennar Global Inc, USA (PGI)	Wholly Owned Subsidiary	100	NO
2	Pennar GmbH, Germany (Pennar GmbH)	Wholly Owned Subsidiary	100	
3	Enertech Pennar Defense and Engineering Systems Private Limited, India	Subsidiary	51	
4	Pennar Metals Private Limited	Wholly Owned Subsidiary	100	
5	Pennar FZCO	Wholly Owned Subsidiary	100%	
6	ZAP91 Solar India Private Limited	Joint Venture	45%	

VI. CSR Details

25	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
	(ii)	Turnover (in Rs.)	25781700000.00
	(iii)	Net worth (in Rs.)	8774931155.00

VII. Transparency and disclosures compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	If yes(then provide web link for greivance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors (Other than Shareholders)	Yes	0	0	-	0	0	-
Shareholders	Yes	81	0	-	83	0	-
Employees & Workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	0	0	0	-
Value Chain Partners	Yes	0	0	0	0	0	-
Other (Please specify)	*The Company maintains a stringent policy for the prevention of sexual harassment, adhering to the stipulations of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). In addition to this, The Company organises various meetings including Communication Meetings, Daily Shift Assembly Meetings, POSH Meetings, Monthly Communication Meetings, and Union Meetings on a regular basis. The Company also ensures that any grievances are addressed promptly through the respective manager or HR, with the provision for direct discussions with the HR head when necessary.						

26. Overview of the entity's material responsible business conduct issues

Overview of the entity's material responsible business conduct issues.Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
1	Climate Change Action	Risk and Opportunity	Climate change poses a substantial risk to The Company, with impacts evident in the short, medium, and long term. The physical threats to the industry are significant, including extreme weather events and water scarcity. Implementing responsible business practices is essential for securing long-term benefits. As the global economy shifts towards low-carbon alternatives, The Company may encounter regulatory and market challenges, such as evolving consumer preferences, rising product costs, and new government policies and regulations.	The Company is dedicated to combating climate change through effective measures. To reduce its carbon footprint, the Company invests in innovative technologies, utilises renewable energy sources, and enhances manufacturing processes. The Company has expanded its renewable energy footprint with additional installations.	Negative
2	Water	Risk	The Company Recognises the scarcity of fresh water and holds a responsibility to ensure its availability and conservation for the benefit of social and ecological systems.	The Company treats wastewater and reuses it in manufacturing processes. Additionally, it is considering introducing methods to minimise water usage and reduce overall water consumption.	Negative

SL No	Material Issue Identified	Indicate whether Risk / Opportunity (R/O)	Rational for identifying risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implication of risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk and Opportunity	Waste management poses both risks and opportunities for companies. The primary risks include potential environmental damage, regulatory noncompliance, and reputational harm if waste is not managed properly. Inefficient waste management can lead to increased operational costs and potential legal liabilities. However, effective waste management also presents significant opportunities. Companies can reduce costs through resource efficiency and recycling initiatives, potentially creating new revenue streams from waste by-products. Implementing innovative waste reduction strategies can enhance a company's sustainability profile, attracting environmentally conscious customers and investors.	The Company's approach to waste management at Pennar Industries Ltd embodies the principles of a circular economy: Reduce, Reuse, and Recycle. It adheres to a zero-defect standard in manufactured products to minimise waste generation and maximise reuse and recycling postmanufacturing. Waste at all units is segregated into hazardous and non-hazardous categories and disposed of appropriately, adhering to the applicable safety norms and regulations for each type of waste. Going forward, the Company is committed to reducing landfill waste from Pennar Industries Ltd operations.	Negative
4	Product Stewardship	Opportunity	By taking responsibility for the environmental and social impacts of their products throughout their lifecycle, companies can differentiate themselves in the market and appeal to increasingly conscious consumers. This approach can lead to innovative product designs that are more sustainable, efficient, and aligned with circular economy principles. Such innovations can result in cost savings, reduced environmental impact, and improved brand loyalty.	-	Positive

SECTION B

Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.pennarindia.com/corporate-governance.php								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The list of certifications holds by Pennar Industries Ltd. ISO 9001:2015 QMS - Steel, Railways, ECD, Tubes, BIW Bus ISO 14001:2015 EMS - Steel, Railways, ECD, Tubes, BIW Bus ISO 45001:2018 OHSMS - Steel, Railways, ECD, Tubes, BIW Bus ISO 3834-2:2021 WQMS - Railway BU IATF 16949:2016 AQMS - ECD & BIW Bus IATF 16949:2016 AQMS - Tubes BU EN15085-2:2020 RWQMS - PTC Plant - Railway BU EN15085-2:2020 RWQMS - CHN Plant - Railway BU AS9100:2016 ASQMS - Railway BU ISO 22163:2023 RBMS (IRIS) - Railway BU (Note: Recertification done...waiting for renewed certificate) ISO 27001:2013 ISMS - Tech Pennar BU								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.		100% suppliers to be assessed on supplier code of conduct by 2030	Encourage employees to participate in 10K Challenge by 2025 Improve employee volunteering by 5% Year on Year To achieve 100% increase in training & development to all employees from the baseline by 2025 Sustain 100% operations of Pennar compliance towards OHSAS certification (Either ISO 18001 / 45001) and ensuring "Zero Incident work culture"	NIL	Zero noncompliance to human rights principles and policies	NIL	NIL	Achieve 10% gender balance by 2027 Implement high impact CSR programs at grass roots in the areas of Education, Health and Community Development	Achieve & sustain 85% + customer satisfaction rate by 2030
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.		The Company is in the process of formulating its Supplier Code of Conduct	NIL	NIL	NIL				
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Kindly refer to the Managing Director's statement in Annual Report.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Din No : 01307343 Name: Mr. Aditya Rao Designation: Vice - Chairman and Managing Director Telephone No:040-43904952 Email Id: corporatecommunications@pennarindia.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, details.	As mentioned above								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Internal Committee									Quarterly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances																		

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	No. The Company has in place an internal task force which evaluates the working of this policy								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
The entity does not consider the Principles material to its business (Yes/No)	Pennar Industries has policies covering BRSR principles								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No) Any other reason (please specify)									

SECTION C

Principle 1. Businesses should Conduct and Govern themselves with integrity and in a manner that is ethical, transparent and accountable.

Essential Indicators:

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	The Board is updated on ESG/BRSR development at regular intervals		
Key Managerial Personnel	2	2	95%
Employees other than BoD and KMPs	465	56	57%
Workers	560	65	80%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/judicial institutions	Amount (in Rs)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

B. Non-Monetary

Particulars	NGRBC Principle	Name of the regulatory /Enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory /enforcesment agencies/judicial institutions
NIL	NIL
NIL	NIL

4. **Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a weblink to the policy.**

The Company's governance policies are firmly rooted in the principles of ethics, transparency, and timely disclosure. These policies are not merely guidelines, but a shared value that permeates every level of the organisation, from the Board of Directors to Senior Management and all other employees.

The Company encourages all stakeholders to align their actions with its core values and beliefs. This alignment is not only expected but also perceived by all involved. The Code of Conduct, applicable to Directors and Senior Management personnel, encapsulates this ethos. It underscores the importance of acting in the Company's legitimate interest and recognising the Company's responsibility towards its stakeholders as a cornerstone of its long-term success.

In its dealings with vendors and contractors, the Company is committed to engaging with those who uphold and adhere to ethical standards. The Company's stakeholders are regularly informed about these values through various engagement channels. This approach ensures that the Company's commitment to ethical conduct is not just an internal policy, but a value that is communicated and understood by all relevant parties.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 25 (Current Financial Year)	FY 24 (Previous Financial Year)
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest**

Particulars	FY 25 (Current Financial Year)		FY 24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0		0	0
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	0

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Nil

8. **Number of days of accounts payables ((Accounts payable*365)/Cost of goods/services procured) in the following format**

	FY 25 (Current Financial Year)	FY 24 (Previous Financial Year)
Number of days of account payables	156	135

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advancements & investments,with related parties, in the follwing format

Parameter	Metrics	FY 25 (Current Financial Year)	FY 24 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases		
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total pruchases from trading houses		
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	NA	NA
	b. Number of dealers/distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	NA	NA
Share of RPTS in	a. Purchases (Purchases with related parties/ Total purchases)	0.86%	0.91%
	b. Sales (Sales to related parties/Total Sales)	2.64%	3.27%
	c. Loans and advances (Loans and advances given to related parties/Total loans and advances)		
	d. Investments (Investments in related parties/ Total investments made)	98%	23%

Leadership Indicators :

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
-	-	-
-	-	-
-	-	-

Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

1. **Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Category	FY25 Current Financial Year	FY24 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

Leadership Indicators

Life Cycle Assessment

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, details in the following format.**

NIC Code	Name of Product / Service	% of total turnover contributed	The boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by an independent external agency	Results communicated in public domain (Yes/No) If yes, provide the web-link
Pennar Industries Ltd manufactures products based on OEM specifications, the Company is in the process of shortlisting few products aligning business demands. Pennar Industries Ltd intends to evaluate the life cycle impact of those products in the near future.					

2. **If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of the product /Service	Description of the risk/concern	Action Taken
Pennar Industries Ltd plans to evaluate the life cycle impact of its products in the future. Therefore, this is currently not applicable.		

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate Input Material	Recycled or re-used input material to total material	
	FY25 Current Financial Year	FY24 Previous Financial Year
	NA	NA

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Category	FY25 Current Financial Year	FY24 Previous Financial Year
	Re-used	Re-Cycles
Plastics (including packaging)	Reclamation of product is not applicable due to the nature of business.	
E-waste		
Hazardous waste		
Other waste		

Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

ESSENTIAL INDICATORS:

1 a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent Employees											
Male	1905	1905	100%	1905	100%	0	0%	0	0%	0	0%
Female	173	173	100%	173	100%	3	1.73%	0	0%	0	0%
Total	2078	2078	100%	2078	100%	3	2%	0	0%	0	0%
Other than permanent employees											
Male	149	149	100%	149	100%	0	0%	0	0%		0%
Female	12	12	100%	12	100%	0	0%	0	0%		0%
Total	161	161	100%	161	100%	0	0%	0	0%		0%

1 b. Details of measures for the well-being of Workers

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	701	701	100%	701	100%	0	0%	0	0%	0	0%
Female	46	46	100%	46	100%	0	0%	0	0%	0	0%
Total	747	747	100%	747	100%	0	0%	0	0%	0	0%
Other than permanent workers											
Male	2525	2525	100%	2525	100%	0	0%	0	0%	0	0%
Female	291	291	100%	291	100%	0	0%	0	0%	0	0%
Total	2816	2816	100%	2816	100%	0	0%	0	0%	0	0%

1 C. Spending of measures towrads well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 25 Current Financial Year	FY 24 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	0.00100%	0.00090%

2. **Details of retirement benefits, for current FY and previous financial year**

Benefits	FY 25 Current Financial Year	FY 25 Current Financial Year	FY 25 Current Financial Year	FY 24 Previous Financial Year	FY24 Previous Financial Year	FY24 Previous Financial Year
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	98.75%	100%	0	98%	100%	Y
Gratuity	98.75%	100%	0	98%	100%	Y
ESI	22.91%	11%	0	16%	13%	Y
Others – specify	-	-	-	-	-	-

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention rate	Return to work Rate	Retention rate
Male	NA	NA	NA	NA
Female	3	100%	0	0
Total	3	100%	0	0

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes, Workers can submit their grievances to Welfare Officer.
Other than Permanent Workers	Yes, Workers can submit their grievances to Welfare Officer.
Permanent Employees	Yes, SLA based Help Desk on HRMS system is in places to receive grievances from employees.
Other than permanent Employees	Yes, Workers can submit their grievances to Welfare Officer.

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Total Permanent Workers	747	723	96.79%	782	742	95%
Male	701	677	96.58%	736	696	95%
Female	46	46	100.00%	46	46	100%

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY 25 Current Financial Year					FY 24 Previous Financial Year				
	Total (A)	On health and safety Measures		On skill upgradation		Total (D)	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Employees										
Male	1905	1657	87%	0	NA	1746	1476	84.54%	0	NA
Female	173	109	63%	0	NA	151	89	58.94%	0	NA
Total	2078	1766	85%	0	NA	1897	1565	82.50%	0	NA
Workers										
Male	701	677	97%	0	NA	736	736	100.00%	0	NA
Female	46	46	100%	0	NA	46	46	100.00%	0	NA
Total	747	723	97%	0	NA	782	782	100.00%	0	NA

9. Details of performance and career development reviews of employees and workers:

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	1905	1652	87%	1746	1180	67.58%
Female	173	149	86%	151	96	63.58%
Total	2078	1801	87%	1897	1276	67.26%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

yes

11. Details of safety related incidents

Safety Incident / Number	Category	FY 25 Current Financial Year	FY 24 Previous Fiancial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0.61	0.65
	Workers	2.01	2.04
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company ensures compliance with all safety-related statutory norms. Safety training is provided to employees and workers immediately upon joining. Department-wise Standard Operating Procedures (SOPs) are in place. All manufacturing locations are certified under ISO 45001 (Occupational Health and Safety System). The comprehensive Environment, Occupational Health and Safety Management System (EOHS) ensures workplace safety for the workforce.

13. Number of complaints made by employees and workers

	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	14	0	0	16	0	0
Health & Safety	2	0	0	2	0	0

14. Assessments for the year

	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	90%
Working Conditions	100%

Leadership Indicators:

3. Number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 25 Current Financial Year	FY 25 Current Financial Year	FY 24 Previous Financial Year	FY 24 Previous Financial Year
Employees	0	0	0	0
Workers	0	0	0	0

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & and safety practices	NA
Working conditions	NA

Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS:

1. **Describe the process for identification of key stakeholder groups of the entity.**

Pennar Industries Limited has implemented systems to promote transparent and positive stakeholder relationships. These methods enhance the company's comprehension of pertinent issues and ascertain the stakeholders' importance in the business landscape, promoting substantial engagement. Stakeholder engagement enables Pennar Industries Limited to deliver sustainable services and customise strategies for value optimisation. The company actively involves stakeholders in decision-making processes and advancements in products and processes, promoting a mutually advantageous environment. Pennar Industries Limited gives precedence to stakeholder concerns in its decision-making processes. The company's stakeholder engagement strategy facilitates interaction with stakeholders and addresses their primary concerns. The subsequent table delineates stakeholder groups that interact directly or indirectly with the company, detailing their modes of involvement and primary concerns.

2. **Key stakeholder groups**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers	No	One on One meetings, Exhibitions	Regular Interval	1. Product and delivery timelines, 2. Customer data protection and privacy, 3. Product efficacy, 4. Quality, 5. Sustainable supplies and 6. Safety
Investors	No	Investor calls/presentations, Press releases, publications, Statutory reports, Annual General Meeting and Stock Exchange announcements	Regular Interval	1. Financial performance 2. Business updates 3. Sustainability performance
Regulators	No	Engagement on a need basis, Participation in forums	Regular Interval	1. Sustainable practices, 2. Compliance and 3. Inclusive growth
Employees	No	Formal induction at the time of joining, Technical and nontechnical training programs, Town hall meetings, Operations review meetings, Intranet portal, Grievance redressal mechanism, Programs and competitions for employees and their families and Mailers on Safety, Health especially	Regular Interval	1. Workplace safety, 2. employee welfare, 3. Professional growth, 4. Employee benefits and other facilities, 5. Diversity at the workplace, 6. Leadership connect sessions, 7. Equal opportunities, 8. Wages and benefits and, 9. Work-lifebalance
Business partners / suppliers and service providers	No	Contract agreements, Seminars and Industrial Meets	Regular Interval	1. Payment processing cycles 2. Business ethics and transparency and 3. Sustainability performance

Principle 5. Businesses should respect and promote human rights

Essential Indicators

1. Training on human rights issues and policies

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	2078	2078	100%	1897	1897	100%
Other than Permanent	161	161	100%	39	39	100%
Total Employees	2239	2239	100%	1936	1936	100%
Workers						
Permanent	747	747	100%	782	782	100%
Other than permanent	2816	2816	100%	2815	2815	100%
Total Workers	3563	3563	100%	3597	3597	100%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 25 Current Financial Year					FY 24 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	**2078**	**NA**	**NA**	**2078**	**100%**	**1897**	**0**	**NA**	**1897**	**100%**
Male	**1905**	**NA**	**NA**	**1905**	**100%**	**1746**	**0**	**NA**	**1746**	**100%**
Female	**173**	**NA**	**NA**	**173**	**100%**	**151**	**0**	**NA**	**151**	**100%**
Other than Permanent	**161**	**NA**	**NA**	**161**	**100%**	**782**	**0**	**NA**	**782**	**100%**
Male	**149**	**NA**	**NA**	**149**	**100%**	**736**	**0**	**NA**	**736**	**100%**
Female	**12**	**NA**	**NA**	**12**	**100%**	**46**	**0**	**NA**	**46**	**100%**
Workers										
Permanent	**747**	**0**	**NA**	**747**	**100%**	**782**	**0**	**NA**	**782**	**100%**
Male	**701**	**0**	**NA**	**701**	**100%**	**736**	**0**	**NA**	**736**	**100%**
Female	**46**	**0**	**NA**	**46**	**100%**	**46**	**0**	**NA**	**46**	**100%**
Other than Permanent	**2816**	**2816**	**100%**			**2815**	**2815**	**100%**	**2815**	**100%**
Male	**2525**	**2525**	**100%**			**2449**	**2449**	**100%**	**2449**	**100%**
Female	**291**	**291**	**100%**			**366**	**366**	**100%**	**366**	**100%**

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors	**7**	**29 LPA**	**1**	**29 LPA**
Key Managerial Personal	**-**	**-**		
Employees other than BoD and KMP	**1909**	**5 LPA**	**174**	**4 LPA**
Workers	**681**	**5.27 LPA**	**46**	**4.86 LPA**

4. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 25 Current Financial Year	FY 24 Previous Financial Year
Gross wages paid to females as % of total wages	4.97%	4.91%

5. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No

6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY 25 Current Financial Year			FY 24 Previous Financial Year		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	0	0	0	0	0	0
Discrimination at workplace	0	0	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0	0	0
Wages	0	0	0	0	0	0
Other human right related issues	0	0	0	0	0	0

7. Complaints failed under Sexual Harrasment of Women at workplace (prevention, prohibition and Redressal) Act,2013, in the following format:

	FY 25 Current Financial Year	FY 24 Previous Financial Year
Total Complaints reported under Sexual Harrasment of Women at workplace (prevention, prohibition and Redressal) Act,2013(POSH)	0	0
Complaints on POSH as a % of female employees/workers	0	0
Complaints on POSH Upheld	0	0

10. Assessments of the year

Category	% of plants and offices that were assesses by the entity or by the statutory authorities or third parties
Child Labour	0
Forced/Involuntary Labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others – please specify	0

Leadership Indicators:

4. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced labour/Involuntary Labour wages	0
Others – please specify	0

Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY 25 Current Financial Year	FY 24 Previous Financial Year
From renewable sources		
Total electricity consumption (A)	17887.00	35354.00
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable resources (A+B+C)	17887.00	35354.00
From non-renewable resources		
Total electricity consumption (D)	99077.00	139184.00
Total fuel consumption (E)	1490.63	7,555
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable resources (D+E+F)	100567.63	1,46,738.99
Total energy consumed (A+B+C+D+E+F)	118454.63	182093.00
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		7.41
(Total energy consumption/ turnover in rupees)		
Energy intensity per rupee of turnover adjusted for Purchasing power parity(PPP)		169.54
(Total energy consumed/ Revenue from operations adjusted for PPE)		
Energy Intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

3. Details of the following disclosures related to water

Parameter	FY 25 Current Financial Year	FY 24 Previous Financial Year
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	55531	60418
ii)Ground water	414	5112
(iii) Third party water	45882	40628
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	101827	106158
Total volume of water consumption (in kilolitres)	101413	106158
Water intensity per rupee of turnover (Water consumed / revenue from operations)		
Water intensity per rupee of turnover adjusted for Purchasing power parity(PPP)	8.65	
(Total water consumption / Revenue from operations adjusted for PPE)		
Water Intensity in terms of physical output		
Water intensity (optional) – the relevant metric may be selected by the entity		

4. **Please provide the following details related to water discharge:**

Parameter	**FY 25 Current Financial Year**	**FY 24 Previous Financial Year**
Water discharge by destination and level of treatment(in kilolitres)		
(i) To Surface Water	N/A	
-No Treatment		
-With Treatment - please specify level of treatment		
(ii) To Groundwater		
-No Treatment		
With Treatment - please specify level of Treatment		
(iii) To Sea Water		
-No Treatment		
-With Treatment - please specify level of treatment		
(iv) Sent to third parties		
-No Treatment		
-With Treatment - please specify level of treatment		
(v) Others		
-No Treatment		
-With Treatment - please specify level of treatment		
Total water discharged (in Kilolitres)		

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Company operates a Zero Liquid Discharge (ZLD) plant, which processes two types of effluents: Low TDS Rinse water and spent acid. The Low TDS Rinse water is neutralised to a pH of 9 using a Caustic lye solution, then passed through a filter press to separate suspended solids. These solids, primarily Iron sludge, are sent to co-processing units such as cement factories. The water is then processed through a Reverse Osmosis (RO) system. The purified water is reused in the process, while the reject water is directed to a Multiple Effect Evaporator (MEE) feed tank. The spent acid effluent is neutralised with a Lime powder solution to a pH of 9 and passed through a filter press to separate suspended solids. The high TDS water is treated in the MEE system. The MEE condensate water is treated through RO and further used in the process. The reject water is passed through an Agitated Thin Film Dryer (ATFD) system to separate solids. These solids are disposed of through a TSDF Telangana Government certified industry, Re-Sustainability Ltd.

6. **Details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	**Please specify unit**	**FY 25 Current Financial Year**	**FY 24 Previous Financial Year**
NOx	(µg /m3)	49	28
Sox	(µg /m3)	121	12
Particulate Mater	(µg /m3)	66	76
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY 25 Current Financial Year	FY 24 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	**Metric tonnes of CO2 equivalent**	**The company is in the process of calculating the scope 1,scope 2 GHC emissions.**	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations)			
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for purchasing power parity PPP (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

9. Provide details related to waste management by entity, in the following format:

Parameter	FY 25 Current Financial Year	FY 24 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	**NA**	**NA**
E-waste (B)	**0.16**	**0.09**
Bio-medical waste (C)	**0.23**	**0.25**
Construction and demolition waste (D)	**NA**	**NA**
Battery waste (E)	**42 NO'S**	**32 NO'S**
Radioactive waste (F)	**NA**	**NA**
Other Hazardous waste (G)	**1480**	**1395**
Other Non-hazardous waste generated (H) (Break-up by composition i.e by materials relevant to the sector	**184**	**269**
Total (A+B+C+D+E+F+Gg+H)	**1664.39**	**1664.34**
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations)	0.0000000645 MT	0.0000000645 MT
Waste intensity per rupee of turnover adjusted for Purchasing power parity(PPP) (Total waste generated /Revenue from operations adjusted for PPP)	0.00000148 MT	0.00000148 MT
Waste intensity in terms of phsyical output		
Waste intensity(optional) - the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
i.Re-cycled	1480	1395.41
ii.Re-used	NA	NA
iii.Other recovery operations	NA	NA
Total	1480	1395.41
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i.Incineration	0	0
ii.Landfilling	184	269.02
iii.Other disposal operations	0	0
Total	184	269.02

11. If the entity has operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required,

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)
			If no, the reasons thereof and corrective action taken, if any.
1	Not Applicable		
2			

12. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
1	Not Applicable				
2					
3					

13. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, details of all such non-compliances, in the following format

SL No	Sepcify the Law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Yes, the Company comply with all applicable environmental laws/regulations				

Leadership Indicators:

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

Parameter	FY 25 Current Financial Year	FY 24 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	The Company operates a Zero Liquid Discharge (ZLD) plant, which processes two types of effluents: Low TDS Rinse water and spent acid. The Low TDS Rinse water is neutralised to a pH of 9 using a Caustic lye solution, then passed through a filter press to separate suspended solids. These solids, primarily Iron sludge, are sent to co-processing units such as cement factories. The water is then processed through a Reverse Osmosis (RO) system. The purified water is reused in the process, while the reject water is directed to a Multiple Effect Evaporator (MEE) feed tank. The spent acid effluent is neutralised with a Lime powder solution to a pH of 9 and passed through a filter press to separate suspended solids. The high TDS water is treated in the MEE system. The MEE condensate water is treated through RO and further used in the process. The reject water is passed through an Agitated Thin Film Dryer (ATFD) system to separate solids. These solids are disposed of through a TSDF Telangana Government certified industry, Re-Sustainability Ltd. And Sewage water inhouse treated and product water used in in house Gardening purpose.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

2. Please provide the details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY 25 Current Financial Year	FY 24 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	*Metric tonnes of CO_2 equivalent*	Not Applicable	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

Sl No.	Initiative undertaken	Details of the initiative (Web-link, if any, along-with summary)	Outcome of the initiative
1	-	-	-

Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators:

1. b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Federation of Indian Chamber of Commerce and Industry	National
3		
5		

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
During the year, there were no adverse orders from regulatory authorities relating to anti-competitive conduct		

Leadership Indicators:

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly / Quarterly / Others – Please specify	Weblink if available
1	Over the course of this year, Pennar Industries Ltd has not advocated for any particular public policies.				

Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators:

1. **Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
During FY 25, the Company has not undertaken any projects that require Social Impact Assessments (SIA).					

2. **Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity**

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY (INR)
The Company is dedicated to the development of communities surrounding its sites and to the resolution of their grievances and concerns. Regular engagement with these communities is undertaken to comprehend their concerns. Any specific grievance is appropriately documented, investigated, and addressed.						

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Particulars	FY 25 Current Financial Year	FY 24 Previous Financial Year
Directly sourced from MSMEs/small producers	NA	NA
Sourced directly from within the district and neighbouring districts	NA	NA

5. **Job creation in smaller towns - disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following location, as a % of total wage cost**

Location	FY 25 Current Financial Year	FY 24 Previous Financial Year
Rural	0	0
Semi-Urban	26,90,05,253	20,97,43,188
Urban	47,68,50,550	41,65,65,539
Metropolitan	91,62,67,537	77,63,76,675

Leadership Indicators:

1. **Please provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above)**

Details of negative social impact identified	Corrective action taken
NA	NA
NA	NA

2. **Please provide following information on CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies**

SL No.	State	Aspirational District	Amount Spent (In Rs)
1	Telangana	Promoting of Education ,Health Care and sports	71 lakhs

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge.

Sl No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA
NA	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of the authority	Brief of the case	Corrective action taken
NA	NA	NA
NA	NA	NA

6. Details of the beneficiaries of CSR projects

Sl NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
NA	NA		

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators:

2. Turnover of products and /services as a percentage of turnover from all products/service that carry information about

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	The customer complaints are monitored and resolved by Pennar Industries Ltd.'s Quality team with each of its business divisions in order to facilitate faster resolution. The Company also keeps track of customer satisfaction with respect to quality on a regular basis.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following

Particulars	FY 25 Current Financial Year	FY 25 Current Financial Year	Remarks	FY 24 Previous Financial Year	FY 24 Previous Financial Year	Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy	The existing IT policy of The Company encompasses data privacy and cyber security for all employees and stakeholders. Furthermore, The Company is in the process of refining Personally Identifiable Information (PI), Financial Performance Indicators (FPIs), and other sensitive information of key importance.					
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	The Company produces safety-critical products, which are directly supplied to both automobile and non-automobile sectors. Additionally, these products are provided to Tier 1 and Tier 2 vendors, who manufacture components for Original Equipment Manufacturers (OEMs).	
Forced recalls		

INDEPENDENT AUDITOR'S REPORT

To the Members of **Pennar Industries Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Pennar Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report:

Revenue Recognition – (Refer note 2.11 of Standalone Financial Statements):

Company recognises the sale of goods based on the terms and conditions of transactions which varies with different customers.

In respect of sale transactions executed there are significant management judgements and estimations involved in checking whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly cut off for revenue is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards.
2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of sales transactions.
3. Obtained contracts with customers and basis which revenue is recognised and verified the underlying documents and evidence for transfer of control and fulfilment of performance obligations.
4. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any.
5. Obtained evidence in respect of sales transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.
6. Tested, on sample basis journal entries relating to revenues to identify and inquire on unusual items if any.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's report, Report on Corporate Governance, Business Responsibility and Sustainability Report (hereinafter referred to as the "other information") but does not include the standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the paragraph 2h (vi) below on reporting under Rule 11(g).

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on March 31, 2025, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

   (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2h (vi) below on reporting under Rule 11(g).

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 30 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. or There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. 1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. Based on our examination which included test checks, the Company has used two accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database in one of the accounting software's to log any direct data changes. Further, the audit trail (edit log) facility was not enabled at the both the levels for another accounting software's.

Further, where enabled, audit trial feature has been operated for all the relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements of record retention to the extent of it was enabled and recorded in respective years.

3. In our opinion, according to information, explanations given to us, the remuneration paid/provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTRR2626

Place: Hyderabad
Date: May 30, 2025

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2025, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTRR2626

Place: Hyderabad
Date: May 30, 2025

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, investment property and relevant details of right-of-use assets.

(a) B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment, investment property were physically verified by the management (except right of use assets) according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of property, plant and equipment, investment property and right-of-use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company except for the following:

Sr. No.	Description of Property	Gross carrying value as at Balance sheet date (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held – Indicate range, where appropriate	Reason for not being held in name of Company (also indicate if in dispute)
1	Land	195	Pennar Engineered Building Systems Limited	No	From May 2019 to till Balance sheet date	The said property was transferred vide Scheme of Amalgamation approved by NCLT, Hyderabad. The same is not yet transferred in the name of the Company.
2	Land	27	Pennar Enviro Limited	No	From May 2019 to till Balance sheet date	
3	Land	74	Pennar Steels Limited	No	From April 1986 to till Balance sheet date	The said property is in the erstwhile name of the Company, not yet transferred in the current name of the Company.

Further the original title deeds of immovable properties aggregating to ₹ 11,029 lakhs as at March 31, 2025, are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

(d) According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

(e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties and stock in transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. The discrepancies noticed on physical verification of inventory were not 10% or more in aggregate for each class of inventory. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During any point of time of the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks and/ financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks/ financial institutions are in agreement with the unaudited books of account of the Company for the quarter ended June 30, 2024, September 30, 2024 and December 31, 2024. The Company is yet to submit the return/statement for the quarter ended March 2025, with the Banks and/ financial institutions.

iii. (a) According to the information explanations provided to us, the Company has provided loans to other entities. The details of such loan to subsidiary is as follows:

Particulars	Loan (Amount in Lakhs)
Aggregate amount granted during the year-Subsidiaries	193
Balance Outstanding as at balance sheet date in respect of above Cases -Subsidiaries	193

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

(b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the grant of loans and terms and conditions in relation to those loans are not prejudicial to the interest of the Company.

The Company has not provided any advances in the nature of loans or security to any other entity during the year.

(c) In case of the loans, schedule of repayment of principal and payment of interest have been stipulated, and the borrowers have been regular in the repayment of the principal and payment of interest.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loan, granted to Company.

(e) According to the information- and explanations provided to us, the loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.

(f) According to the information provided to us, the Company has not any granted loan and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security made.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act, in respect of its products/ services. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2025, for a period of more than six months from the date they became payable.

vii. (b) According to the information and explanation given to us and records examined by us, dues relating to excise duty, service tax, value added tax, goods and service tax and income tax which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs. in lakhs	Amount Paid ₹ in lakhs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1994	Excise duty	143	-	2007-2011	Commissionerate
	Excise duty	165	4	2010-2017	CESTAT
The Finance Act, 1994	Service Tax	4	-	2004-2008	CESTAT
AP Tax on Entry of Goods into local areas Act, 2001	Entry Tax	239	65	2005-2008 2012-2014	High court of Telangana
Telangana Tax on Entry of Goods into local areas Act, 2001	Entry Tax	11	4	2012-2014	High court of Telangana
Telangana State Value Added Tax Act, 2005	VAT	2,769	167	2013-2015 2017-2018	High court of Telangana
	VAT	1,127	-	2015-2018	Deputy commissioner (CT)
Gujarat Value Added Tax Act, 2003	VAT	144	10	2016-2018	Commercial Tax Officer
Central Sales Tax Act, 1956	CST	1,989	-	2015-2018	High court of Telangana
Goods and Service Tax Act, 2017	GST	56	-	2018-19 to 2023-24	Assistant Commissionerate
	GST	73	3	2018-19 and 2020-21	Commissioner
	GST	109	4	2018-2019 to 2020-21	State Tax Officer
	GST	13	-	2018-19	Deputy Commissioner (ST) Appeal
	GST	69	-	2017-18	Tribunal
	GST	3,709	-	2020-21 to 2023-24	Deputy Commissioner
	GST	836	258	2017-18 2018-19	Commissioner Appeal
	GST	37	-	2019-2020 to 2023-24	Superintendent of Central Tax
Employee Provident Fund & Miscellaneous Provisions Act 1952	Employee Provident Fund	28	14	2023-24	High Court
Industrial Disputes Act, 1947	Wages Arrears	0.7	0.7	2014- 15	High Court
Income Tax Act, 1961	Income Tax	119	2	2017-2019	CIT(A)
		860	-	2018-19	High Court

There are no dues relating to provident fund, employees' state insurance, duty of customs, cess, and other statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act ,1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. Refer Note 17 to the standalone financial statements.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.

(e) According to the information explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries and joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint venture. Further, the Company do not have any associate. Accordingly, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the requirement to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

(b) During the year no report under Section 143(12) of the Act, has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act,2013 where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirement to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

(c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

(d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 39 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Companies Act as explained in Note 31 to the standalone financial statements.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTRR2626

Place: Hyderabad
Date: May 30, 2025

ANNEXURE C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Pennar Industries Limited on the Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Pennar Industries Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ("the Guidance Note").

Managements and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 205226
UDIN: 25205226BMKTRR2626

Place: Hyderabad
Date: May 30, 2025

Standalone Balance Sheet

as at March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars		Note	As at March 31, 2025	As at March 31,2024
I	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	3	75,198	55,479
	Capital work-in-progress	3A	3,557	18,068
	Investment property	4	2,410	-
	Right-of-use assets	5	4,581	4,298
	Other intangible assets	6	707	873
	Financial assets			
	(a) Investments	7	9,561	8,071
	(b) Trade receivables	12	41	1,708
	(c) Other financial assets	9	1,285	1,224
	Income-tax assets (net)	19 (f)	236	1,719
	Other non-current assets	10	1,598	3,136
	Total Non-current assets		**99,174**	**94,576**
2	**Current assets**			
	Inventories	11	90,770	79,374
	Financial assets			
	(a) Investments	7	149	1,873
	(b) Trade receivables	12	52,721	44,666
	(c) Cash and cash equivalents	13	1,661	540
	(d) Other bank balances	14	4,817	5,256
	(e) Loans	8	193	2,918
	(f) Other financial assets	9	9,378	7,878
	Other current assets	10	10,837	8,004
	Total Current assets		**1,70,526**	**1,50,509**
	Total assets (1+2)		**2,69,700**	**2,45,085**
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	Equity share capital	15	6,747	6,747
	Other equity	16	81,002	72,070
	Total Equity		**87,749**	**78,817**
2	**LIABILITIES**			
	Non-current liabilities			
	Financial liabilities			
	(a) Borrowings	17	20,538	13,396
	(a. i) Lease liabilities	5(b)	1,912	2,845
	(b) Other financial liabilities	22	282	374
	Provisions	18	3,164	1,451
	Deferred tax liabilities (net)	19 (d)	785	292
	Other non-current liabilities	20	36	-
	Total Non-current liabilities		**26,717**	**18,358**
3	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	17	56,871	59,859
	(a. i) Lease liabilities	5(b)	1,144	1,080
	(b) Trade payables	21		
	Total outstanding dues to micro and small enterprises		1,261	815
	Total outstanding dues of other than micro and small enterprises		82,057	73,025
	(c) Other financial liabilities	22	2,974	2,042
	Other current liabilities	20	8,541	5,663
	Provisions	18	841	1,580
	Current tax liabilities (net)	19 (f)	1,545	3,846
	Total Current liabilities		**1,55,234**	**1,47,910**
	Total Liabilities (2+3)		**1,81,951**	**1,66,268**
	Total Equity and Liabilities (1+2+3)		**2,69,700**	**2,45,085**
	See accompanying notes forming part of the Standalone financial statements	1-46		

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars		Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	**INCOME**			
	Revenue from operations	23	2,57,817	2,45,773
	Other income	24	2,868	3,772
	Total income		**2,60,685**	**2,49,545**
II.	**EXPENSES**			
	Cost of materials consumed	25	1,59,091	1,57,552
	Purchase of traded goods		1,744	1,859
	Changes in inventories of finished goods, work-in-progress and scrap	25 A	(5,847)	(5,790)
	Employee benefits expense	26	17,710	15,806
	Finance costs	27	11,696	11,402
	Depreciation and amortisation expense	28	5,570	5,610
	Other expenses	29	58,587	55,128
	Total expenses		**2,48,551**	**2,41,567**
III.	**Profit before exceptional item and tax (I - II)**		**12,134**	**7,978**
IV.	**Exceptional item**		-	
III.	**Profit before tax (I- II)**		12,134	7,978
IV.	**Tax expense:**	19 (a)		
	Current tax		2,514	2,255
	Deferred tax charge/(credit)		576	(204)
	Tax adjustments relating to earlier years		(136)	-
			2,954	**2,051**
V.	**Profit for the Year (III-IV)**		**9,180**	**5,927**
VI.	**Other comprehensive income/(loss)**			
	Items that will not be reclassified subsequently to profit or loss:			
	- Remeasurements of the net defined benefit liability	18 (c)	(332)	(287)
	- Income tax relating to above items	19 (b)	84	72
	Total other comprehensive loss		**(248)**	**(215)**
VII.	**Total comprehensive income for the year (V + VI)**		**8,932**	**5,712**
VIII.	**Earning per equity share (Face value of ₹ 5 each)**			
	Basic and Diluted earning per share (₹)	32	6.80	4.39
	See accompanying notes forming part of the Standalone financial statements	1-46		

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Standalone Statement of Cash Flow

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities:		
Profit before tax	**12,134**	**7,978**
Adjustments for:		
Depreciation and amortisation expense	5,570	5,610
Loss on sale/scrap of property, plant and equipments (net)	5	6
Profit on sale of investments(net)	(223)	(130)
Net gain arising from financial instruments designated as FVTPL	(10)	(67)
Unrealized foreign exchange differences (net)	(276)	(154)
Liabilities no longer required written back	(567)	(2,248)
Provision for credit impaired trade receivables	(1,013)	12
Credit impaired trade receivables written off	231	1,289
Finance costs	11,696	11,402
Interest income	(423)	(969)
Provision for credit impaired advances and deposits	320	615
Operating profit before working capital changes:	27,444	23,344
Changes in working capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	10,045	20,293
Other liabilities	3,406	(5,412)
Provisions	642	531
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(5,330)	(8,107)
Inventories	(11,396)	(5,710)
Other assets	(4,672)	(1,711)
Cash generated from operations	**20,139**	**23,228**
Income-tax paid (net of refunds)	(3,196)	(2,032)
Net cash flow from operating activities (A)	**16,943**	**21,196**
B. Cash flows from investing activities:		
Purchase of property, plant and equipments, including capital work-in-progress, capital advances and payable on purchase of property, plant and equipments	(10,746)	(21,609)
Proceeds from sale of property, plant and equipments	1	-
Purchase of long term investments	(178)	(284)
Investment in subsidiary	(670)	(1)
Investment in joint venture	(644)	-
Purchase of current investments	(6,904)	(4,955)
Proceeds from sale of current investments	8,861	5,976
Inter-corporate deposits/ loans (net)	2,725	(58)
Movement in other bank balances	439	(2,293)
Interest received	496	1,701
Net cash used in investing activities (B)	**(6,620)**	**(21,523)**
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	14,575	9,721
Repayment of long-term borrowings	(7,095)	(6,299)
Increase/ (decrease)in short-term borrowings (net)	(3,406)	7,842
Finance costs paid	(11,229)	(10,808)
Interest on lease liabilities	(384)	(515)
Repayment of lease liability	(1,663)	(1,382)
Net cash used in financing activities (C)	**(9,202)**	**(1,441)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**1,121**	**(1,769)**
Cash and cash equivalents at the beginning of the year	540	2,309
Cash and cash equivalents at the end of the year (Refer Note 13)	**1,661**	**540**

Note: Refer note 40 for borrowings and lease liabilities movements disclousure.

See accompanying notes forming part of the Standalone financial statements 1-46

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
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Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Statement of changes in Equity

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	No of Shares	Amount
Balance as at April 01, 2023	**13,49,46,231**	**6,747**
Add: Equity shares issued during the year	-	-
Balance as at March 31, 2024	**13,49,46,231**	**6,747**
Add: Equity shares issued during the year	-	-
Balance as at March 31, 2025	**13,49,46,231**	**6,747**

B. Other equity

Particulars	Reserves and surplus						Items of other comprehensive income	Total other equity
	Capital Reserve	Securities premium	General reserve	Profit on forfeiture of shares	Capital redemption reserve	Retained earnings	Remeasure-ment of the net defined benefit liability	
Balance as at April 01, 2023	**386**	**7,013**	**401**	**6**	**2,056**	**56,429**	**67**	**66,358**
Profit for the year	-	-	-	-	-	5,927	-	5,927
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	(215)	(215)
Balance as at March 31, 2024	**386**	**7,013**	**401**	**6**	**2,056**	**62,356**	**(148)**	**72,070**
Profit for the year	-	-	-	-	-	9,180	-	9,180
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	(248)	(248)
Balance as at March 31, 2025	**386**	**7,013**	**401**	**6**	**2,056**	**71,536**	**(396)**	**81,002**

See accompanying notes forming part of the Standalone financial statements 1-46

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
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(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

1. Corporate information:

Pennar Industries Limited ("the Company") is a public listed company in India having its registered and corporate office in Hyderabad in State of Telangana and is engaged in manufacturing of cold rolled steel strips, precision tubes, cold rolled formed sections, electrostatic precipitators, profiles, Railway wagons and coach components, press steel components, hydraulics, road safety systems, galvanised products, Solar panels. Design, manufacture, supply, service and installation of pre-engineered steel buildings, building components and erection for industries, warehouses, commercial centres, multi storied buildings, aircraft hangars, defence installations. Design, manufacture, supply, erection and maintenance of water and waste-water treatment plants and manufacture and supply of water treatment chemicals and fuel additives for both solid and liquid fuels. The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange of India.

2. Material accounting policies

2.1 Statement of compliance

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, as amended, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. The Company has consistently applied accounting policies to all periods.

2.2 Basis of preparation and presentation:

These financial statements have been prepared on accrual basis and on the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability of market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Inventories:

Inventories are valued at lower of cost or net realisable value after providing for obsolescence's and other losses, where considered necessary. Cost of inventories is ascertained on a 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost and includes appropriate portion of overheads.

Cost in respect of work-in-progress represents cost incurred up to the stage of completion, cost of materials remaining uncertified / incomplete by the Company.

Goods-in-transit are valued at cost which represents the costs incurred up to the stage at which the goods are in-transit. Scrap material is valued at the net realisable value after providing for obsolescence and other losses (if any).

2.4 Foreign currency translation:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-Monetary items carried at fair value that are

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-Monetary items that are measured in terms of historical cost in a foreign currency are not restated.

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise.

2.5 Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

2.6 Income taxes:

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

2.7 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee:

The Company's significant leasing arrangement are in respect of land, office premises and plant and equipment. The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

As a Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalized as investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

2.8 Earnings per share:

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a legal or constructive obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

Provisions are not recognised for future operating losses. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Provision is made for costs associated with dismantling of the property, plant and equipment. Such dismantling costs are normally incurred at the end of the estimated useful life of the assets. These costs are assessed by the management on an annual basis and are capitalised to the respective block of assets. A corresponding provision is created for the said costs.

The capitalised asset is charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the provision is increased each period via unwinding the discount on the provision.

Contingent liabilities are not recognised and are disclosed by way of notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

2.10 Cash and cash equivalents and Cash flow statements:

Cash comprises cash on hand, in bank and demand deposits with banks. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from Operating, investing and financing activities of the Company are segregated based on the available information.

2.11 Revenue:

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract and excluding taxes or duties collected on behalf of the Government.

The Company recognises revenue for supply of goods to customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of products as per Ind

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

With respect to contracts where revenue is recognised over time, the Company measures the value of services for which control is transferred to the customer over time based on certification of work completed. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Company recognises revenue only to the extent that it is highly probable that the customer will acknowledge the same.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

Revenue earned but not billed to customers against erection contracts is reflected as "Contract assets" under "Other financial assets". Billings on incomplete contracts in excess of accrued costs and accrued profits are included in other current liabilities as "Contract liabilities".

Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance/ settlement by the customers.

Interest, Dividend and Claims:

Dividend income is recognised when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted /settled.

Export Benefits:

Export benefits arising on account of entitlement for duty-free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate reliability of such benefits are established.

Government grants, subsidies and export incentives:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Income from sales tax and power incentives are recognised on accrual basis, when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

2.12 Property, plant and equipment (PPE):

PPE are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalised until the PPE are ready for use, as intended by management.

The Company depreciates PPE over their estimated useful lives using the straight-line method. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

An item of PPE is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income in the statement of profit or loss.

The cost of a self-constructed item of PPE comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.

2.13 Depreciation and amortization

Depreciation on PPE except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method. Depreciation on upgradation of PPE is provided over the remaining useful life of the assets. No depreciation is charged on Freehold land.

Depreciation on PPE commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Category	Useful Life (Years)
Buildings	30-60
Plant and Machinery	15-20
Factory Equipment (Electricals)	3-20
Office Equipment	3-5
Furniture and Fixtures	10
Computers	3-6
Vehicles	8
Intangible Assets	7-20

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date. Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of buildings, plant and machinery, factory equipment (Electrical), office equipment and computers which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

2.14 Investment property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When the use of property changes from owner occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification. The useful life of investment property is estimated at 60 yrs based on technical evaluation performed by management's expert.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the year of derecognition.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Depreciation on investment property

The Company depreciates Investment Property over their estimated useful lives using the straight-line method. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

2.15 Intangibles assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets are amortised over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Cost of computer software packages (ERP and others) allocated/amortised over a period of 10 years/ 5 years. License fees, over the duration of license or 10 years whichever is less.

The Company, based on technical assessment made by technical expert and management estimate, amortizes the software packages over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

2.16 De-recognition of tangible and intangible assets

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.17 Impairment of tangible and intangible assets

Tangible and intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognised in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at an appropriate rate.

Impairment losses recognised earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

loss is reversed and recognised in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that has been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

2.18 Employee benefit plans:

Employee benefits include provided fund, superannuation fund, employee's state insurance scheme, gratuity and compensated absences.

Post Employment Obligations:

Defined Contribution Plans:

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on the amount of contribution required to be made and when service are rendered by the employees.

Contributions under the superannuation plan, which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans Gratuity:

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognised in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilised accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Company measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits:

Other Short-term employee benefits, including performance incentives expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders service.

2.19 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of profit or loss.

For the purposes of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other Comprehensive Income (FVTOCI), equity instruments at FVTOCI on fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL, and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

a. **Financial assets**

Recognition and initial measurement:

Financial assets include Investments, Trade receivables, Advances, Security deposits, cash and cash equivalents, loans etc. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(i) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(ii) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(iii) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised in 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes.

Impairment:

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification:

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Derecognition:

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

b. **Financial liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

c. **Derivative Financial Instruments:**

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

d. **Foreign exchange gains and losses:**

- For foreign currency denominated financial for foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

e. **Non-current Investments:**

At each balance sheet date, the Company assesses whether there is any indication that an investment may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the investment exceeds its estimated recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and value in use.

Investment in joint ventures are accounted for using the 'equity method' less accumulated impairment, if any. Only share of net profits / losses of joint ventures is considered Statement of Profit and Loss. The carrying amount of the investment in joint ventures is adjusted by the share of net profits / losses in the Balance Sheet.

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Company had transferred control over the goods to the buyer.

Key sources of estimation uncertainty

Informaion about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment	The Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in the life considered for the assets.
Provision for employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return of plan assets, rate of increase in compensation levels and mortality rate.
Provision for taxes	Significant judgements are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.
Provision for credit impaired receivables	The Company makes provision for credit impaired receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories in the Company makes an estimate of future selling prices, and costs necessary to make the sale.
Leases	Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Company reassess the option when significant events or changes in circumstances occur that are within the control of the lessee.

2.21 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle for the purpose of its assets and liabilities as current and non-current.

2.22 Standards (including amendments) issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

3. Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Land (Refer Note 36)	8,285	2,461
Leasehold improvements	-	2
Buildings	35,431	27,702
Plant and equipment	23,371	20,129
Electrical equipment	5,485	4,514
Computers	39	64
Office equipment	104	53
Furniture and fixtures	1,983	228
Vehicles	500	326
Total [Refer note (a), (b) and (c) below]	**75,198**	**55,479**

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

Particulars	Land	Leasehold improvements	Buildings	Plant and equipment	Electrical equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
Cost as at April 01, 2023	**2,413**	**45**	**36,527**	**46,273**	**7,481**	**606**	**359**	**580**	**545**	**94,829**
Additions	48	-	96	1,482	758	31	6	3	86	2,510
Disposals/adjustments/write offs	-	-	-	(92)	(3)	(52)	-	-	-	(147)
Dismantling cost	-	-	-	3	-	-	-	-	-	3
Balance as at March 31, 2024	**2,461**	**45**	**36,623**	**47,666**	**8,236**	**585**	**365**	**583**	**631**	**97,195**
Additions	5,824	-	8,932	6,021	1,568	20	76	1,972	269	24,682
Disposals/adjustments/write offs	-	(45)	-	(964)	(3)	(13)	(83)	(83)	(26)	(1,217)
Balance as at March 31, 2025	**8,285**	**-**	**45,555**	**52,723**	**9,801**	**592**	**358**	**2,472**	**874**	**1,20,660**
Accumulated depreciation as at April 01, 2023	**-**	**38**	**7,787**	**24,760**	**3,315**	**516**	**267**	**312**	**244**	**37,239**
Depreciation for the year	-	5	1,134	2,864	409	57	45	43	61	4,618
Disposals/adjustments/write offs	-	-	-	(87)	(2)	(52)	-	-	-	(141)
Accumulated depreciation as at March 31, 2024	**-**	**43**	**8,921**	**27,537**	**3,722**	**521**	**312**	**355**	**305**	**41,716**
Depreciation for the year	-	2	1,203	2,709	595	44	24	213	93	4,883
Disposals/adjustments/write offs	-	(45)	-	(894)	(1)	(12)	(82)	(79)	(24)	(1,137)
Accumulated depreciation as at March 31, 2025	**-**	**-**	**10,124**	**29,352**	**4,316**	**553**	**254**	**489**	**374**	**45,462**
Net carrying amount as at March 31, 2025	**8,285**	**-**	**35,431**	**23,371**	**5,485**	**39**	**104**	**1,983**	**500**	**75,198**
Net carrying amount as at March 31, 2024	**2,461**	**2**	**27,702**	**20,129**	**4,514**	**64**	**53**	**228**	**326**	**55,479**

Notes:

a) Refer Notes 17 (a) and 17 (c) for details of charge created on assets.

b) The title deeds of all immovable properties are held in the name of the Company except as disclosed in Note 36.

c) Borrowing costs capitalised during the year ended March 31,2025 amounted to ₹ 451 Lakhs (March 31,2024: 70 Lakhs). These costs are directly attributable to the acquisition and construction of qualifying assets and have been capitalised in accordance with Ind As 23 – Borrowing Costs.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 9.85% (March 31,2024: 9.70%). This rate represents the weighted average of the borrowing costs applicable to the entity's general borrowings that are outstanding during the year.(Refer Note 27)

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

3A. Capital work- in- progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress	3,557	18,068
Total [Refer note (d),(e) and (f) below]	**3,557**	**18,068**

Movement of Capital work-in-progress

Particulars	Opening as at April 01, 2024	Expenditure during the year	Capitalized during the year	Closing as at March 31, 2025
Capital work-in-progress	18,068	12,618	27,129	3,557

Particulars	Opening as at April 01, 2023	Expenditure during the year	Capitalized during the year	Closing as at March 31, 2024
Capital work-in-progress	1,005	19,589	2,526	18,068

Notes:

a) Capital work-in-progress includes borrowing cost of ₹ 145 Lakhs (March 31, 2024: ₹ 204 Lakhs) (Refer Note 27)

b) The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.85% (March 31,2024: 9.70%). This rate represents the weighted average of the borrowing costs applicable to the entity's general borrowings that are outstanding during the year. (Refer Note 27)

c) Refer Note 37 (iii) for ageing of Capital work-in-progress.

d) It includes investment property captalisation of ₹ 2,447 Lakhs during the year

4. Investment property

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Buildings	**2,410**	**-**
Total	**2,410**	**-**

Notes:

(a) Movement in the carrying amounts of Buildings is as below:

Particulars	Buildings
Cost as at April 01, 2024	-
Additions	2,447
Disposal	-
Balance as at March 31, 2025	**2,447**
Accumulated depreciation as at April 01, 2024	-
Depreciation expense	37
Disposal	-
Accumulated depreciation as at March 31, 2025	**37**
Net carrying amount as at March 31, 2025	**2,410**

(b) Information regarding income and expenditure of Investment Property

Particulars	For the year ended March 31, 2025
Rental income derived from investment property	**63**
Less: Depreciation	**37**
Profit arising from investment properties before indirect expenses	**26**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(c) The minimum rentals receivable on lease of investment property is as follows:

Particulars	As at March 31, 2025
With in 1 year	192
Between 1 and 2 years	202
Between 2 and 3 years	212
Between 3 and 4 years	223
Between 4 and 5 years	144
Later than 5 years	-

(d) Fair value of the investment property is not determined as on March 31, 2025.

5. Right-of-use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Land	457	130
Buildings	542	1,121
Plant and equipment	3,582	3,047
Total	**4,581**	**4,298**

Notes:

(a) Movement in the carrying amounts of right-of-use assets is as below:

Particulars	Land	Buildings	Plant and equipment	Total
I. Gross Carrying Value				
Cost as at April 01, 2023	**169**	**3,562**	**3,225**	**6,956**
Additions	-	238	847	1,085
Disposals	-	(1,476)	-	(1,476)
Balance as at March 31, 2024	**169**	**2,324**	**4,072**	**6,565**
Additions	377	60	815	1,252
Disposals	(62)	(880)	(26)	(968)
Balance as at March 31, 2025	**484**	**1,504**	**4,861**	**6,849**
II. Accumulated depreciation				
Accumulated depreciation as at April 01, 2023	**25**	**1,704**	**770**	**2,499**
Depreciation	14	554	255	823
Disposals	-	(1,055)	-	(1,055)
Balance as at March 31, 2024	**39**	**1,203**	**1,025**	**2,267**
Depreciation	16	215	280	511
Disposals	(28)	(456)	(26)	(510)
Balance as at March 31, 2025	**27**	**962**	**1,279**	**2,268**
Net Carrying amount as at March 31, 2025	**457**	**542**	**3,582**	**4,581**
Net Carrying amount as at March 31, 2024	**130**	**1,121**	**3,047**	**4,298**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current	1,144	1,080
Non-current	1,912	2,845
Total (Refer note 40)	**3,056**	**3,925**

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	1,144	1,080
One to five years	1,912	2,845
More than five years	-	-

6. Other intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of acquired other intangible assets:		
Computer software	132	201
Software license	37	81
Other intangible assets	538	591
Total Other intangible assets	**707**	**873**

Movement in the carrying amounts of other intangible assets is as below:

Particulars	Computer software	Software license	Other intangible assets	Total
I. Cost				
Balance as at April 01, 2023	**752**	**306**	**1,126**	**2,184**
Additions	1	-	-	1
Balance as at March 31, 2024	**753**	**306**	**1,126**	**2,185**
Additions	-	-	-	-
Disposals/adjustments/write offs	-	(43)	-	(43)
Balance as at March 31, 2025	**753**	**263**	**1,126**	**2,142**
II. Accumulated amortisation				
Balance as at April 01, 2023	**458**	**203**	**482**	**1,143**
Amortisation for the year	94	22	53	169
Balance as at March 31, 2024	**552**	**225**	**535**	**1,312**
Amortisation for the year	69	17	53	139
Disposals/adjustments/write offs	-	(16)	-	(16)
Accumulated amortisation as at March 31, 2025	**621**	**226**	**588**	**1,435**
Net Carrying amount as at March 31, 2025	**132**	**37**	**538**	**707**
Net Carrying amount as at March 31, 2024	**201**	**81**	**591**	**873**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

7. Investments

Particulars	Face Value per share	As at March 31, 2025		As at March 31, 2024	
		No. of shares	Amount	No. of shares	Amount
I. Investments - Non-current					
Unquoted investments (all fully paid):					
(A) Investments in equity shares of subsidiaries at cost					
Pennar Global Inc., USA	USD 0.01 each	5,095	8,429	5,000	7,763
Enertech Pennar Defense and Engineering Systems Private Limited	-	-	-	5,100	1
Pennar GmbH., Germany	Euro 1 each	25,000	20	25,000	20
Pennar Metals Private Limited	₹ 10 each	10,000	1	10,000	1
Pennar FZCO, UAE [Refer note (c)]	AED 1 each	10,000	3	-	-
			8,453		**7,785**
(B) Investments in equity shares of Joint Venture at cost					
ZAP91 Solar India Private Limited [Refer note (d)]	₹ 10 each	64,40,500	644	-	-
(C) Investments Carried at fair value through other comprehensive income (FVTOCI)					
Mana Effluent treatment plant Limited	₹ 1,000 each	200	2	200	2
Invstt TRUST	₹ 100 each	4,61,500	462	2,84,000	284
Aggregate value of Unquoted Non-current investments (A+B+C)			**9,561**		**8,071**
II. Investments - Current					
Unquoted Investment carried at fair value through profit and loss (FVTPL)					
Investments in mutual funds [Refer note (a)]			148		1,873
Investments in equity shares of subsidiaries at cost					
Enertech Pennar Defense and Engineering Systems Private Limited [Refer note (e)]	₹ 10 each	5,100	1		-
Aggregate value of unquoted current investments			**149**		**1,873**

Notes:

a) Details of current-investments (unquoted)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of units	Amount	No. of units	Amount
Investments in Mutual Funds				
Nippon India Money Market Fund-Direct Growth Plan	-	-	20,146	770
ICICI Prudential Opportunities Fund	96,511	148	96,511	138
Axis Money Market Fund-Direct Growth	-	-	15,252	200
HSBC Money Market Fund-Direct Growth	-	-	14,07,987	355
Mirae Asset Money Market Fund	-	-	4,843	56
Baroda BNP Paribas Money Market	-	-	19,863	253
Bandhan Money Manager Fund	-	-	2,54,926	101
Total current investment		**148**		**1,873**

(b) The Company has complied with number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(c) The Company has formed a wholly owned subsidiary in U.A.E on November 15, 2024, with the name of Pennar-FZCO, to undertake Engineering Services in Middle east asia.

(d) The Company has entered a joint Venture Agreement with Zetwerk Manufacturing Businesses Private Limited and Others on December 31, 2024, for incorporation of a Joint Venture company, to undertake solar panel manufacturing.

(e) Board of directors in its meeting held on November 12, 2024, accorded its in-principle approval to sell the stake in Enertech Pennar Defense and Engineering Systems Private Limited, which is pending completion as of March 31, 2025.

8. Loans (Unsecured, considered good)

Particulars	As at March 31, 2025	As at March 31, 2024
Current:		
Loan to related parties [Refer Note 35(iii)]	193	2,918
Total	**193**	**2,918**

9. Other financial assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current:		
Deposits	1,278	1,224
Deffered lease rent receivable	7	-
Total	**1,285**	**1,224**
Current:		
Interest accrued on deposits with banks	16	89
Interest accrued on loan*	922	972
Contract assets	6,776	5,459
Incentive receivable	8	8
Security deposits	1,652	1,328
Other	94	112
Less: Provision for credit impaired deposits	(90)	(90)
Total	**9,378**	**7,878**

*Includes interest receivable from related parties [Refer Note 35 (iii)]

10 Other assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances	1,045	2,468
Balance with Statutory/Government Authorities	553	668
Total	**1,598**	**3,136**
Current:		
Advances recoverable in kind or for value to be received	8,636	6,100
Prepaid expenses	1,291	1,199
Employee advance	39	55
Balance with Statutory/Government Authorities	1,716	1,175
Less: Provision for credit impaired advances	(845)	(525)
Total	**10,837**	**8,004**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

11. Inventories (At lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	18,438	14,244
Work-in-progress	45,193	44,208
Finished goods	6,927	6,067
Finished goods in- transit	7,816	3,461
Stores and spares	11,786	10,431
Scrap	610	963
Total	**90,770**	**79,374**

Note: Refer Note 17 (a) and 17 (c) for details of charge created on assets.

12. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Unsecured, considered good	41	1,708
	41	**1,708**
Current		
Unsecured, considered good*	52,721	44,666
Credit impaired	8,470	9,714
	61,191	**54,380**
Less: Allowance for credit impaired [Refer note (ii) Below]	8,470	9,714
Total	**52,721**	**44,666**
Total	**52,762**	**46,374**

* Includes dues from related parties [Refer Note 35 (iii)]

Notes:

i. Trade receivables includes retention money aggregating to ₹ 8,617 lakhs (March 31, 2024 : ₹ 7,736 lakhs).

ii. Expected credit loss (ECL):

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit in the normal course of business. Before accepting any new customer, the Company assesses the potential customer's credit quality.

As a practical expedient, the Company uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

The movement in the allowance for Credit impaired:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	9,714	9,702
Impairment losses/(reversed) recognised on trade receivables	(1,013)	1,301
Amounts written off during the year as uncollectible, provision released	(231)	(1,289)
Balance at the end of the year	**8,470**	**9,714**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

iii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

iv. Trade receivables balance as at March 31, 2025, ₹ Nil Lakhs (As at March 31, 2024 : ₹ Nil Lakhs) is due from the Company's Largest customers individually representing more than 5% of total trade receivables balance.

v. Refer Note 37 (ii) for ageing of Trade receivables

13. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
in current accounts	387	23
in cash credit accounts	571	456
in deposits with original maturity of less than three months	703	61
Total	**1,661**	**540**

Refer note 34 for information about the Company exposure to financial risks.

14. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks		
– in Corporate social responsibility unspent account (Refer Note 31)	1	53
– in margin money deposits*	4,816	3,339
– in deposit accounts (maturity greater than 3 months, up to 12 months)	-	1,864
Total	**4,817**	**5,256**

*Margin money deposits are provided as a security to various Banks for Cash Credit and other short term borrowing facilities including letter of credit and bank guarantees availed by the Company.

Refer note 34 for information about the Company exposure to financial risks.

15. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
Equity shares		
25,20,00,000 (March 31,2024: 25,20,00,000) equity shares of ₹ 5 each	12,600	12,600
Preference Shares:		
Series - A: 5,00,000 (March 31,2024: 5,00,000) cumulative redeemable preference shares of ₹ 100 each	500	500
Series - B: 4,00,00,000 (March 31,2024: 4,00,00,000) cumulative redeemable preference shares of ₹ 5 each	2,000	2,000
	15,100	**15,100**
Issued, subscribed and fully paid-up capital:		
Equity shares		
13,49,46,231 (March 31,2024: 13,49,46,231) equity shares of ₹ 5 each [Refer note (a) and (d) below]	6,747	6,747
Total	**6,747**	**6,747**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Notes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of Shares	Share Capital (in lakhs)	Number of Shares	Share Capital (in lakhs)
Opening balance	13,49,46,231	6,747	13,49,46,231	6,747
Add:Movement during the year	-	-	-	-
Balance	**13,49,46,231**	**6,747**	**13,49,46,231**	**6,747**

b. Details of shares held by each shareholder holding more than 5% shares of the aggregate shares of the company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Fully paid up equity shares:				
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%
Aditya Narsing Rao	89,90,408	6.66%	88,97,753	6.59%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%

c. Rights, preferences and restrictions attached to each class of shares:

Equity Shares: The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

d. Refer Note 17 (c) for details of shares pledged.

e. Shareholding of Promoters as at:

Shares held by Promoters					% change during the year
Particulars	As at March 31, 2025		As at March 31, 2024		
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	89,90,408	6.66%	88,97,753	6.59%	0.07%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	0.00%
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	0.00%
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	0.00%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	0.00%
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	0.00%
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	0.00%
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	0.00%
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	0.00%

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Shares held by Promoters					% change during the year
Particulars	As at March 31, 2024		As at March 31, 2023		
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	88,97,753	6.59%	88,97,753	6.50%	0.09%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	0.00%
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	0.00%
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	0.00%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	0.00%
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	0.00%
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	0.00%
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	0.00%
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	0.00%

16. Other equity

Particulars	As at / For the year ended March 31, 2025	As at / For the year ended March 31, 2024
(a) Capital reserve		
Opening balance	386	386
Closing Balance	**386**	**386**
(b) Securities premium		
Opening balance	7,013	7,013
Closing Balance	**7,013**	**7,013**
(c) General reserve		
Opening balance	**401**	**401**
Closing Balance	**401**	**401**
(d) Profit on forfeiture of shares	**6**	**6**
(e) Capital redemption reserve		
Opening balance	2,056	2,056
Closing Balance	**2,056**	**2,056**
(f) Retained earnings		
Opening balance	62,356	56,429
Add: Profit for the year	9,180	5,927
Closing Balance	**71,536**	**62,356**
(g) Remeasurement of defined benefit plan, net of taxes		
Opening balance	(148)	67
Add: Defined benefit plan,net of taxes	(248)	(215)
Closing Balance	**(396)**	**(148)**
Total	**81,002**	**72,070**

Nature of reserves:

(a) Capital reserve :

Capital Reserve represents the gain on amalgamation. It is the excess of share capital issued and the amount of share capital of the transferor companies. It is made out of capital profits earned by the company which can be used only for special purposes and hence it is not freely available to be distributed among shareholders as the dividend.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) Securities premium :

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

(c) General reserve :

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Profit on forfeiture of shares :

Profit on forfeiture of shares pertains to profit on redemption of preference shares.

(e) Capital redemption reserve :

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

(f) Retained earnings :

Retained earnings reflects the Company's undistributed earnings after taxes along with current year profit.

(g) Remeasurement of defined benefit plan, net of taxes :

Remeasurement of defined plan represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

17. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Term Loans - Secured - at amortised cost [Refer note (a) below]		
- From banks	6,475	3,949
- From non banking financial companies (NBFC's)	14,063	9,447
Total	**20,538**	**13,396**
Current		
Loans repayable on demand from banks - Secured - at amortised cost [Refer note (c) below]		
(i) Cash credits (Refer note (g))	6,404	7,615
(ii) Working capital demand loans	28,494	24,846
(iii) Credit Cards and bills discounting	16,201	21,396
Current maturities from long term borrowings		
Term Loans-Secured [Refer note (a) below]		
- From banks	3,032	3,311
- From non banking financial companies (NBFC's)	2,740	2,500
Unsecured		
Sales tax deferment loan [Refer note (b) below]	-	191
Total current borrowing	**56,871**	**59,859**
Total Borrowings	**77,409**	**73,255**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Notes:

(a) Summary of borrowings arrangements

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
From Banks:						
HDFC Bank Limited	48 equal monthly instalments of ₹ 48.46 lakhs each commencing from April 2022	Extension of second ranking charge over existing primary collateral securities including mortgages of created in favour of the bank and 100% Credit guarantee by National Credit guarantee Trust Company Limited(NCGTC).	5,116	1,453	2,732	7.00% to 8.55% p.a
ICICI Bank Limited	48 equal monthly instalments of ₹ 13.95 each, after a moratorium period of 1 year, commencing from April 2022	Second pari-passu charge on the entire current assets of the Company . Second pari-passu charge on the fixed assets of the Company .	670	168	335	7.95% to 8.50% p.a
Yes Bank Limited	16 equal quarterly instalments of ₹ 156.25 lakhs each, commencing from September 2020	First charge on entire Fixed Assets pertaining to plant located in Kannigaipair village Chennai with minimum asset cover of 1.33x and personal Guarantee from Aditya Rao (Vice Chairman & Managing Director)	2,500	-	156	9.25% to 11.55% p.a.
	48 equal monthly instalments of ₹ 18.07 lakhs each commencing from March 2021	Extension of second ranking charge over existing primary collateral securities including mortgages of created in favour of the bank 100% Credit guarantee by national Credit guarantee Trust Company Limited(NCGTC) Second pari-passu charge on the entire current assets of the Company . Second pari-passu charge on the fixed assets of the Company , present and future apart from the assets that are exclusively charged. Second pari passu charge on entire fixed assets pertaining to plant located in kannigaipair village, Chennai.	867	217	434	9.15% to 9.25% p.a.
	48 equal monthly instalments commencing from December 2022	First charge by way of hypothecation of the vehicle for which the loan was taken.	54	25	38	8.77%

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
State Bank of Mauritius Limited	16 equal quarterly instalments of ₹ 187.50 lakhs each commencing from September 2022	First charge on entire Fixed Assets pertaining to plant located in Kannigaipair village Chennai with minimum asset cover of 1.33x and personal Guarantee from Aditya Rao (Vice Chairman & Managing Director)	3,000	-	1,688	9.60%
Bandhan Bank Limited	24 equal quarterly instalments of ₹ 41.64 lakhs each commencing from January 2020	First charge on fixed assets (excluding land) created out of Bandhan bank term loan for solar PV module manufacturing unit. DSRA of ₹ 58 with exclusive charge for the term loan of Bandhan Bank Ltd. and personal guarantee of Mr. Aditya Rao (Vice Chairman & Managing Director).	999	-	375	10.70%
Bank of Baroda	72 equal monthly instalments of ₹ 107.43 lakhs each commencing from December 2024	Exclusive first charge by way of Mortgage of land at village Rampur Dist. , Raebareli - 13.76 Acres First charge by way of Equitable mortagage of all the piece and parcel of industrial land situated at Velchal village - 107 acres 36 guntas together with all the buildings and structure standing in the name of the Company. Exclusive first charge on the entire fixed assets to be created out of Bank Finance -movable fixed assets of Sadashivpet PEBS Unit in Telangana,movable fixed assets of Aerospace Unit, Patancheru, Hyderabad, and movable fixed assets of ECD unit in Uthukottai, Tiruvallur Chennai Personal Guarantee given by Aditya Rao	7,735	7,406	1,450	9.25%
Axis Bank Limited	60 equal monthly instalments of ₹ 2.02 Lakhs commencing from August 2021	First charge by way of hypothecation of the vehicle for which the loan was taken.	101	31	52	7.46%
Indian Bank Limited	60 equal monthly instalments of 2.92 Lakhs commencing from May 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	141	119	-	8.45%
Indian Bank Limited	60 equal monthly instalments of 1.46 Lakhs commencing from September 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	70	63	-	8.45%

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at March 31, 2025	Outstanding as at March 31, 2024	Rate of Interest
Indian Bank Limited	60 equal monthly instalments of 0.52 Lakhs commencing from March 2025	First charge by way of hypothecation of the vehicle for which the loan was taken.	25	25	-	8.45%
Total			**21,278**	**9,507**	**7,260**	
From Non Banking Financial Institutions:						
Tata Capital Financial Services Limited	60 months equal instalments of ₹ 30 lakhs each commencing from October 2021.	First and exclusive charge by way of hypothecation of machinery purchased out of TCFSL fund. Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	1,800	263	713	10.85% to 13.00% p.a
Siemens Financial Services Private Limited	48 equal months instalments of ₹ 8.89 lakhs each commencing from March 2021	Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	427	-	130	11.30% to 12.75% p.a
Volkswagen Finance Private Limited	84 equal monthly instalments commencing from October 2017	First charge by way of hypothecation of the vehicle for which the loan was taken.	49	-	3	8.50%
Axis Financial Services Private Limited	20 equal quarterly instalments of ₹ 125 lakhs each commencing from September 2022	First charge by way of registered mortgage on the entire land & Building and structures pertaining to Sadashivpet plant owned by the Borrower. First charge by way of hypothecation of all the movable assets both present and future pertaining to Sadashivpet plant owned by the Borrower; Minimum total security Cover of 1.50x to be provided by the securities provided to AFL throughout the tenor of this facility. Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	2,500	1,125	1,625	10% to 11.35%
Oxyzo Financial Services Private Limited	36 equal months instalments of ₹ 55.55 lakhs each commencing from April 2023	First ranking pari-passu charge on the fixed assets in IDA Mallapur, Uppal mandal, Medchal-Malkajgiri, Telangana Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	2,000	551	1,472	13.00%

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
Axis Financial Services Private Limited	8 equal quarterly instalments of ₹ 72 lakhs and 32 equal quarterly instalments of ₹ 132 lakhs each commencing from December 2023	First charge by way of registered mortgage on the entire land & building located at Serilingampally Manda, Hyderabad (Mortage value ₹ 90 Cr) First charge by way of hypothecation of all the movable assets both present and future pertaining located at Serilingampally Mandal, Hyderabad (MV ₹ 20 Cr) Personal guarantee of Mr. Adiya Rao (NW - ₹ 23 Cr)	4,800	4,248	4,056	9.60%
Aditya Birla Finance Limited	8 equal quarterly instalments of ₹ 60 lakhs and 32 equal quarterly instalments of ₹ 110 lakhs each commencing from December 2023		4,000	3,540	3,880	9.60%
Bajaj Finance Limited	20 equal quarterly instalments of ₹ 373 lakhs each commencing from August 2024	First pari passu charge on the Land and buildings pertaining to plant located at Kannigapair village, Chennai and Personal guarantee of Mr. Aditya Rao Minimum security cover of 1.5x.	7,460	7,021	-	9.55%
Toyota Financial services Limited	60 equal monthly instalments ₹ 1.35 Lakhs commencing from February 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	70	55	68	6.21%
Total			**23,106**	**16,803**	**11,947**	

(b) The Company availed an interest free sales tax deferment loan for a period of 14 years starting from 1997 - 98 amounting to ₹ 2,486 lakhs from the Commercial tax department. Out of this, amount aggregating ₹ 2,272 lakhs was paid during earlier years, an amount of ₹ 214 lakhs paid during year and there is no outstnding as on March 31,2025

(c) Cash Credit and Working capital facilities sanctioned by consortium of bankers comprising State bank of India, Axis Bank, Yes Bank, HDFC Bank ,Indian Bank, Punjab National Bank and Punjab & Sindh Bank are secured by first pari passu charge on the entire current assets and second charge on fixed assets of the Company along with other working capital lenders under consortium, and for SBI, exclusive pledge of 15,00,000 shares (March 31, 2024:15,00,000 shares) of ₹ 5 each of Pennar Industries Limited held by Pennar Holdings Private Limited (Promoter Company). These facilities are further secured by personal guarantee from Aditya N Rao (Vice – Chairman and Managing Director). These borrowings carried interest rate of 9.50% to 10.95% (March 31, 2024: 9.50% to 10.95%)

(d) Details of borrowings guaranteed by Directors :

Particulars	As at March 31, 2025	As at March 31, 2024
Aditya Narsing Rao (Vice Chairman and Managing Director)	1,63,538	1,54,192

(e) The Company has used the borrowings for the purposes for which it was taken. The Company has access to financing facilities of which ₹ 26,302 Lakhs were unused at the end of the reporting period.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(f) The returns of current assets for the quarter ended March 2024,June 2024, September 2024 and December 2024 filed by the Company with banks are in agreement with the books of account. Company is yet to file return for the quarter ended March 2025.

(g) The Provident Fund (PF) authorities have attached the Company's cash credit account maintained with Axis Bank, in relation to a PF demand amounting to ₹98.55 lakhs. Pursuant to this, the cash credit facility was temporarily restricted to the extent of the demanded amount. The Company has filed a writ petition before the Hon'ble High Court of Telangana. The Court has granted relief by suspending the prohibitory order, subject to a lien being marked on the amount of ₹98.55 lakhs. Consequently, the Company is permitted to operate the cash credit account, subject to this lien.

18. Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for gratuity [Refer note c (iii) below]	1,717	551
Provision for compensated absences	994	447
Asset retirement obligation	453	453
Total	**3,164**	**1,451**
Current		
Provision for gratuity [Refer note c (iii) below]	510	958
Provision for compensated absences	331	622
Total	**841**	**1,580**
Total Provisions	**4,005**	**3,031**

Notes:

Employee Benefits

(a) Defined contribution Plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance and superannutaion fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company has recognised as an expense aggregating to ₹ 796 lakhs (2023-24:₹ 772 lakhs) in respect of the defined contribution plans.

(b) Post retirement benefit - Defined benefit

The employee's gratuity fund scheme managed by Life Insurance Corporation of India and Birla sun life insurance are defined benefit plan. The present value of obligation is determined bases on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(c) Gratuity :

Particulars	2024-25	2023-24
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present Value of DBO at the beginning of the year	3,003	2,613
Interest cost	214	189
Current service cost	278	243
Actuarial loss on obligation	329	269
Benefits paid	(300)	(311)
Present Value of DBO at the end of the year	**3,524**	**3,003**
ii) Changes in the Fair Value of Plan Asset during the year		
Fair value of plan assets at the beginning of the year	1,494	1,624

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	2024-25	2023-24
Return on plan assets	(3)	(27)
Interest income	106	118
Contributions paid	-	81
Benefits paid	(300)	(302)
Fair value of plan assets at the end of the year	**1,297**	**1,494**
iii) Amount recognized in Balance Sheet		
Present Value of DBO of the year	(3,524)	(3,003)
Fair value of plan assets at the end of the year	1,297	1,494
Net Liability recognized in the balance sheet	**(2,227)**	**(1,509)**
- Non Current	(1,717)	(551)
- Current	(510)	(958)
iv) Components of employer expense		
Current service cost	278	243
Interest income on net defined benefit obligation	108	71
Expense recognised in Statement of Profit and Loss	**386**	**314**
v) Remeasurement on the net defined benefit obligation		
Actuarial (gain)/loss due to demographic assumptions change in defined benefit obligation	19	27
Actuarial loss due to experience and financials assumptions on Defined Benefit Obligation	310	233
Return on plan assets excluding Interest income	3	27
Remeasurements recognised in other comprehensive income	**332**	**287**
Total defined benefit cost recognised	**718**	**601**

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2025	Valuation as at March 31, 2024
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	7.10%-7.15%
Rate of increase in compensation	9%	8-9%
Expected average remaining service	20.4	20.4
Employee Attrition rate	20%	19%

Sensitivity Analysis

Particulars	Change in assumption	Effect in Gratuity Obligation
Discount rate	1%	3,388
	(-1%)	(3,671)
Salary Escalation rate	1%	3,663
	(-1%)	(3,392)
Attrition rate	1%	3,404
	(-1%)	(3,754)
Mortality rate	1%	3,524
	(-1%)	(3,524)

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Estimate of expected benefit payout (in absolute terms i.e. undiscounted)

Particulars	2024-25	2023-24
Within 1 year	825	851
2 to 5 Years	2,193	1,868
6 to 10 Years	1,140	903
> 10 years	581	403

(d) Compensated absences:

The obligation for compensated absences is recognised in the same manner as gratuity except that the remeasurement benefit is treated as part of OCI. The actuarial liability of compensated absence (unfunded) of accumulated privileged leaves of the employees of the Company is given below.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2025	Valuation as at March 31, 2024
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	7.10%-7.15%
Rate of increase in compensation	9%	8-9%
Expected average remaining service	20.4	20.02
Employee Attrition rate	20%	19%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to Statement of Profit and Loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion, past experience and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

19. Income taxes

a. Income tax expense recognized in the statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	2,514	2,255
Deferred tax	576	(204)
Tax adjustments relating to earlier years	(136)	-
Total	**2,954**	**2,051**

b. Income tax expense recognized directly in other comprehensive income:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Tax effect on actuarial losses on defined benefit obligations (Items that will not be reclassified to profit or loss)	84	72
Total	**84**	**72**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

c. Reconciliation of effective tax rate:

The following is the reconciliation of the Company's effective tax rates for the year ended March 31, 2025 and March 31, 2024.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting Profit before tax	12,134	7,978
Enacted rate in India	25.17%	25.17%
Tax expense at statutory tax rate of 25.17% (2024: 25.17%)	3,054	2,008
Add: Effect of disallowed expenses such that CSR, Interest on Income tax etc.	36	43
Tax adjustments relating to earlier years	(136)	-
Reported in statement of profit and loss	**2,954**	**2,051**

d. Deferred tax liabilities (net):

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

Particulars	As at	
	March 31, 2025	March 31, 2024
Deferred tax assets	(4,549)	(4,707)
Deferred tax liabilities	5,334	4,999
Total	**785**	**292**

e. Movement in deferred tax assets and liabilities:

2024-25	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities / (assets) in relation to:				
Liabilities				
Property, plant and equipment and intangible assets	4,999	335	-	5,334
Assets				
Provision for employee benefits	(936)	(162)	(84)	(1,182)
Provision for credit impaired trade receivables	(3,291)	260	-	(3,031)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(102)	-	-	(102)
Provision for ROU and lease liability (Net)	8	144	-	152
Others	(280)	(1)	-	(281)
Total	**292**	**576**	**(84)**	**785**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

2023-24	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Liabilities				
Property, plant and equipment and Intangible assets	4972	27	-	4999
Assets				
Provision for employee benefits	(703)	(161)	(72)	(936)
Provision for credit impaired trade receivables	(3,133)	(158)	-	(3,291)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(87)	(15)	-	(102)
Provision for ROU and Lease liability (Net)	(95)	103	-	8
Others	(280)	-	-	(280)
Total	**567**	**(204)**	**(72)**	**292**

f. Income-tax assets and liabilities

Particulars	As at	
	March 31, 2025	March 31, 2024
Income-tax assets [net of provisions]	236	1,719
Current tax liabilities [net of advance tax of ₹ 2,496 Lakhs, (March 31,2024: ₹ Nil)]	(1,545)	(3,846)
Total	**(1,309)**	**(2,127)**

20. Other liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Deffered lease liability	36	-
	36	**-**
Current		
Advances from customers	7,987	4829
Unearned revenue	554	811
Unearned government grants [Refer Note 17 (b)]	-	23
Total	**8,541**	**5,663**
Total other liabilities	**8,577**	**5,663**

21. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Acceptances	42,171	36,028
Other than acceptances	41,147	37,812
Total	**83,318**	**73,840**
Of the above:		
i) Dues to micro, small and medium enterprises(MSME)*	1,261	815
ii) Outstanding dues of creditors other than micro enterprises and small enterprises(MSME)**	82,057	73,025

Notes:

*Dues to MSME have been determined to the extent such parties have been identified on the basis of information collected by the Management. Refer Note 33

**Includes amount payable to related parties. Refer Note 35 (iii)

Refer Note 37 (i) for ageing of trade payables.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

22. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Retention money payable	224	374
Security Deposits	58	-
	282	**374**
Current		
Interest accrued on		
-Borrowings	292	108
- MSME Parties (Refer note 33)	62	43
Statutory liabilities	817	582
Payables on purchase of property, plant and equipment	978	630
Other payables (including employee related payables)	825	679
Total other financial liabilities	**2,974**	**2,042**

23. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations (Refer below)		
- Sale of products	2,30,540	2,21,160
- Revenue from contracts	8,129	6,867
- Sale of services	8,582	7,492
- Scrap Sales	10,303	9,898
Other operating revenue		
-Export Incentive	263	356
Total	**2,57,817**	**2,45,773**

Note: There is no single customers contributing 10% or more to the Company's revenue (2023-24: Nil).

A.Disaggregate revenue information:

Geographic revenue	For the year ended March 31, 2025	For the year ended March 31, 2024
India	2,42,411	2,31,282
USA	12,017	11,303
Germany	1,446	1,360
Others	1,943	1,828
Total	**2,57,817**	**2,45,773**

Timing of revenue recognition	For the year ended March 31, 2025	For the year ended March 31, 2024
Point in time (delivery to customer)	1,26,215	1,19,244
Point in time (Exworks)	55,189	51,909
Point in time (delivery to port)	6,488	6,102
Over the period of time	69,925	68,518
Total	**2,57,817**	**2,45,773**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Peformance obligation:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Revenue from contracts: The performance obligation in respect of contracts is satisfied when the contract completed and certified by the customer. In respect of these contracts, payment is generally due upon completion of contract and acceptance of the customer.

Sales of services: The performance obligation in respect of services is satisfied when the service completed and accepted by the customer. In respect of these services, payment is generally due upon completion of service and acceptance of the customer.

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	2,60,180	2,47,961
Adjustments:		
-Discounts	2,363	2,188
Revenue from contracts with customers	**2,57,817**	**2,45,773**

C. Remaining performance obligations:

The amount of revenue that will be recognised in future periods on the contracts when those remaining performance obligations will be satisfied is analysed as follows:

As at March 31, 2025:

Particulars	Products	Contracts	Services
Within 1 year	72,603	38,574	6,807
More than 1 year and less than 2 years	-	-	-
Motre than 2 years	-	-	-
Total	**72,603**	**38,574**	**6,807**

As at March 31, 2024:

Particulars	Products	Contracts	Services
Within 1 year	68,247	37,803	6,126
More than 1 year and less than 2 years	-	-	-
Motre than 2 years	-	-	-
Total	**68,247**	**37,803**	**6,126**

D. Changes in contract assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	5,459	2,646
Add: Revenue recognised during the year	4,077	3,872
Less:Invoices raised during the year	2,760	1,059
Balance at the end of the year	**6,776**	**5,459**

E. Changes in unearned revenue is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	811	1,920
Add: Invoices raised during the year	279	1,219
Less:Revenue recognised durung the year	536	2,328
Balance at the end of the year	**554**	**811**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

24. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income on		
- Bank deposits	326	390
- Other interest income	97	579
Other non operating income		
-Net gain arising from financial instruments designated as fair value through Profit and Loss	10	67
-Gain on sale of current investments (net)	223	130
-Net gain on foreign currency transactions and translation	341	219
-Liabilities no longer required written back	567	2,248
-Rental Income	63	-
-Reversal of Provision of credit impaired trade receivables	1,013	-
-Others	228	139
Total	**2,868**	**3,772**

25. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material at the beginning of the year	14,244	16,709
Add:- Purchases during the year	1,63,285	1,55,087
Less:- Raw material at the end of the year	18,438	14,244
Total	**1,59,091**	**1,57,552**
Purchases of traded goods	1,744	1,859

25 A. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock of inventories		
Work-in-progress	44,208	40,972
Finished goods	9,528	7,228
Scrap	963	709
Total	**54,699**	**48,909**
Closing stock of inventories		
Work-in-progress	45,193	44,208
Finished goods	14,743	9,528
Scrap	610	963
Total	**60,546**	**54,699**
Increase in inventories of finished goods, work-in-progress and stock-in-trade	**(5,847)**	**(5,790)**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

26. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	15,967	14,152
Contribution to provident and other funds	1,181	1,086
Staff welfare expenses	935	854
	18,083	**16,092**
Less: Capitalization of salaries	373	286
Total	**17,710**	**15,806**

27. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest:		
Term loans	2,003	1,366
Working capital demand loans	4,874	3,983
Interest on leases	384	515
Others	207	995
Bill discounting charges	2,266	1,455
Other bank charges	2,558	3,362
	12,292	**11,676**
Less: Capitalization Interest [Refer Note 3 (c), 3A(a) and (b)]	596	274
Total	**11,696**	**11,402**

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (Refer note 3)	4,883	4,618
Depreciation on Investment property (Refer note 4)	37	-
Depreciation on right-of-use assets (Refer note 5)	511	823
Amortisation of intangible assets (Refer note 6)	139	169
Total	**5,570**	**5,610**

29. Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Job work and processing charges	10,419	11,136
Sub-contract expenses	3,820	2,922
Erection expenses	6,980	5,672
Stores and spares consumed	17,612	15,763
Power and fuel	2,923	2,698
Repairs and maintenance		
- Plant and equipment	382	330
- Buildings	20	31
- Others	454	206

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent	651	426
Travel and conveyance	1,083	1,068
Printing and stationery	76	37
Communication and internet expenses	98	121
Carriage and freight	6,674	5,443
Office expenses	688	572
Legal and professional	2,394	1,620
Auditors remuneration (Refer note below)	68	65
Rates and taxes	214	307
Marketing and selling expenses	536	1,223
Commission	879	746
Loss on sale of property, plant and equipment	5	6
Corporate social responsibility (Refer note 31)	123	57
Credit impaired trade and other receivables written off	231	1,289
Provision for credit impaired trade receivables	-	12
Provision for credit impaired advances and deposits	320	615
Miscellaneous expenses	1,937	2,763
Total	**58,587**	**55,128**

Note: Auditors remuneration

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit fee	45	40
Limited review	15	15
Certificates	4	6
Out of pocket expenses	4	4
Total	**68**	**65**

Note: Amounts given above excludes Goods and Service tax.

30 Contingent liabilities and commitments

Particulars	As at March 31, 2025	As at March 31, 2024
a) Claims against the company not acknowledged on debt:		
i) Sales Tax	6,029	6,029
ii) Excise duty and service tax	312	312
iii) Goods and service tax #	4,902	1,549
iv) Entry tax	250	250
v) Income-tax	979	119
vi) Others	35	-
Total	**12,507**	**8,259**

The amount disclosed above represents best estimates and the uncertainties are depended on the outcome of the legal proceedings initiated by the Company or the claimant as the case may be.

The aforesaid amount does not include certain orders, for which final orders received by the Company subsequent to the balance sheet date with no liability .

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) The Company has provided Corporate Performance Guarantee to Several Companies for a value not exceeding ₹ 14,058 Lakhs (March 31, 2024 ₹ 349 Lakhs) with regards to contractual liabilities under applicable agreements/contracts entered by company with those Companies.

(c) Capital and other commitments:

Particulars	As at March 31, 2025	As at March 31, 2024
Capital commitment-Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)	2,641	4,445
Other commitment-Investments	1,955	1,218

31. Corporate social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The permitted activities are as per Schedule VII of the Companies Act, 2013, which are specifically identified and approved by CSR Committee. The funds were utilised through the year on these activities.

The Company contributes towards Corporate Social Responsibility (CSR) activities as per the provisions of per Section 135 of the Companies Act, 2013. The Company constituted committee of Board and approved CSR policy. As per the said policy, Company has incurred ₹123 lakhs (2023-24 - ₹ 57 lakhs) during the year. The nature of CSR activities undertaken by the Company includes promoting education, health care including preventive health care, sanitation, animal welfare, rural development and sports.

a) Gross amount required to be spent by the Company during the year is ₹ 123 lakhs (2023-24 : ₹ 57 lakhs)

b) Amount spent during the year on:

Details of expenditure on corporate social responsibility expenditure

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) Construction / acquisition of any asset	61	25
(ii) On purposes other than (i) above	10	32

c) Details of amount unspent:

Opening Balance	Amount required to be spent during the year	Amount Spent during the year		Closing Balance	
In separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c #
53	123	19	52	# 104	1

The Company has transferred unspent ₹ 104 lakhs into CSR account on April 30, 2025.

d) Contribution to Related Parties/ CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	2024-25	2023-24
Pennar Foundation	Trust in which KMP's are trustees	71	92

32. Earnings per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax	9,180	5,927
Weighted average number of equity shares	13,49,46,231	13,49,46,231
Face value per share	5	5
Basic and Diluted earnings per Equity Share	6.80	4.39

Note: No potential equity shares are outstanding as on March 31, 2025 / 2024, and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered diluted EPS.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

33. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors. The disclosures relating to Micro, Small and Medium Enterprises are as under:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Principal amount remaining unpaid to suppliers at the end of the year	1,261	815
(b) Interest due there on remaining unpaid to suppliers at the end of the year	62	43
(c) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year	-	72
(d) Interest paid to the suppliers under MSMED Act (other than section 16)	-	-
(e) Interest paid to the suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable to suppliers under MSMED Act for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act [(b)+(f)].	62	43

34. Financial Instruments

a. Capital Management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents and investment in mutual funds .

The Company's Management reviews the capital structure of the Company on monthly basis. As part of this review, the Management considers the cost of capital and the risks associated with each class of capital.

The table below summarises the total equity, net debt and net debt to equity ratio of the Company:

Particulars	As at March 31, 2025	As at March 31, 2024
Equity share capital	6,747	6,747
Other equity	81,002	72,070
Total Equity (A)	**87,749**	**78,817**
Non-current borrowings	20,538	13,396
Short term borrowings	51,099	53,857
Current maturities of long-term borrowings	5,772	6,002
Gross Debt	**77,409**	**73,255**
Less: Current investments	(149)	(1,873)
Less: Cash and cash equivalents	(1,661)	(540)
Less: Other bank balances	(4,817)	(5,256)
Net debt (B)	**70,782**	**65,586**
Net debt to equity (B/A)	**0.81**	**0.83**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

b. Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2025	**March 31, 2024**
Financial assets		
Measured at amortised cost		
Other financial assets	10,663	9,102
Loans	193	2,918
Trade receivables	52,762	46,374
Cash and cash equivalents	1,661	540
Other Bank balances	4,817	5,256
Investment in subsidiaries and Joint Venture	9,100	7,787
Total financial assets measured at amortised cost (A)	**79,196**	**71,977**
Measured at fair value through profit and loss		
Investments in mutual funds	148	1,873
Total financial assets at fair value through profit and Loss (B)	**148**	**1,873**
Measured at fair value through Other comprehensive Income		
Investment in Invest trust	462	284
Total financial assets at fair value through profit OCI (C)	**462**	**284**
Total Financial Assets (A+B+C)	**79,806**	**74,134**
Financial Liabilities		
Measured at amortised cost		
Long-term borrowings	20,538	13,396
Short-term borrowings including current maturities of long term borrowings	56,871	59,668
Trade payables	83,318	73,840
Other financial liabilities	3,256	2,416
Total financial liabilities carried at amortised cost (A)	**1,63,983**	**1,49,320**
Measured at fair value through Profit and Loss		
Sales tax deferment loan	-	191
Lease Liabilities	3,056	3,925
Financial liabilities at fair value through Profit and Loss (B)	**3,056**	**4,116**
Total Financial Liabilities (A+B)	**1,67,039**	**1,53,436**

The Management assessed that fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced or a liquidation sale.

Investments in other equity instruments (quoted and unquoted) are measured at cost through initial designation in accordance with Ind-AS 109 - Financial Instruments.

Investments in mutual funds are mandatorily measured at fair value.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

c. Financial risk management

The Board oversees the risk management frame work, develops and monitors the company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of the risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and company's activities to provide reliable information to the management and the Board to evaluate the adequacy of the risk management frame work in relation to the risk faced by the Company.

The Management policies aims to mitigate the following risks arising from the financial instruments

1. Market Risk
2. Credit Risk
3. Liquidity Risk

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

The Company generates sufficient cash flow for operations, which together with the available cash & cash equivalents and short term investments provide liquidity in the short term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short term, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Foreign Currency Exchange Risk

The Company's functional currency is Indian National Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Fluctuation in exchange rates affects the Company's revenue from export markets and the cost of imports, primarily in relation to capital goods.

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of reporting period as follows:

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Currency exposure as at March 31, 2025

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	AED (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	5,725	2,165	134	265	8,289
Loans	-	-	193	-	193
Interest Receivable	922	-	-	-	922
Trade payables	484	-	-	-	484
Advances	856	473	85	-	1,414
Total	**7,987**	**2,638**	**412**	**265**	**11,302**

*Others include currencies such as Qatari Rial, Malaysian Ringgit, and Oman rial.

Currency exposure as at March 31, 2024

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	SGD (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	5,486	1,286	42	258	7,072
Loans	2,918	-	-	-	2,918
Interest Receivable	972	-	-	-	972
Trade payables	784	-	-	-	784
Total	**10,160**	**1,286**	**42**	**258**	**11,746**

*Others include currencies such as Qatari Rial, Malaysian Ringgit,

Saudi Riyal etc

Unhedged foreign currency exposure

Amounts receivable/(payable) in foreign currency

Particulars	As at March 31, 2025			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	66.90	23.45	5.76	12.00
Loans	-	-	8.29	-
Interest Receivable	10.77	-	-	-
Trade payables	5.66	-	-	-
Advances	10.00	5.12	3.65	-

Amounts receivable/ (payable) in foreign currency

Particulars	As at March 31, 2024			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	65.79	14.25	2.00	12.16
Loans	35.00	-	-	-
Interest Receivable	11.66	-	-	-
Trade payables	9.40	-	-	-

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Sensitivity analysis:

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a ₹ 1 increase and decrease against the US Dollar. ₹ 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹ 1 change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

Particulars	Impact on profit and loss	
	March 31, 2025	March 31, 2024
Strengthening	93.33	121.85
Weakening	(93.33)	(121.85)

Commodity price risk

The Company's revenue is exposed to the market risk of price fluctuations related to the purchase of steel products used as Raw Material in manufacture of Finished Goods. The company manages the risk by forecasting its production and the manufacturing plan. Raw Material purchases are made based on the evaluation of the steel prices aligned to such production plans.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirement for its day to day operations like short term loans. The risk is managed by Company by maintaining an appropriate mix between fixed and floating rate borrowings, ensuring the most cost-effective strategies are applied.

Working Capital position

Particulars	As at March 31, 2025	As at March 31, 2024
Current assets	1,70,526	1,50,509
Current liabilities	(1,55,234)	(1,47,910)
Working capital	**15,292**	**2,599**

Sensitivity analysis:

Particulars	Impact on profit and loss	
	March 31, 2025	March 31, 2024
1% increase in interest rate	(153)	(26)
1% decrease in interest rate	153	26

Liquidity Risk

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables details the company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Company can be required to pay.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(i) Liquidity exposure as at March 31, 2025

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	17,590	2,948	20,538
Short-term Borrowings including current maturity of long term borrowings	56,871	-	-	56,871
Trade payables	83,318	-	-	83,318
Lease liabilities	1,144	1,912	-	3,056
Other financial liabilities	2,974	282	-	3,256
	1,44,307	**19,784**	**2,948**	**1,67,039**

(ii) Liquidity exposure as at March 31, 2024

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	13,396	-	13,396
Short-term Borrowings including current maturity of long term borrowings	59,859	-	-	59,859
Trade payables	73,840	-	-	73,840
Lease liabilities	1,080	2,845	-	3,925
Other financial liabilities	2,042	374	-	2,416
	1,36,821	**16,615**	**-**	**1,53,436**

Refer note 17 for the details of collateral security against the above mentioned banking facilities.

d. Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2025.

(i) Level wise disclosure of Financial instruments as at March 31, 2025 that are measured at fair value

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current- Investments	2	-	-	2
Current Investments	149	149	-	-
Financial liabilities				
Lease liabilities	3,056	-	3,056	-
Sales tax deferment loan	-	-	-	-

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(ii) Level wise disclosure of Financial instruments as at March 31, 2024 that are measured at fair value

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current- Investments	2	-	-	2
Current Investments	1,873	1,873	-	-
Financial liabilities				
Lease liabilities	3,925	-	3,925	-
Sales tax deferment loan	191	-	-	191

(iii) Level wise disclosure of Financial instruments as at March 31, 2025 that are not measured at fair value (but fair value disclosures are required)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current Investments	9,098	-	9,098	-
Trade receivables	52,762	-	52,762	-
Cash and cash equivalents	1,661	-	1,661	-
Other bank balances	4,817	-	4,817	-
Loans	193	-	193	-
Other financial assets	10,663	-	10,663	-
Financial liabilities				
Borrowings	77,409	-	77,409	-
Trade payables	83,318	-	83,318	-
Other financial liabilities	3,256	-	3,256	-

(iv) Level wise disclosure of Financial instruments as at March 31, 2024 that are not measured at fair value (but fair value disclosures are required)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current Investments	8,069	-	8,069	-
Trade receivables	46,374	-	46,374	-
Cash and cash equivalents	540	-	540	-
Other bank balances	5,256	-	5,256	-
Loans	2,918	-	2,918	-
Other financial assets	9,102	-	9,102	-
Financial liabilities				
Borrowings	73,064	-	73,064	-
Trade payables	73,840	-	73,840	-
Other financial liabilities	2,416	-	2,416	-

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

35. Related parties disclosures:

(i) List of related parties and nature of relationship:

Details of Subsidiaries	Nature of Relationship	Country of incorporation	Percentage of holding as at	
			March 31, 2025	March 31, 2024
Enertech Pennar Defense and Engineering Systems Private Limited	Subsidiary Company	India	51%	51%
Pennar Global Inc.	Subsidiary Company	USA	100%	100%
Pennar GmbH	Subsidiary Company	Germany	100%	100%
Pennar Global Metals, LLC	Step-down Subsidiary	USA	100%	100%
Ascent Buildings, LLC	Step-down Subsidiary	USA	100%	100%
Cadnum SARL	Step-down Subsidiary	France	100%	100%
Pennar global Investments LLC	Step-down Subsidiary	USA	100%	100%
Pennar Americas Engineering LLC (Formerly Pennar Global Engineering LLC)	Step-down Subsidiary	USA	100%	0%
Pennar Americas Hydraulics LLC (Formerly Pennar Global Hydraulics LLC)	Step-down Subsidiary	USA	100%	0%
Pennar Metals Private Limited	Subsidiary Company	India	100%	100%
Pennar FZCO, UAE	Subsidiary Company	UAE	100%	0%
ZAP91 Solar India Private Limited	Joint Venture(Non controlling interest)	India	45%	0%

Details of other related parties	Relationship
Pennar Holdings Private Limited	Promoter Company
Pennar Foundation	Trust in which KMP's are trustees
Ravi Venkata Siva Ramakrishna	Chairman and Independent Director
Aditya Narsing Rao	Vice Chairman and Managing Director
Lavanya Kumar Rao Kondapalli	Whole Time Director
Potluri Venkateswara Rao	Non Executive Director
Eric James Brown	Non Executive Director
Chandrasekhar Sripada	Non Executive and Independent Director
Virginia Sharma	Non Executive and Independent Director
Vankipuram Srinivasa Parthasarathy	Non Executive and Independent Director
Joginapally Venkata Nrupender Rao	Chairman Emeritus (w.e.f. August 10, 2023) & Relative of KMP
Bhandari Kamalakar Rao	Non Executive and Independent Director (Till February 09,2024)
Manish Sabharwal	Non Executive and Independent Director (Till March 31,2024)
Shrikant Bhakkad	Chief Financial Officer
JS Krishna Prasad	Chief Financial Officer (Till May 24 ,2023)
Mirza Mohammed Ali Baig	Company Secretary
VP Synergic weld solution private Limited	Common Director
Kondapalli Siddharth Rao	Relative of KMP

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(ii) Details of transactions with related parties during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of goods and services		
Pennar Global Inc.	5,383	5,859
Enertech Pennar Defense and Engineering Systems Private Limited	315	689
Pennar GmbH	1,096	1,371
Pennar Global Metals, LLC	-	47
Cadnum SARL	9	65
Total	**6,803**	**8,031**
Purchase of goods and services		
Pennar Global Inc.	405	164
Enertech Pennar Defense and Engineering Systems Private Limited	601	1,211
Pennar Metals Private Limited	109	1
Pennar holdings private Limited	-	1
VP Synergic weld solution private Limited	257	60
Total	**1,372**	**1,437**
Professional charges		
Kondapalli Siddharth Rao	8	11
Intercorporate deposits / Loans given to:		
Pennar FZCO, UAE	193	-
Intercorporate deposits / Loans repayment:		
Pennar Global Inc.	2,918	-
Loan converted into Investment in subsidiary:		
Pennar Global Inc.	-	6,901
Interest income on intercorporate deposits / Loans given:		
Pennar Global Inc.	19	407
Investment in Subsidiaries		
Pennar Global Inc.	666	-
Pennar FZCO, UAE	3	-
Investment in Joint Venture		
ZAP91 Solar India Private Limited	644	-
CSR contribution		
Pennar Foundation	71	92
Director's remuneration (Including Perquisites, Contribution to Funds and Commission)		
Joginapally Venkata Nrupender Rao(till August 9, 2023)		
-Remuneration	-	64
Joginapally Venkata Nrupender Rao Chairman Emeritus (w.e.f. August 10, 2023)		
-Salary, wages and bonus	138	104
-Perquisites	17	-

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Aditya Narsing Rao		
-Remuneration	74	105
-Other long-term employee benefits - compensated absences	12	-
-Commission	20	-
Lavanya Kumar Rao Kondapalli		
-Remuneration	92	128
-Other long-term employee benefits - compensated absences	5	-
-Leave travel allowance	12	-
-Commission	20	-
Chandrasekhar Sripada		
-Remuneration	24	12
-Sitting fee	4	3
Ravi Venkata Siva Ramakrishna		
-Remuneration	24	12
-Sitting fee	6	5
Virginia Sharma		
-Remuneration	24	12
-Sitting fee	5	4
Vankipuram Srinivasa Parthasarathy		
-Remuneration	24	3
-Sitting fee	4	1
JS Krishna Prasad (Chief Financial Officer Till May 24,2023)		
-Salary, wages and bonus	-	6
Shrikant Bhakkad(Chief Financial Officer w.e.f May 25, 2023)		
-Salary, wages and bonus	103	90
-Post-employment gratuity and medical benefits	16	-
Mirza Mohammed Ali Baig (Company Secretary)		
-Salary, wages and bonus	15	16
-Other long-term employee benefits - compensated absences	1	-
Directors sitting fees		
Bhandari Kamalakar Rao (Till February 09,2024)	-	5
Manish Sabharwal (Till March 31,2024)	-	4
Potluri Venkateswara Rao	5	4

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(iii) Balances with related parties:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
Pennar Global Inc.	391	192
VP Synergic weld solution private Limited	28	60
Ascent Buildings, LLC	40	-
Pennar Metals Private Limited	126	-
Kondapalli Siddharth Rao	-	3
Total	**585**	**255**
Managerial Remuneration Payable		
Joginapally Venkata Nrupender Rao(till August 9, 2023)	-	13
Commission payable	71	36
Trade receivables		
Enertech Pennar Defense and Engineering Systems Private Limited	638	1,393
Pennar Global Inc.	2,214	1,691
Pennar Global Metals, LLC	1,438	1,727
Pennar GmbH	2,039	1,335
Ascent Buildings, LLC	-	65
Cadnum SARL	81	71
Advances to suppliers and others		
Enertech Pennar Defense and Engineering Systems Private Limited	-	370
Cadnum SARL	46	23
Pennar GmbH	426	-
Pennar FZCO, UAE	85	-
Investment in subsidiary companies		
Enertech Pennar Defense and Engineering Systems Private Limited	1	1
Pennar Global Inc.	8,429	7,763
Pennar GmbH	20	20
Pennar Metals Private Limited	1	1
Pennar FZCO, UAE	3	-
Investment in Joint Ventures		
ZAP91 Solar India Private Limited.	644	-
Loans / Inter corporate deposits receivable		
Pennar Global Inc	-	2,918
Pennar FZCO, UAE	193	-
Interest on Inter corporate deposits receivable		
Pennar Global Inc	922	972
Total	**922**	**972**

Note: Refer note 17 (d) for details of borrowings guaranteed by Directors.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Note 36:

Title Deeds of Immovable property not held in company's name

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value as at March 31,2025 (₹ lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land	195	Pennar Engineered Building Systems Limited	No	May 2019 till Balance sheet date	The said Land was transferred vide scheme of Amalgamation approved by NCLT, Hyderabad. Same is pending to be transferred in the name of the Company.
		27	Pennar Enviro Limited			
Property, plant and equipment	Land	10	Pennar Steels Limited	No	April 1986 till Balance sheet date	The said Land is in the erstwhile name of the Company, not yet transferred in the name of the Company.

37. Ageing schedules

(i) Trade Payables

As at March 31, 2025	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	1,261	-	-	-	1,261
(ii) Others	44,651	7,172	26,807	2,276	506	645	82,057
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**44,651**	**7,172**	**28,068**	**2,276**	**506**	**645**	**83,318**

As at March 31, 2024	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	815	-	-	-	815
(ii) Others	36,028	6,566	28,437	1,028	466	500	73,025
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**36,028**	**6,566**	**29,252**	**1,028**	**466**	**500**	**73,840**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(ii) Trade Receivables (Current & Non-current)

As at March 31, 2025	Outstanding for following periods from due date of payment						Total
	Not Due	<6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables - considered good	30,777	14,231	7,754	-	-	-	52,762
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	672	1,241	1,070	4,545	7,528
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	942	942
Less: Provision for Credit impaired receivable	-	-	(672)	(1,241)	(1,070)	(5,487)	(8,470)
Total	**30,777**	**14,231**	**7,754**	**-**	**-**	**-**	**52,762**

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Not Due	<6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables - considered good	33,812	11,133	1,429	-	-	-	46,374
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	1,217	1,895	2,175	3,647	8,934
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	780	780
Less: Provision for Credit impaired receivable	-	-	(1,217)	(1,895)	(2,175)	(4,427)	(9,714)
Total	**33,812**	**11,133**	**1,429**	**-**	**-**	**-**	**46,374**

(iii) Capital-Work-in progress (CWIP)

(a) For Capital-work-in progress as at March 31, 2025, following is the ageing schedule :

As at March 31, 2025	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	2,525	1,032	-	-	3,557
Total	**2,525**	**1,032**	**-**	**-**	**3,557**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) For Capital-work-in progress as at March 31, 2024, following is the ageing schedule :

As at March 31, 2024	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	18,068	-	-	-	18,068
Total	**18,068**	**-**	**-**	**-**	**18,068**

Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.to further business, technology developments/ economy/ industry/ regulatory environments and all the projects are assessed as per periodic plans.

38. Other Statutory Information

(I) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Company does not have any charges which is yet to be registered with ROC beyond the statutory period. In respect of satisfaction of charges (beyond the statutory period) amounting to ₹ Nil (March 31, 2024: with 2 bankers amounting to ₹ 100,424 lakhs) and satisfaction of charge has been filed with ROC for the same for amounting to ₹ 1,00,422 lakhs.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(ix) The Company has not revalued Its property plant and Equipment including right of use assets and intangible assets during the year.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

39. Financial Ratios

Sl no	Particulars	As at March 31, 2025	As at March 31, 2024	Absolute Change	Variation	Reasoning > 25%
a	Current Ratio (in times)	1.10	1.02	0.08	8%	No Major change
b	Debt-Equity Ratio (in times)	0.92	0.91	0.01	1%	No Major change
c	Debt Service Coverage Ratio (in times)	1.24	1.16	0.08	7%	No Major change
d	Return on Equity Ratio (in %)	11%	7%	4%	4%	No Major change
e	Inventory turnover ratio (in times)	3.49	3.56	(0.07)	(2%)	No Major change
f	Trade Receivables turnover ratio (in times)	5.20	5.30	(0.10)	(2%)	No Major change
g	Trade payables turnover ratio (in times)	2.34	2.37	(0.03)	(1%)	No Major change
h	Net capital turnover ratio (in times)	16.86	94.56	(77.70)	(82%)	Decrease in the ratio mainly on account of increase in networking capital during the year.
i	Net profit ratio (in %)	4%	2%	0.02	2%	No Major change
j	Return on Capital employed (in %)	14%	12%	2%	2%	No Major change
k	Return on investment (in %)	23%	11%	12%	12%	No Major change

	Ratio	Numerator	Denominator
a	Current Ratio	Current Assets	Current liabilities
b	Debt-Equity Ratio	Total Debt consists borrowings (including Lease liability)	Shareholders equity
c	Debt Service Coverage Ratio	Earning for Debt Service = Net Profit after taxes + Interest + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments (only long-term repayments)
d	Return on Equity Ratio	Profit after tax	Average Shareholders equity
e	Inventory turnover ratio	Sales (Revenue from operations)	Average inventory
f	Trade Receivables turnover ratio	Net credit sales consist of gross credit sales minus sales return.	Average account receivables
g	Trade payables turnover ratio	Net credit purchases (Cost of goods sold adjusted with increase / decrease in stocks)	Average Trade payables
h	Net capital turnover ratio	Sales (Revenue from operations)	Working Capital= Current Assets -Current Liabilities
i	Net profit ratio	Profit after tax	Net Sales (Operating Revenue)
j	Return on Capital employed	Profit before Interest and tax	Capital Employed = Net worth + Lease Liabilities + Total Debt + Deferred tax liabilities
k	Return on investment	Income from the Investment	Average Investment

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

40 Movement in borrowings and lease liabilities:

Particulars	Opening Balance	Proceed from borrowings / Addition during the year	Interest added during the year/ Other Adjustments	Repayment of Borrowings / lease payments	Closing Balance
Year ended March 31, 2025					
Short-term borrowings*	59,859	418	-	(3,406)	56,871
Long-term borrowings	13,396	14,237	-	(7,095)	20,538
Lease liabilities	3,925	410	384	(1,663)	3,056
Total	**77,180**	**15,065**	**384**	**(12,164)**	**80,465**
Year ended March 31, 2024					
Short-term borrowings*	45,992	13,867	-	-	59,859
Long-term borrowings	15,917	3,778	-	(6,299)	13,396
Lease liabilities	4,644	834	515	(2,068)	3,925
Total	**66,553**	**18,479**	**515**	**(8,367)**	**77,180**

*** Net of payment / receipt disclosed for short-term borrowings.**

41 Subsequent Events

No significant subsequent events has bee observed which may require an adjustment/disclosure to the financial statement.

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

43 In accordance with Ind AS 108 "Operating segments", segment information has been given in the consolidated financial statements of Pennar Industries Limited and therefore no separate disclosure on segment information is given in these financial statements.

44 The erstwhile subsidiary Company Pennar Engineered Building Systems Limited (PEBS) has raised funds through Initial public offer (IPO) during financial year 2015-16 use of the net proceeds of the IPO is intended for the business purposes such as repayment / prepayment of certain working capital facilities availed by the Company, financing the procurement of infrastructure, general corporate purposes and share issue expense. As on March 31, 2025 an amount of ₹ 374 lakhs(March 31, 2024: ₹ 425 Lakhs) are unutilized funds which have been temporarily invested in mutual funds and fixed deposits.

45 The Company has used two accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level respect of one of the accounting software's to log any direct data changes. Further, the audit trail (edit log) facility was not enabled at the both the levels for another accounting software's.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, there are no instances of audit trail feature being tampered during the year with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

46 These financial statements were approved for issue by the Company's Board of Directors on May 30, 2025.

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Pennar Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pennar Industries Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate / consolidated financial statements and on the other financial information of subsidiaries and joint venture, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and joint venture as at March 31, 2025, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint venture, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in the "Other Matter" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described below to be the key audit matter to be communicated in our report:

Revenue Recognition (Refer note 2.11 of Consolidated financial statements)

The Holding Company recognises the sale of goods based on the terms and conditions of transactions which varies with different customers.

In respect of sale transactions executed there are significant management judgements and estimations involved in checking whether the control of goods has transferred to the customers and there are no unfulfilled obligations in regard to these sales. Accordingly cut-off of revenue is considered as a significant account balance for audit consideration.

How the Key Audit Matter was addressed in our audit: Our audit procedures in respect of this matter included the following but not limited to:

1. Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards.
2. Obtained an understanding of process and tested the design, implementation and operating effectiveness of key controls around the timely and accurate recording of sales transactions.
3. Obtained contracts with customers and basis which revenue is recognised and verified the underlying documents and evidence for transfer of control and fulfilment of performance obligations.
4. Performed analytical procedures on revenue recognised during the year to identify and inquire on unusual variances, if any.
5. Obtained evidence in respect of sales transactions recorded near balance sheet date, to determine appropriateness of timing of revenue recognition, based on underlying documents and evidence for transfer of control and fulfilment of performance obligations.
6. Tested, on sample basis journal entries relating to revenues to identify and inquire on unusual items, if any.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management Discussion and Analysis, Director's report, Report on Corporate Governance, Business Responsibility and Sustainability Report (hereinafter referred to as the "other information") but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and joint venture for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and joint venture are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matter

We did not audit the financial statements of Eleven subsidiaries, whose financial statements reflect total assets of ₹ 42,984 lakhs as at March 31, 2025, total revenues of ₹ 73,579 lakhs and net cash inflow amounting to ₹ 3,942 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including total other comprehensive income) of ₹ 55 Lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on

our audit and on the consideration of the reports of the other auditors on the Separate / Consolidated Financial Statements of the subsidiaries and joint venture referred to in the Other Matter section above we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in the paragraph 1h(vi) below on reporting under Rule 11(g).

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and joint venture, incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 1(b) above on reporting under Section 143(3)(b) and paragraph 1h(vi) below on reporting under Rule 11(g).

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture – Refer Note 30 to the consolidated financial statements.

ii. The Group and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company and joint venture, incorporated in India.

iv. 1) The respective Managements of the Holding Company and its subsidiary and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiaries and joint venture respectively, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture, or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2) The respective Managements of the Holding Company and its subsidiaries and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiaries and joint venture, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries and joint venture, from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries and joint venture,

shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiaries and joint venture, which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Holding company and its subsidiaries and joint venture which is company incorporated in India, whose financial statements have been audited under the Act, have not declared nor paid any dividend during the year and have not proposed final dividend for the year.

vi.(a)Based on our examination which included test checks, the Holding Company has used two accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database in one of the accounting software's to log any direct data changes. Further, the audit trail (edit log) facility was not enabled at the both the levels for another accounting software's.

Further, where enabled, audit trial feature has been operated for all the relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in such accounting software. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements of record retention to the extent of it was enabled and recorded in respective years.

(b) Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary companies and joint venture Company incorporated in India whose financial statements have been audited under the Act ,used accounting software(s) for maintaining their respective books of account for the year ended March 31, 2025, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s), and further, during the course of audit we and the other auditors of above referred subsidiaries and joint ventures did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year(s) has been preserved by the above referred subsidiaries and joint venture Company as per the statutory requirements for record retention to the extent applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid/provided by the Group, to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditor of subsidiaries and joint venture, included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 2025226
UDIN: 25205226BMKTRS1000

Place: Hyderabad
Date: May 30, 2025

ANNEXURE A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.

- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2025, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 2025226
UDIN: 25205226BMKTRS1000

Place: Hyderabad
Date: May 30, 2025

ANNEXURE B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **Pennar Industries Limited** on the consolidated Financial Statements for the year ended March 31, 2025]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of Pennar Industries Limited ("the Holding Company"), as of that date.

Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two subsidiaries, incorporated India namely Enertech Pennar Defense and Engineering Systems Private Limited, Pennar Metals Private Limited and one jointly controlled entity incorporated in India namely ZAP91 Solar India Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan
Partner
Membership No. 2025226
UDIN: 25205226BMKTRS1000

Place: Hyderabad
Date: May 30, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars		Note	As at March 31, 2025	As at March 31,2024
I	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	3	83,307	60,833
	Capital work-in-progress	3A	5,314	21,763
	Investment property	4	2,410	-
	Right-of-use assets	5	8,181	7,928
	Other intangible assets	6	787	960
	Investments accounted for using the equity method	7	589	-
	Financial assets			
	(a) Investments	8	464	286
	(b) Trade receivables	12	41	1,708
	(c) Other financial assets	9	1,703	1,966
	Income-tax assets (net)	19(e)	331	1,787
	Deferred tax asset	19(c)	92	55
	Other non-current assets	10	1,598	3,136
	Total Non-current assets		**1,04,817**	**1,00,422**
2	**Current assets**			
	Inventories	11	93,533	82,517
	Financial assets			
	(a) Investments	8	148	1,873
	(b) Trade receivables	12	58,038	49,455
	(c) Cash and cash equivalents	13	14,137	8,978
	(d) Other bank balances	14	4,817	5,256
	(e) Other financial assets	9	8,482	6,925
	Other current assets	10	11,447	8,635
	Total Current assets		**1,90,602**	**1,63,639**
	Total assets (1+2)		**2,95,419**	**2,64,061**
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	Equity share capital	15	6,747	6,747
	Other equity	16	93,098	80,903
	Equity attributable to owners of the Parent		**99,845**	**87,650**
	Non-controlling interest		115	97
	Total Equity		**99,960**	**87,747**
2	**LIABILITIES**			
	Non-current liabilities			
	Financial liabilities			
	(a) Borrowings	17	20,586	13,482
	(a. i) Lease liabilities	5(b)	1,912	3,443
	(b) Other financial liabilities	22	282	374
	Provisions	18	3,164	1,451
	Deferred tax liabilities	19(c)	1,687	311
	Other non-current liabilities	20	36	-
	Total Non-current liabilities		**27,667**	**19,061**
3	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	17	56,926	59,913
	(a. i) Lease liabilities	5(b)	1,792	1,710
	(b) Trade payables	21		
	Total outstanding dues to micro and small enterprises		1,261	815
	Total outstanding dues of other than micro and small enterprises		86,482	78,268
	(c) Other financial liabilities	22	5,573	3,881
	Other current liabilities	20	13,069	6,437
	Provisions	18	841	1,580
	Current tax liabilities (net)	19(e)	1,848	4,649
	Total Current liabilities		**1,67,792**	**1,57,253**
	Total Liabilities (2+3)		**1,95,459**	**1,76,314**
	Total Equity and Liabilities (1+2+3)		**2,95,419**	**2,64,061**
See accompanying notes forming part of the Consolidated financial statements		1 to 42		

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
I.	**INCOME**			
	Revenue from operations	23	3,22,658	3,13,057
	Other income	24	3,669	4,031
	Total income		**3,26,327**	**3,17,088**
II.	**EXPENSES**			
	Cost of materials consumed	25	1,93,985	1,94,930
	Purchase of traded goods		2,759	2,901
	Changes in inventories of finished goods, work-in-progress and scrap	25 A	(5,155)	(4,059)
	Employee benefits expense	26	33,654	30,997
	Finance costs	27	11,960	11,536
	Depreciation and amortisation expense	28	6,889	6,650
	Other expenses	29	66,340	60,991
	Total expenses		**3,10,432**	**3,03,946**
III	Share of profit / (loss) of Joint Venture		(55)	-
IV.	**Profit before tax (I-II+III)**		**15,840**	**13,142**
V.	**Tax expense:**	19(a)		
	Current tax		2,618	3,546
	Deferred tax charge/(credit)		1,413	(239)
	Tax adjustments relating to earlier years		(136)	-
			3,895	**3,307**
VI.	**Profit for the Year (IV-V)**		**11,945**	**9,835**
	Profit for the year attributable to:			
	Shareholders of the Company		11,927	9,834
	Non-controlling Interest		18	1
VII.	**Other comprehensive income/(loss)**			
	Items that will not be reclassified subsequently to profit or loss:			
	- Remeasurements of the net defined benefit liability	18(c)	(332)	(287)
	- Income tax relating to above items	19(b)	84	72
	-Share of other comprehensive income in Joint Venture		-	-
	Items that will be reclassified subsequently to profit or loss:			
	Exchange difference in translating the financial statements of foreign operations		515	229
	Total other comprehensive Income		**267**	**14**
VIII	**Total comprehensive income for the year (VI + VII)**		**12,212**	**9,849**
	Total comprehensive income attributable to			
	Owners of the Parent		12,194	9,848
	Non-controlling Interest		18	1
IX	**Earning per equity share (Face value of ₹ 5 each)**			
	Basic and Diluted (₹) earning per share	31	8.84	7.29
	See accompanying notes forming part of the Consolidated financial statements	1 to 42		

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. Cash flow from operating activities:		
Profit before tax	**15,895**	**13,142**
Adjustments for:		
Share of profit of joint venture	(55)	-
Depreciation and amortisation expense	6,889	6,650
Loss on sale/scrap of property, plant and equipment (net)	5	6
Profit on sale of investments(net)	(223)	(130)
Net gain arising from financial instruments designated as FVTPL	(10)	(67)
Unrealised foreign exchange differences (net)	164	(111)
Liabilities no longer required written back	(567)	(2,248)
Provision for credit impaired trade receivables	(769)	12
Credit impaired trade receivables written off	522	1,307
Provision for credit impaired advances and deposits	320	615
Finance costs	11,960	11,536
Interest income	(419)	(574)
Operating profit before working capital changes:	33,712	30,138
Changes in working capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	9,187	22,892
Other liabilities	7,779	(9,348)
Provisions	650	539
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(6,507)	(12,889)
Inventories	(11,016)	(4,247)
Other assets	(4,380)	(1,014)
Cash generated from operations	**29,425**	**26,071**
Income-tax paid (net of refunds)	(3,827)	(3,599)
Net cash flow from operating activities (A)	**25,598**	**22,472**
B. Cash flows from investing activities:		
Purchase of property, plant and equipment, including capital work-in-progress, capital advances and payable on purchase of property, plant and equipment	(12,615)	(24,661)
Proceeds from sale of property, plant and equipment	1	14
Purchase of Long term investments	(767)	(284)
Purchase of current investments	(6,904)	(4,955)
Proceeds from sale of current investments	8,862	5,976
Movement in other bank balances	439	(2,295)
Interest received	487	530
Net cash used in investing activities (B)	**(10,497)**	**(25,675)**
C. Cash flow from financing activities:		
Proceeds from long term borrowings	14,575	9,722
Repayment of long term borrowings	(7,095)	(6,299)
Proceed from short-term borrowings (net)	(3,445)	7,772
Finance costs paid	(11,281)	(10,833)
Interest on lease liabilities	(456)	(624)
Repayment of lease liability	(2,337)	(1,968)
Net cash used in financing activities (C)	**(10,039)**	**(2,230)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**5,062**	**(5,433)**
Cash and cash equivalents at the beginning of the year	8,978	14,298
Effect of exchange differences on translation of foreign currency cash and cash equivalents	97	113
Cash and cash equivalents at the end of the year (Refer Note 13)	**14,137**	**8,978**

Note: Refer note 38 for borrowings and lease liabilities movements.

See accompanying notes forming part of the Consolidated financial statements 1 to 42

In terms of our report attached
For M S K A & Associates
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Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
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Chief Financial Officer

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Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Consolidated of changes in Equity

for the year ended March 31, 2025

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

A. Equity share capital

Particulars	No of Shares	Amount
Balance as at April 01, 2023	**13,49,46,231**	**6,747**
Add: Equity shares issued during the year	-	-
Balance as at March 31, 2024	**13,49,46,231**	**6,747**
Add: Equity shares issued during the year		-
Balance as at March 31, 2025	**13,49,46,231**	**6,747**

B. Other equity

Particulars	Attributable to owners of the parent									Non-controlling Interest	Total other equity
	Reserves and surplus						Items of other comprehensive income				
	Capital Reserve	Securities premium	General reserve	Profit on forfeiture of shares	Capital redemption reserve	Retained earnings	Remeasurement of the net defined benefit liability	Foreign exchange translation reserve	Total		
Balance as at April 01, 2023	**386**	**7,014**	**401**	**6**	**2,056**	**60,813**	**67**	**312**	**71,055**	**96**	**71,151**
Profit for the year	-	-	-	-	-	9,834	-	-	9,834	1	9,835
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	(215)	-	(215)	-	(215)
Exchange difference in translation of Foreign operations	-	-	-	-	-	-	-	229	229	-	229
Balance as at Mar 31, 2024	**386**	**7,014**	**401**	**6**	**2,056**	**70,647**	**(148)**	**541**	**80,903**	**97**	**81,000**
Profit for the year	-	-	-	-	-	11,927	-	-	11,927	18	11,945
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	(248)	-	(248)	-	(248)
Exchange difference in translation of Foreign operations	-	-	-	-	-	-	-	515	515	-	515
Balance as at Mar 31, 2025	**386**	**7,014**	**401**	**6**	**2,056**	**82,574**	**(396)**	**1,056**	**93,098**	**115**	**93,213**

See accompanying notes forming part of the Consolidated financial statements 1 to 42

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

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(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

1. Corporate information:

Pennar Industries Limited ("the Company") is a public listed company in India having its registered and corporate office in Hyderabad in State of Telangana and is engaged in manufacturing of cold rolled steel strips, precision tubes, cold rolled formed sections, electrostatic precipitators, profiles, Railway wagons and coach components, press steel components, hydraulics, road safety systems, galvanised products, Solar panels. Design, manufacture, supply, service and installation of pre-engineered steel buildings, building components and erection for industries, warehouses, commercial centres, multi storied buildings, aircraft hangars, defence installations. Design, manufacture, supply, erection and maintenance of water and waste-water treatment plants and manufacture and supply of water treatment chemicals and fuel additives for both solid and liquid fuels. The Company's shares are listed on the Bombay Stock Exchange and National Stock Exchange of India.

These consolidated financial statements relate to Pennar Industries Limited and its subsidiaries and joint venture (collectively hereinafter to as the "Group").

2. Material accounting policies

2.1.1 Statement of compliance

The Consolidated financial statements which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity ("Consolidated financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, as amended, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. The Group has consistently applied accounting policies to all periods.

2.1.2 Basis of preparation and presentation:

These Consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability of market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Consolidation Procedure

The consolidated financial statements have been prepared in accordance with principles laid down in Ind AS 110 on "consolidated financial statements", as notified vide Companies (Accounting standards) Rules, 2015 (as amended).

Subsidiaries

I. Subsidiaries are entities over which the Group has control and the control is achieved when Group is exposed, or has rights, to variable returns from its involvement with investee and has the ability to affect those returns through its:

   - Power over the investee
   - Exposure or rights to variable returns from its involvement with the investee
   - The ability to use its power over the investee to affect its returns.

   Subsidiaries are consolidated from the date control over the subsidiary is acquired and they are discontinued from the date of cessation of control.

   The Group combines the financial statements of the Company and its subsidiaries based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, Intra

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

group transactions and the unrealised profits on stocks arising out of intra group transactions have been eliminated.

II. The consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.

III. The difference between the cost of investment in the subsidiaries, over the net of assets at the time of acquisition of shares in the subsidiaries is recognised in the consolidated financial statements as Goodwill or Capital reserve as the case may be. The said goodwill is not amortised, however it is tested for impairment at each balance sheet date and impairment loss, if any is recognised in the consolidated financial statements.

IV. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests.

V. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

VI. Non-controlling interest's share of net profit of subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the owners of the Company. The excess of loos for the year over the non-controlling interest is adjusted in owner's interest.

VII. Non-controlling interest's share of net assets of subsidiaries is identified and presented in the consolidated Balance sheet separate from liabilities and the equity of the Company's shareholders.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The Group has following investments in subsidiaries and Joint Venture:

Name of the Entity	Principal Place of business and country of Incorporation	Investee Relationship		Proportion of Ownership interest	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Pennar Metals Private Limited	India	Subsidiary	-	100%	-
Enertech Pennar Defense and Engineering systems Private Limited	India	Subsidiary	Subsidiary	51%	51%
Pennar Global Inc.	USA	Subsidiary	Subsidiary	100%	100%
Pennar Global Metals LLC	USA	Subsidiary	Subsidiary	100%	100%
Ascent Building LLC	USA	Subsidiary	Subsidiary	100%	100%
Pennar Americas Engineering LLC (Formerly Pennar Global Engineering LLC)	USA	Subsidiary	-	100%	-
Pennar Americas Engineering LLC (Formerly Pennar Global Hydraulics LLC)	USA	Subsidiary	-	100%	-
Pennar GmbH.	Germany	Subsidiary	Subsidiary	100%	100%
Cadnum SARL, France	France	Subsidiary	Subsidiary	100%	100%
Pennar Global Investments LLC	USA	Subsidiary	Subsidiary	100%	100%
Pennar FZCO	UAE	Subsidiary	-	100%	-
ZAP91 Solar India Private Limited	India	Joint Venture	-	45%	-

Non-controlling Interest

Non-controlling interests represent the proportion of income, other comprehensive income and net assets in subsidiaries that is not attributable to the Company's owners.

Non-controlling interest are initially measured at proportionate share on the date of acquisition of the recognised amounts of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of the non-controlling interests is the amount of the interest at initial recognition plus the proportionate share of subsequent charges inequity.

2.3 Inventories:

- Inventories are valued at lower of cost or net realizable value. Cost of inventories is ascertained on 'weighted average' basis. Materials and other supplies held for use in the production of inventories are not written down below cost if the related finished products are expected to be sold at or above cost.
- Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost in respect of finished goods represents prime cost and includes appropriate portion of overheads.
- Cost in respect of process stock represents cost incurred up to the stage of completion.
- Cost in respect of work-in-progress represents cost of materials remaining uncertified / incomplete by the Company.
- Goods-in-transit are valued at cost which represents the costs incurred up to the stage at which the goods are in-transit. Scrap material is valued at the net realizable value after providing for obsolescence and other losses (if any).

2.4 Foreign currency translation:

In preparing the Consolidated financial statements of the Company, transaction in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rate prevailing at that date. Non-Monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

2.5 Functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

2.6 Income taxes:

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

2.7 Leases:

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a Lessee:

The Group's significant leasing arrangement are in respect of Land, Office premises and plant and equipment. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

As a Lessor:

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalized as investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Profit and Loss on a straight line basis over the term of the lease.

2.8 Earnings per share:

Basic earnings per share are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

2.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation.

Provisions are not recognized for future operating losses. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, ta king into account the risks and uncertainties surrounding the obligation.

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Provision is made for costs associated with dismantling of the property, plant and equipment. Such dismantling costs are normally incurred at the end of the estimated useful life of the assets. These costs are assessed by the management on an annual basis and are capitalized to the respective block of assets. A corresponding provision is created for the said costs.

The capitalized asset is charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the provision is increased each period via unwinding the discount on the provision.

Contingent liabilities are not recognized and are disclosed by way of notes to the consolidated financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the same or a reliable estimate of the amount in this respect cannot be made.

Contingent assets are not recognized but disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

2.10 Cash and cash equivalents:

Cash comprises cash on hand, in bank and demand deposits with banks. The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit / (loss) after tax is adjusted for the effects of transaction of non- cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from Operating, investing and financing activities of the Group are segregated based on the available information.

2.11 Revenue:

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract and excluding taxes or duties collected on behalf of the Government.

The Group recognises revenue for supply of goods to customers against orders received. The majority of contracts that Company enters into relate to sales orders containing single performance obligations for the delivery of products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. Revenue is not recognised until it is highly probable that a significant reversal in

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

the amount of cumulative revenue recognised will not occur.

With respect to contracts where revenue is recognised over time, the Group measures the value of services for which control is transferred to the customer over time based on certification of work completed. In cases where the work performed till the reporting date has not reached the milestone specified in the contract, the Group recognises revenue only to the extent that it is highly probable that the customer will acknowledge the same.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the period in which such probability occurs. Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance / settlement by the customers.

Revenue earned but not billed to customers against erection contracts is reflected as "Contract assets" under "Other financial assets". Billings on incomplete contracts in excess of accrued costs and accrued profits are included in other current liabilities as "Contract liabilities".

Due to the uncertainties attached, the revenue on account of extra claims are accounted for at the time of acceptance/ settlement by the customers.

Interest, Dividend and Claims:

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted as and when admitted /settled.

Export Benefits:

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate reliability of such benefits are established.

Government grants, subsidies and export incentives:

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

Income from sales tax and power incentives are recognized on accrual basis, when the right to receive the credit is established and there is no significant uncertainty regarding the ultimate collection.

2.12 Property, plant and equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to the acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in other income in the statement of profit or loss.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the cost of that asset. Such borrowing costs are capitalised as part of the cost of the asset when it is probable that they will result in future economic benefits to the entity and the costs can be measured reliably.

2.13 Depreciation and Amortization

Depreciation on Property, Plant and Equipment except as stated below, is provided as per Schedule II of the Companies Act, 2013 on straight line method. Depreciation on upgradation of Property, Plant and Equipment is provided over the remaining useful life of the assets.

No depreciation is charged on Freehold land.

Depreciation on Property, Plant and Equipment commences when the assets are ready for their intended use. Based on above, the useful lives as estimated for other assets considered for depreciation are as follows:

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Category	Useful Life (Years)
Buildings	30-60
Plant and Machinery	15-20
Factory Equipment (Electricals)	10-20
Office Equipment	3-5
Furniture & Fixtures	10
Computers	3-6
Vehicles	8
Intangible Assets	7-20

Depreciation methods, useful lives, residual values are reviewed and adjusted as appropriate, at each reporting date.

Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalization.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of buildings, plant and machinery, factory equipment (Electrical), office equipment and computers which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

2.14 Investment property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Group, is classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When the use of property changes from owner occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification. The useful life of investment property is estimated at 60 yrs based on technical evaluation performed by management's expert.

Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the year of derecognition.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Depreciation on investment property

The Group depreciates Investment Property over their estimated useful lives using the straight-line method. Depreciation methods, useful lives and residual values are reviewed periodically including at each financial year-end.

2.15 Intangibles assets

Intangible assets are stated at cost comprising of purchase price inclusive of duties and taxes less accumulated amount of amortization and impairment losses. Such assets are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Cost of computer software packages (ERP and others) allocated/amortized over a period of 10 years/ 5 years. License fees, over the duration of license or 10 years whichever is less.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

The Group, based on technical assessment made by technical expert and management estimate, amortizes the software packages over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

2.16 De-recognition of tangible and intangible assets

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from its use or disposal. Gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

2.17 Impairment of tangible and intangible assets

Tangible and intangible assets are reviewed at each balance sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets' fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

2.18 Employee benefit plans:

Employee benefits include provided fund, superannuation fund, employee's state insurance scheme, gratuity and compensated absences.

Post-Employment Obligations:

Defined Contribution Plans:

Contributions in respect of Employees Provident Fund and Pension Fund which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as an expense based on amount of contribution required to be made and when service are rendered by the employees.

Contributions under the superannuation plan which is a defined contribution scheme, are made to a fund administered and managed by the Life Insurance Corporation of India and are charged as an expense based on the a mount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans Gratuity:

The Group accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date using projected unit credit method. The liability recognized in the balance sheet in respect of the gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss. Re measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Compensated absences:

The employees of the Group are entitled to compensated absences. The employees can carry forward a portion of the unutilized accrued compensated absence and utilize it in future periods or receive cash compensation at retirement or termination of employment for the unutilized accrued compensated absence. The Group records an obligation for compensated absences in the period in which the employee renders the services that increase this entitlement. The Group measures the expected cost of compensated absence based on actuarial valuation made by an independent actuary as at the balance sheet date on projected unit credit method.

Other short-term employee benefits:

Other Short-term employee benefits, including performance incentives expected to be paid in exchange for the services rendered by employees are recognized during the period when the employee renders service.

2.19 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in Statement of profit or loss.

For the purposes of subsequent measurement, financial instruments of the Group are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other Comprehensive Income (FVTOCI), equity instruments at FVTOCI on fair value through profit and loss account (FVTPL), non-derivative financial liabilities at amortised cost or FVTPL, and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

held. Management determines the classification of its financial instruments at initial recognition.

a. Financial assets

Recognition and initial measurement:

Financial assets include Investments, Trade receivables, Advances, Security deposits, cash and cash equivalents, loans etc. Such assets are initially recognised at fair value or transaction price, as applicable, when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

Classification:

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(i) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(ii) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(iii) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised in 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes.

Impairment:

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification:

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Derecognition:

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(i) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

b. Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments:

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

c. Derivative Financial Instruments:

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

d. Foreign exchange gains and losses:

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognized in other comprehensive income.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.
- For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the statement of profit and loss.
- The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

e. Non-current Investments:

At each balance sheet date, the Group assesses whether there is any indication that an investment may be impaired. If any such indication exists, the Group estimates the recoverable amount. If the carrying amount of the investment exceeds its estimated recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds recoverable amount. The recoverable amount is the higher of an investment's fair value less costs of disposal and value in use.

Investment in joint ventures are accounted for using the 'equity method' less accumulated impairment, if any. Only share of net profits / losses of joint ventures is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in joint ventures is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the Consolidated financial statements.

Revenue recognition

In making their judgement, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 115 and, in particular, whether the Group had transferred control over the goods to the buyer.

Key sources of estimation uncertainty

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated financial statements is included in the following notes:

Items requiring significant estimate	Items requiring significant estimate
Useful lives of property, plant and Equipment	The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there has been no change in the life considered for the assets.
Provision for employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting period. These assumptions include the discount rate, expected long-term rate of return of plan assets, rate of increase in compensation levels and mortality rate.
Provision for taxes	Significant judgements are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.
Provision for credit impaired receivables	The Group makes provision for credit impaired receivables based on a provision matrix which takes into account historical credit loss experience and adjusted for current estimates
Estimation of net realizable value of Inventories	Inventories are stated at the lower of cost and net realizable value. In estimating the net realizable value of inventories in the Group makes an estimate of future selling prices, and costs necessary to make the sale.
Leases	Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use the underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term are included in the lease term, if it is reasonably certain that the lessee will exercise the option. The Group reassess the option when significant events or changes in circumstances occur that are within the control of the lessee

2.21 Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle for the purpose of its assets and liabilities as current and non-current.

2.22 Standards (including amendment) issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

3. Property, plant and equipment

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Land	8,491	2,662
Leasehold Improvements	-	3
Buildings	37,556	29,631
Plant and equipment	28,359	22,552
Electrical equipment	5,490	4,519
Computers	365	397
Office equipment	165	145
Furniture and fixtures	2,177	352
Vehicles	704	572
Total [Refer note (a)and (b) below]	**83,307**	**60,833**

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

Particulars	Land	Leasehold improvements	Buildings	Plant and equipment	Electrical equipment	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
Cost as at April 01, 2023	**2,614**	**45**	**38,391**	**49,643**	**7,492**	**965**	**524**	**797**	**932**	**1,01,403**
Additions	48	-	643	1,892	758	32	6	3	86	3,468
Disposals/adjustments/write offs	-	-	-	(92)	(3)	(52)	-	-	-	(147)
Dismantling cost	-	-	-	3	-	-	-	-	-	3
Translation adjustments	-	-	24	53	-	1	3	3	6	90
Balance as at March 31, 2024	**2,662**	**45**	**39,058**	**51,499**	**8,247**	**946**	**533**	**803**	**1,024**	**1,04,817**
Additions	5,824	-	9,369	9,197	1,568	20	76	2,066	308	28,428
Disposals/adjustments/write offs	-	(45)	-	(969)	(3)	(13)	(83)	(83)	(26)	(1,222)
Dismantling cost	-	-	-	-	-	-	-	-	-	-
Translation adjustments	5	-	69	148	-	1	4	7	11	245
Balance as at March 31, 2025	**8,491**	**-**	**48,496**	**59,875**	**9,812**	**954**	**530**	**2,793**	**1,317**	**1,32,268**
Accumulated depreciation as at April 01, 2023	**-**	**37**	**8,032**	**25,654**	**3,321**	**536**	**310**	**378**	**310**	**38,578**
Depreciation for the year	-	5	1,391	3,369	409	65	77	71	140	5,527
Disposals/adjustments/write offs	-	-	-	(87)	(2)	(52)	-	-	-	(141)
Translation adjustments	-	-	4	11	-	-	1	2	2	20
Accumulated depreciation as at March 31, 2024	**-**	**42**	**9,427**	**28,947**	**3,728**	**549**	**388**	**451**	**452**	**43,984**
Depreciation for the year	-	3	1,496	3,417	595	51	57	241	181	6,040
Disposals/adjustments/write offs	-	(45)	-	(894)	(1)	(12)	(82)	(79)	(24)	(1,137)
Translation adjustments	-	-	17	46	-	1	2	3	4	73
Accumulated depreciation as at March 31, 2025	**-**	**-**	**10,940**	**31,516**	**4,322**	**589**	**365**	**616**	**613**	**48,960**
Net carrying amount as at March 31, 2025	**8,491**	**-**	**37,556**	**28,359**	**5,490**	**365**	**165**	**2,177**	**704**	**83,307**
Net carrying amount as at March 31, 2024	**2,662**	**3**	**29,631**	**22,552**	**4,519**	**397**	**145**	**352**	**572**	**60,833**

Notes:

a) Refer Notes 17 (a) and 17 (d) for details of charge created on assets.

b) Borrowing costs capitalised during the year ended March 31,2025 amounted to ₹ 451 Lakhs (March 31,2024: 70 Lakhs). These costs are directly attributable to the acquisition and construction of qualifying assets and have been capitalised in accordance with Ind As 23 – Borrowing Costs.

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was 9.85% (March 31,2024: 9.70%). This rate represents the weighted average of the borrowing costs applicable to the entity's general borrowings that are outstanding during the year.(Refer Note 27)

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

3A. Capital work- in- progress

Particulars	As at March 31, 2025	As at March 31, 2024
Capital work-in-progress	5,314	21,763
Total [Refer notes below]	**5,314**	**21,763**

Movement of Capital work-in-progress

Particulars	Opening as at April 01, 2024	Expenditure during the year	Capitalized during the year (Refer notes below)	Closing as at March 31, 2025
Capital work-in-progress	21,763	14,426	30,875	5,314

Particulars	Opening as at April 01, 2023	Expenditure during the year	Capitalized during the year	Closing as at March 31, 2024
Capital work-in-progress	1,825	23,422	3,484	21,763

Notes:

a) Capital work-in-progress includes borrowing cost of ₹ 145 Lakhs (March 31, 2024: ₹ 204 Lakhs) (Refer Note 27)

b) The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.85% (March 31,2024: 9.70%). This rate represents the weighted average of the borrowing costs applicable to the entity's general borrowings that are outstanding during the year. (Refer Note 27)

c) Refer Note 35 (iii) for ageing of Capital work-in-progress.

d) It includes investment property captalisation of ₹ 2,447 Lakhs during the year.

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Buildings	2,410	-
Total	**2,410**	

Notes:

(a) Movement in the carrying amounts of Buildings is as below:

Particulars	Buildings
Cost as at April 01, 2024	-
Additions	2,447
Disposal	-
Balance as at March 31, 2025	**2,447**
Accumulated depreciation as at April 01, 2024	-
Depreciation expense	37
Disposal	-
Accumulated depreciation as at March 31, 2025	**37**
Net carrying amount as at March 31, 2025	**2,410**

(b) Information regarding income and expenditure of Investment Property

Particulars	For the year ended March 31, 2025
Rental income derived from investment property	**63**
Less: Depreciation	**37**
Profit arising from investment properties before indirect expenses	**26**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(c) The minimum rentals receivable on lease of investment property is as follows:

Particulars	As at March 31, 2025
With in 1 year	192
Between 1 and 2 years	202
Between 2 and 3 years	212
Between 3 and 4 years	223
Between 4 and 5 years	144
Later than 5 years	-

(d) Fair value of the investment property is not determined as on March 31,2025.

5. Right-of-use assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of:		
Land	672	130
Buildings	3,927	4,751
Plant and equipment	3,582	3,047
	8,181	**7,928**

Notes:

(a) Movement in the carrying amounts of right-of-use assets is as below:

Particulars	Land	Buildings	Plant and equipment	Total
I. Gross Carrying Value				
Cost as at April 01, 2023	**446**	**7,118**	**3,225**	**10,789**
Additions	-	238	847	1,085
Disposals	-	(1,476)	-	(1,476)
Translation adjustments	-	55	-	55
Balance as at March 31, 2024	**446**	**5,935**	**4,072**	**10,453**
Additions	377	60	815	1,252
Disposals	(62)	(880)	(26)	(968)
Translation adjustments	7	98	-	105
Balance as at March 31, 2025	**768**	**5,213**	**4,861**	**10,842**
II. Accumulated depreciation				
Accumulated depreciation as at April 01, 2023	**94**	**1,783**	**770**	**2,647**
Depreciation	14	661	255	930
Disposals	-	(1,055)	-	(1,055)
Translation adjustments	-	3	-	3
Balance as at March 31, 2024	**108**	**1,392**	**1,025**	**2,525**
Depreciation	16	339	280	635
Disposals	(28)	(456)	(26)	(510)
Translation adjustments	-	11	-	11
Balance as at March 31, 2025	**96**	**1,286**	**1,279**	**2,661**
Net carrying amount as at March 31, 2025	**672**	**3,927**	**3,582**	**8,181**
Net carrying amount as at March 31, 2024	**338**	**4,543**	**3,047**	**7,928**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) Lease liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Current	1,792	1,710
Non-current	1,912	3,443
	3,704	**5,153**

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	2,100	1,710
One to five years	2,086	3,443
More than five years	-	-

6. Other intangible assets

Particulars	As at March 31, 2025	As at March 31, 2024
Carrying amount of acquired other intangible assets:		
Computer software	119	188
Software license	131	182
Other intangible assets	537	590
Total other intangible assets	**787**	**960**

Movement in the carrying amounts of other intangible assets is as below:

Particulars	Computer software	Software license	Other intangible assets	Total
I. Cost				
Balance as at April 01, 2023	**753**	**413**	**1,126**	**2,292**
Additions	1	70	-	71
Translation adjustments	-	1	-	1
Balance as at March 31, 2024	**754**	**484**	**1,126**	**2,364**
Additions	-	29	-	29
Disposals/write offs	-	(41)	-	(41)
Translation adjustments	-	8	-	8
Balance as at March 31, 2025	**754**	**480**	**1,126**	**2,360**
II. Accumulated amortisation				
Balance as at April 01, 2023	**472**	**249**	**483**	**1,204**
Amortisation for the year	94	52	53	199
Translation adjustments	-	1	-	1
Balance as at March 31, 2024	**566**	**302**	**536**	**1,404**
Amortisation for the year	69	55	53	177
Disposals/adjustments/write offs	-	(16)	-	(16)
Translation adjustments	-	8	-	8
Balance as at March 31, 2025	**635**	**349**	**589**	**1,573**
Net carrying amount as at March 31, 2025	**119**	**131**	**537**	**787**
Net carrying amount as at March 31, 2024	**188**	**182**	**590**	**960**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

7. Investments accounted for using the equity method

Particulars	Country of incorporation and principal place of business	Primary Business	Face Value (Fully Paid) unless stated otherwise	Proportion of ownership interest held		Carrying amount of investment in joint venture	
				March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Unquoted							
ZAP91 Solar India Private Limited	**India**	Manufacturing	₹ 10 each	45%	-		
- Cost of acquisition						644	-
Add / (Less) : Group Share of Profit / (Loss)						(55)	-
Total						589	-

Investment in Joint Venture

ZAP91 Solar India Private Limited is a separate entity incorporated and operating in India.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement. Under Ind AS 111, this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method.

Summarised balance sheet of ZAP91 Solar India Private Limited, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	As at March 31, 2025	As at March 31, 2024
Non Current Assets	1,406	-
Current Assets	31	-
Non current liabilities	-	-
Current liabilities	129	-
Net Assets (100%)	**1,308**	-
Group Share of net assets (45%)	589	-
Carrying Amount of Interest in Joint Venture	**589**	-

Summarised Statement of Profit and loss of ZAP91 Solar India Private Limited	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from Operations	-	-
Interest Income	-	-
Cost of Materials consumed	-	-
Depreciation and amortisation expense	-	-
Finance costs	1	-
Employee benefits expense	-	-
Other expenses	122	-
Profit before tax	(123)	-
Income tax expense	-	-
Profit for the year	(123)	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year (100%)		
Group's share of profit (45%)	(55)	-
Group's share of other comprehensive income (45%)	-	-
Group's share of total comprehensive income (45%)	**(55)**	-

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

8. Investments

Particulars	Face Value per share	As at March 31, 2025		As at March 31, 2024	
		No. of shares	Amount	No. of shares	Amount
A. Investments - Non-current					
Unquoted Investments (all fully paid):					
Investments Carried at fair value through other comprehensive income (FVTOCI)					
Mana Effluent treatment plant Limited	₹ 1,000 each	200	2	200	2
Invstt TRUST	₹ 100 each	4,61,500	462	2,84,000	284
Aggregate value of Unquoted Non-current investment			**464**		**286**
B. Investments - Current					
Unquoted Investment carried at fair value through profit and loss (FVTPL)					
Investments in mutual funds (Refer note below)			148		1,873
Aggregate value of unquoted current investments			**148**		**1,873**

Note: Details of current-investments (unquoted)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of units	Amount	No. of units	Amount
Investments in Mutual Funds				
Nippon India Money Market Fund-Direct Growth Plan	-	-	20,146	770
ICICI Prudential Opportunities Fund	96,511	148	96,511	138
Axis Money Market Fund-Direct Growth	-	-	15,252	200
HSBC Money Market Fund-Direct Growth	-	-	14,07,987	355
Mirae Asset Money Market Fund	-	-	4,843	56
Baroda BNP Paribas Money Market	-	-	19,863	253
Bandhan Money Manager Fund	-	-	2,54,926	101
Total current investment		**148**		**1,873**

9. Other financial assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current:		
Deposits	1,696	1,966
Deferred lease rent receivable	7	-
Total	**1,703**	**1,966**
Current:		
Interest accrued on deposits with banks	39	107
Contract assets	6,776	5,459
Incentive receivable	8	8
Security deposits	1,655	1,329
Other	94	112
Less: Provision for credit impaired security deposits	(90)	(90)
Total	**8,482**	**6,925**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

10. Other assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Capital advances	1,045	2,468
Balance with Statutory/Government Authorities	553	668
Total	**1,598**	**3,136**
Current:		
Advances recoverable in kind or for value to be received	8,915	6,398
Prepaid expenses	1,421	1,293
Employee advance	39	55
Balance with Statutory/Government Authorities	1,718	1,231
Others	199	183
Less: Provision for credit impaired advances	(845)	(525)
Total	**11,447**	**8,635**

11. Inventories (At lower of cost or net realisable value)

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	19,761	15,418
Work-in-progress	45,746	45,315
Finished goods	7,814	6,929
Finished goods in- transit	7,816	3,461
Stores and spares	11,786	10,431
Scrap	610	963
Total	**93,533**	**82,517**

Note: Refer Note 17 (a) and 17 (d) for details of charge created on assets.

12. Trade receivables

Particulars	As at March 31, 2025	As at March 31, 2024
Non Current		
Unsecured, considered good	41	1,708
	41	**1,708**
Current		
Unsecured, considered good	58,038	49,455
Credit impaired	8,714	9,714
	66,752	59,169
Less: Allowance for credit impaired [Refer note (ii) Below]	(8,714)	(9,714)
Total	**58,038**	**49,455**
Total	**58,079**	**51,163**

Notes:

i. Trade receivables includes retention money aggregating to ₹ 8,617 lakhs (March 31, 2024 : ₹ 7,736 lakhs).

ii. **Expected credit loss (ECL):**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit in the normal course of business. Before accepting any new customer, the Company assesses the potential customer's credit quality.

As a practical expedient, the Group uses a provision matrix to determine impairment loss of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. The ECL allowance (or reversal) during the year is recognised in the statement of profit and loss.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The movement in the allowance for Credit impaired:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	9,714	9,702
Impairment losses/(reversed) recognised on trade receivables	(769)	1,319
Amounts written off during the year as uncollectible, provision released	(231)	(1,307)
Balance at the end of the year	**8,714**	**9,714**

iii. No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

iv. Trade receivables balance as at March 31, 2025, ₹ Nil Lakhs (As at March 31, 2024 : ₹ Nil Lakhs) is due from the Company's Largest customers individually representing more than 5% of total trade receivables balance.

v. Refer 35 (ii) for ageing of Trade receivables

13. Cash and cash equivalents

Particulars	As at March 31, 2025	As at March 31, 2024
Cash on hand	1	1
Balances with banks		
in current accounts	12,743	8,346
in cash credit accounts	571	456
in deposits with original maturity of less than three months	822	175
Total	**14,137**	**8,978**

Refer note 32 for information about the Company exposure to financial risks.

14. Other bank balances

Particulars	As at March 31, 2025	As at March 31, 2024
Earmarked balances with banks		
– in Corporate social responsibility Unspent account	1	53
– in margin money deposits*	4,816	3,339
– in deposit accounts (maturity greater than 3 months, up to 12 months)	#	1,864
Total	**4,817**	**5,256**

*Margin money deposits are provided as a security to various Banks for the Cash Credit and other short term borrowing facilities including letter of credit and bank guarantees availed by the Company.

Less than a lakh.

Refer note 32 for information about the Company exposure to financial risks.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

15. Equity share capital

Particulars	As at March 31, 2025	As at March 31, 2024
Authorised share capital:		
Equity shares		
25,20,00,000 (March 31, 2024: 25,20,00,000) equity shares of ₹ 5 each	12,600	12,600
Preference Shares:		
Series - A: 5,00,000 (March 31, 2024: 5,00,000) cumulative redeemable preference shares of ₹ 100 each	500	500
Series - B: 4,00,00,000 (March 31, 2024: 4,00,00,000) cumulative redeemable preference shares of ₹ 5 each	2,000	2,000
	15,100	**15,100**
Issued, subscribed and fully paid-up capital:		
Equity shares		
13,49,46,231 (March 31, 2024: 13,49,46,231) equity shares of ₹ 5 each [Refer note (a) and (d) below]	6,747	6,747
Total	**6,747**	**6,747**

Notes:

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	Number of Shares	Share Capital (in Lakhs)	Number of Shares	Share Capital (in Lakhs)
Opening balance	13,49,46,231	6,747	13,49,46,231	6,747
Add: Movement during the year	-	-	-	-
Balance	**13,49,46,231**	**6,747**	**13,49,46,231**	**6,747**

b. Details of shares held by each shareholder holding more than 5% shares of the aggregate shares of the Company:

Particulars	As at March 31, 2025		As at March 31, 2024	
	No of shares held	% holding of equity shares	No of shares held	% holding of equity shares
Fully paid up equity shares:				
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%
Aditya Narsing Rao	89,90,408	6.66%	88,97,753	6.59%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%

c. Rights, preferences and restrictions attached to each class of shares:

Equity Shares: The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their shareholding.

d. Refer Note 17 (d) for details of shares pledged.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

e. Details of shareholding of Promoters:

Particulars	As at March 31, 2025		As at March 31, 2024		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	89,90,408	6.66%	88,97,753	6.59%	0.07%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	0.00%
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	0.00%
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	0.00%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	0.00%
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	0.00%
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	0.00%
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	0.00%
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	0.00%

Particulars	As at March 31, 2024		As at March 31, 2023		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	88,97,753	6.59%	87,72,203	6.50%	0.09%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	0.00%
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	0.00%
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	0.00%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	0.00%
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	0.00%
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	0.00%
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	0.00%
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	0.00%

16. Other equity

Particulars	As at / For the year ended March 31, 2025	As at / For the year ended March 31, 2024
(a) Capital reserve		
Opening balance	386	386
Closing Balance	**386**	**386**
(b) Securities premium account		
Opening balance	7,014	7,014
Closing Balance	**7,014**	**7,014**
(c) General reserve		
Opening balance	401	401
Closing Balance	**401**	**401**
(d) Profit on forfeiture of shares	**6**	**6**
(e) Capital redemption reserve		
Opening balance	2,056	2,056
Closing Balance	**2,056**	**2,056**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars		As at / For the year ended March 31, 2025	As at / For the year ended March 31, 2024
(f)	**Retained earnings**		
	Opening balance	70,647	60,813
	Add: Profit for the year	11,927	9,834
	Closing Balance	**82,574**	**70,647**
(g)	**Remeasurement of defined benefit plan, net of taxes**		
	Opening balance	(148)	67
	Add: Defined benefit plan, net of taxes	(248)	(215)
	Closing Balance	**(396)**	**(148)**
(h)	**Foreign exchange translation reserve**		
	Opening balance	541	312
	Add: Changes during the year	515	229
	Closing Balance	**1,056**	**541**
Total		**93,098**	**80,903**

Nature of reserves:

(a) Capital reserve

Capital Reserve represents the gain on amalgamation. It is the excess of share capital issued and the amount of share capital of the transferor companies. It is made out of capital profits earned by the Company which can be used only for special purposes and hence it is not freely available to be distributed among shareholders as the dividend.

(b) Securities premium

Securities premium represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium is governed by the Section 52 of the Act.

(c) General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(d) Profit on forfeiture of shares

Profit on forfeiture of shares pertains to profit on redemption of preference shares.

(e) Capital redemption reserve

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

(f) Retained earnings

Retained earnings reflects the Company's undistributed earnings after taxes along with current year profit.

(g) Remeasurement of defined benefit plan, net of taxes

Remeasurement of defined plan represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit plan of the Group. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to statement of profit and loss.

(h) Foreign exchange translation reserve

This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

17. Borrowings

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Term Loans - Secured - at amortised cost [Refer note (a) below]		
- From banks	6,523	4,035
- From non banking financial companies (NBFC's)	14,063	9,447
Total	**20,586**	**13,482**
Current		
Loans repayable on demand from banks- Secured - at amortised cost [Refer note (c) below]		
(i) Cash credits	6,404	7,615
(ii) Working capital demand loans	28,494	24,846
(iii) Credit Cards and bills discounting	16,240	21,435
Current maturities from long term borrowings		
Term Loans- Secured [Refer note (a) below]		
- From banks	3,048	3,311
- From non banking financial companies (NBFC's)	2,740	2,500
Term Loans- Unsecured [Refer note (b) below]		
- From banks	-	15
Unsecured		
Sales tax deferment loan [Refer note (c) below]	-	191
Total current borrowing	**56,926**	**59,913**
Total Borrowings	**77,512**	**73,395**

Notes:

(a) Summary of borrowings from banks-Secured

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
HDFC Bank Limited	48 equal monthly instalments of ₹ 48.46 lakhs each commencing from April 2022	Extension of second ranking charge over existing primary collateral securities including mortgages of created in favour of the bank and 100% Credit guarantee by National Credit guarantee Trust Company Limited (NCGTC)	5,116	1,453	2,732	7.00% to 8.55% p.a
ICICI Bank Limited	48 equal monthly instalments of ₹ 13.95 each, after a moratorium period of 1 year, commencing from April 2022	Second pari-passu charge on the entire current assets of the Company . Second pari-passu charge on the fixed assets of the Company .	670	168	335	7.95% to 8.50% p.a

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at March 31, 2025	Outstanding as at March 31, 2024	Rate of Interest
Yes Bank Limited	16 equal quarterly instalments of ₹ 156.25 lakhs each, commencing from September 2020	First charge on entire Fixed Assets pertaining to plant located in kannigaipair village Chennai with minimum asset cover of 1.33x and personal Guarantee from Aditya Rao (Vice Chairman & Managing Director)	2,500	-	156	9.25% to 11.55% p.a.
	16 equal quarterly instalments of ₹ 156.25 lakhs each, commencing from September 2020	Extension of second ranking charge over existing primary collateral securities including mortgages of created in favour of the bank 100% Credit guarantee by national Credit guarantee Trust Company Limited(NCGTC). Second pari-passu charge on the entire current assets of the Company . Second pari-passu charge on the fixed assets of the Company , present and future apart from the assets that are exclusively charged. Second pari passu charge on entire fixed assets pertaining to plant located in kannigaipair village, Chennai.	867	217	434	9.15% to 9.25% p.a.
	48 equal monthly instalments commencing from December 2022	First charge by way of hypothecation of the vehicle for which the loan was taken.	54	25	38	8.77%
State Bank of Mauritius Limited	16 equal quarterly instalments of ₹ 187.50 lakhs each commencing from September 2022	First charge on entire Fixed Assets pertaining to plant located in kannigaipair village Chennai with minimum asset cover of 1.33x and personal Guarantee from Aditya Rao (Vice Chairman & Managing Director)	3,000	-	1,688	9.60%
Bandhan Bank Limited	24 equal quarterly instalments of ₹ 41.64 lakhs each commencing from January 2020	First charge on fixed assets (excluding land) created out of Bandhan bank term loan for solar PV module manufacturing unit. DSRA of ₹ 58 with exclusive charge for the term loan of Bandhan Bank Ltd. and personal guarantee of Mr. Aditya Rao (Vice Chairman & Managing Director).	999	-	375	10.70%

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
Bank of Baroda	72 equal monthly instalments of ₹ 107.43 lakhs each commencing from December 2024	Exclusive first charge by way of Mortgage of land at village Rampur Dist. , Raebareli - 13.76 Acres. First charge by way of Equitable mortgage of all the piece and parcel of industrial land situated at Velchal village - 107 acres 36 guntas together with all the buildings and structure standing in the name of the Company. Exclusive first charge on the entire fixed assets to be created out of Bank Finance -movable fixed assets of Sadashivpet PEBS Unit in Telangana,movable fixed assets of Aerospace Unit, Patancheru, Hyderabad, and movable fixed assets of ECD unit in Uthukottai, Tiruvallur Chennai Personal Guarantee given by Aditya Rao	7,735	7,406	1,450	9.25%
Axis Bank Limited	60 equal monthly instalments of ₹2.02 Lakhs commencing from August 2020	First charge by way of hypothecation of the vehicle for which the loan was taken.	101	31	52	7.46%
Indian Bank Limited	60 equal monthly instalments of ₹2.92 Lakhs commencing from May 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	141	119	-	8.45%
	60 equal monthly instalments of ₹1.46 Lakhs commencing from September 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	70	63	-	8.45%
	60 equal monthly instalments of ₹0.52 Lakhs commencing from March 2025	First charge by way of hypothecation of the vehicle for which the loan was taken.	25	25	-	8.45%
	Total		**21,278**	**9,507**	**7,260**	

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Summary of borrowings from NBFC's-Secured

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
Tata Capital Financial Services Limited	60 months equal instalments of ₹ 30 lakhs each commencing from October 2021.	First and exclusive charge by way of hypothecation of machinery purchased out of TCFSL fund. Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	1,800	263	713	10.85% to 13.00% p.a
Siemens Financial Services Private Limited	48 equal months instalments of ₹ 8.89 lakhs each commencing from March 2021	Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	427	-	130	11.30% to 12.75% p.a
Volkswagen Finance Private Limited	84 equal monthly instalments commencing from October 2017	First charge by way of hypothecation of the vehicle for which the loan was taken.	49	-	3	8.50%
Axis Financial Services Private Limited	20 equal quarterly instalments of ₹ 125 lakhs each commencing from September 2022	First charge by way of registered mortgage on the entire land & Building and structures pertaining to Sadashivpet plant owned by the Borrower. First charge by way of hypothecation of all the movable assets both present and future pertaining to Sadashivpet plant owned by the Borrower; Minimum total security Cover of 1.50x to be provided by the securities provided to AFL throughout the tenor of this facility. Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	2,500	1,125	1,625	10% to 11.35%
Oxyzo Financial Services Private Limited	36 equal months instalments of ₹ 55.55 lakhs each commencing from April 2023	First ranking pari-passu charge on the fixed assets in IDA Mallapur, Uppal mandal, Medchal-Malkajgiri, Telangana Irrevocable and Unconditional Personal Guarantee of Mr. Aditya Narsing Rao.	2,000	551	1,472	13.00%

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2025	March 31, 2024	
Axis Financial Services Private Limited	8 equal quarterly instalments of ₹ 72 lakhs and 32 equal quarterly instalments of ₹ 132 lakhs each commencing from December 2023	First charge by way of registered mortgage on the entire land & building located at Serilingampally Manda, Hyderabad (Mortgage value ₹90 Cr) First charge by way of hypothecation of all the movable assets both present and future pertaining located at Serilingampally Mandal, Hyderabad (MV ₹20 Cr) Personal guarantee of Mr. Adiya Rao (NW - ₹23 Cr)	4,800	4,248	4,056	9.60%
Aditya Birla Finance Limited	8 equal quarterly instalments of ₹ 60 lakhs and 32 equal quarterly instalments of ₹ 110 lakhs each commencing from December 2023		4,000	3,540	3,880	9.60%
Bajaj Finance Limited	20 equal quarterly instalments of ₹373 lakhs each commencing from August 2024	First pari passu charge on the Land and buildings pertaining to plant located at Kannigapair village, Chennai and Personal guarantee of Mr. Aditya Rao	7,460	7,021	-	9.55%
Toyota Financial services Limited	60 equal monthly instalments ₹1.35 Lakhs commencing from February 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	70	55	68	6.21%
Total			**23,106**	**16,803**	**11,947**	

(b) Summary of borrowings from banks-Unsecured

Particulars	Term of Repayments	Borrowings availed	Outstanding as at		Rate of Interest
			March 31, 2025	March 31, 2024	
Credit Agricole	84 equal monthly instalments of € 637.49 Euros each commencing from July 2018	45	6	9	2%
Credit Agricole	84 equal monthly instalments of € 371.92 Euros each commencing from May 2020	27	8	12	1.27%
Credit Agricole	Loan Guaranteed by the State (PGE) for an amount of € 20,000 over a period of 72 months, including a delay of twelve months. whose monthly instalments amount to Euro € 9.17 for the first twelve months, then € 421.36, will be definitively repaid on May 15, 2026.	18	6	10	0.55%
Bank Populaire	Loan Guaranteed by the State (PGE) for an amount of € 100,000 over a period of 72 months, whose monthly instalments amount to the sum of € 42.92 for the first three months, then € 139.04 for the following twelve months and finally € 2,197.87 for the remainder to run.	90	33	52	0.73%.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	Term of Repayments	Borrowings availed	Outstanding as at		Rate of Interest
			March 31, 2025	March 31, 2024	
Auvergne Rhône Alpes Region	Repayable advance as support companies affected by consequences of the covid 19 Pandemic	18	11	18	0.00%
Total		**198**	**64**	**101**	

(c) The Company availed an interest free sales tax deferment loan for a period of 14 years starting from 1997 - 98 amounting to ₹ 2,486 lakhs from the Commercial tax department. Out of this, amount aggregating ₹ 2,272 lakhs was paid during earlier years, an amount of ₹ 214 lakhs paid during the year and There is no outstanding as on March 31,2025

(d) Cash Credit and Working capital facilities sanctioned by consortium of bankers comprising State bank of India, Axis Bank, Yes Bank, HDFC Bank ,Indian Bank, Punjab National Bank and Punjab & Sindh Bank are secured by first pari passu charge on the entire current assets and second charge on fixed assets of the Company along with other working capital lenders under consortium, and for SBI, exclusive pledge of 15,00,000 shares (March 31, 2024:15,00,000 shares) of ₹ 5 each of Pennar Industries Limited held by Pennar Holdings Private Limited (Promoter Company). These facilities are further secured by personal guarantee from Aditya N Rao (Vice – Chairman and Managing Director). These borrowings carried interest rate of 9.50% to 10.95% (March 31, 2024: 9.50% to 10.95%).

(e) Details of borrowings guaranteed by Directors :

Particulars	As at March 31, 2025	As at March 31, 2024
Aditya Narsing Rao (Vice Chairman and Managing Director)	1,63,538	1,54,192

(f) The Company has used the borrowings for the purposes for which it was taken. The Company has access to financing facilities of which ₹ 26,302 Lakhs were unused at the end of the reporting period.

(g) The returns of current assets for the quarter ended March 2024,June 2024, September 2024 and December 2024 filed by the Company with banks are in agreement with the books of account. Company is yet to file return for the quarter ended March 2025.

(h) The Provident Fund (PF) authorities have attached the Holding Company's cash credit account maintained with Axis Bank, in relation to a PF demand amounting to ₹98.55 lakhs. Pursuant to this, the cash credit facility was temporarily restricted to the extent of the demanded amount. The Company has filed a writ petition before the Hon'ble High Court of Telangana. The Court has granted relief by suspending the prohibitory order, subject to a lien being marked on the amount of ₹98.55 lakhs. Consequently, the Company is permitted to operate the cash credit account, subject to this lien.

18. Provisions

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for gratuity [Refer note c (iii) below]	1,717	551
Provision for compensated absences	994	447
Asset retirement obligation	453	453
Total	**3,164**	**1,451**
Current		
Provision for gratuity [Refer note c (iii) below]	510	958
Provision for compensated absences	331	622
Total	**841**	**1,580**
Total Provisions	**4,005**	**3,031**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Notes:

Employee Benefits

(a) Defined contribution

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance and superannuation fund which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The Company has recognised as an expense aggregating to ₹ 796 lakhs (2023- 24: ₹ 772 lakhs) in respect of the defined contribution plans.

(b) Post retirement benefit - Defined benefit

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined bases on actuarial valuation using the projected unit credit method, which recognizes each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(c) Gratuity

Particulars	2024-25	2023-24
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value of DBO at the beginning of the year	3,003	2,613
Interest cost	214	189
Current service cost	278	243
Actuarial loss on obligation	329	269
Benefits paid	(300)	(311)
Present value of DBO at the end of the year	**3,524**	**3,003**
ii) Changes in the Fair Value of Plan Asset during the year		
Fair value of plan assets at the beginning of the year	1,494	1,624
Return on plan assets	(3)	(27)
Interest income	106	118
Contributions paid	-	81
Benefits paid	(300)	(302)
Fair value of plan assets at the end of the year	**1,297**	**1,494**
iii) Amount recognized in balance sheet		
Present value of DBO of the year	(3,524)	(3,003)
Fair value of plan assets at the end of the year	1,297	1,494
Net(Liability) recognized in the balance sheet	**(2,227)**	**(1,509)**
- Non Current	(1,717)	(551)
- Current	(510)	(958)
iv) Components of employer expense		
Current service cost	278	243
Interest income on net defined benefit obligation	108	71
Expense recognised in statement of Profit and Loss	**386**	**314**
v) Remeasurement on the net defined benefit obligation		
Actuarial (gain) / loss due to financial assumptions change in Defined Benefit Obligation	3	27
Actuarial loss due to experience on Defined Benefit Obligation	310	233
Return on Plan Assets excluding Interest Income	19	27
Remeasurements recognised in other comprehensive income	**332**	**287**
Total defined benefit cost recognised	**718**	**601**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2025	Valuation as at March 31, 2024
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	7.10%-7.15%	7.10%-7.15%
Rate of increase in compensation	9%	8-9%
Expected average remaining service	20.4	20.02
Employee Attrition rate	20%	19%

Sensitivity Analysis

Particulars	Change in assumption	Effect in Gratuity Obligation
Discount rate	1%	3,388
	(-1%)	(3,671)
Salary Escalation rate	1%	3,663
	(-1%)	(3,392)
Attrition rate	1%	3,404
	(-1%)	(3,754)
Mortality rate	1%	3,524
	(-1%)	(3,524)

Estimate of expected benefit payout (in absolute terms i.e. undiscounted)

Particulars	2024-25	2023-24
Within 1 year	825	851
2 to 5 Years	2,193	1,868
6 to 10 Years	1,140	903
> 10 years	581	403

(d) Compensated absences:

The obligation for compensated absences is recognised in the same manner as gratuity except that the remeasurement benefit is treated as part of OCI. The actuarial liability of compensated absence (unfunded) of accumulated privileged leaves of the employees of the Company is given below.

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2025	Valuation as at March 31, 2024
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	7.10%-7.15%
Rate of increase in compensation	9%	8-9%
Expected average remaining service	20.4	20.02
Employee Attrition rate	20%	19%

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at year-end as per Company's policy. The value of such leave balance eligible for carry forward, is determined by an independent actuarial valuation and charged to Statement of Profit and Loss in the period determined.

The estimates of future salary increases considered in the actuarial valuation take account of price inflation, seniority, promotion and other relevant factors such as demand and supply in the employment market. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligation.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

19. Income-taxes

a. Income tax expense recognized in the statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current tax	2,618	3,546
Deferred tax	1,413	(239)
Tax adjustments relating to earlier years	(136)	-
Total	**3,895**	**3,307**

b. Income tax expense recognized directly in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Tax effect on actuarial losses on defined benefit obligations (Items that will not be reclassified to profit or loss)	84	72
Total	**84**	**72**

c. Deferred tax liabilities (net)

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

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets	(92)	(55)
Deferred tax liabilities	1,687	311

d. Movement in deferred tax liabilities:

2024-25	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Liabilities				
Property, plant and equipment and intangible assets	5,054	1,263	-	6,317
Assets				
Provision for employee benefits	(937)	(162)	(84)	(1,183)
Provision for credit impaired trade receivables	(3,291)	260	-	(3,031)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(102)	-	-	(102)
Provision for ROU and lease liability	8	144	-	152
Others	(315)	(55)	-	(370)
Total (A)	**311**	**1,450**	**(84)**	**1,687**
Movement in deferred tax Assets:				
On account of losses	55	(37)	-	92
Total (B)	**55**	**(37)**	**-**	**92**
Net amount (A-B)	**256**	**1413**	**(84)**	**1595**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Liabilities				
Property, plant and equipment and Intangible assets	5,027	27	-	5,054
Assets				
Provision for employee benefits	(703)	(162)	(72)	(937)
Provision for credit impaired trade receivables	(3,133)	(158)	-	(3,291)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(87)	(15)	-	(102)
Provision for ROU and Lease liability	(95)	103	-	8
Others	(280)	(35)	-	(315)
Total	**622**	**(239)**	**(72)**	**311**

e. Current tax assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Income-tax assets [net of provisions]	331	1,787
Current tax liabilities [net of advance tax]	(1,848)	(4,649)

20. Other liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Deferred Lease Liability	36	-
	36	**-**
Current		
Advances from customers	12,515	5,603
Unearned revenue	554	811
Unearned government grants [Refer note 17 (c)]	-	23
Total	**13,069**	**6,437**
Total other liabilities	**13,105**	**6,437**

21. Trade payables

Particulars	As at March 31, 2025	As at March 31, 2024
Acceptances	42,171	36,028
Other than acceptances	45,572	43,054
Total	**87,743**	**79,082**
Of the above:		
i) Dues to micro, small and medium enterprises (MSME)	1,261	815
ii) Outstanding dues of creditors other than micro enterprises and small enterprises	86,482	78,267

Refer Note 35 (i) for ageing of Trade payables.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

22. Other financial liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Retention money payable	224	374
Security deposits	58	-
	282	**374**
Current		
Interest accrued on		
-Borrowings	292	151
- MSME Parties	62	-
Statutory liabilities	1,826	1,001
Payables on purchase of property, plant and equipment	978	630
Other payables (including employee related payables)	2,415	2,099
Total other financial liabilities	**5,573**	**3,881**

23. Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from operations (Refer note below)		
- Sale of products	2,93,892	2,88,485
- Revenue from contracts	8,129	6,867
- Sale of services	10,071	7,451
- Scrap Sales	10,303	9,898
Other operating revenue		
-Export Incentive	263	356
Total	**3,22,658**	**3,13,057**

Note: There is no single customers contributing 10% or more to the Company's revenue (2023-24: Nil).

A. Disaggregate revenue information:

Geographic revenue	For the year ended March 31, 2025	For the year ended March 31, 2024
India	2,36,019	2,29,950
USA	81,243	77,930
Germany	3,453	3,313
Others	1,943	1,864
Total	**3,22,658**	**3,13,057**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Timing of revenue recognition	For the year ended March 31, 2025	For the year ended March 31, 2024
Point in time (delivery to customer)	1,20,413	1,16,230
Point in time (Ex works)	55,189	52,938
Point in time (delivery to port)	6,488	6,223
Over the period of time	1,40,568	1,37,666
Total	**3,22,658**	**3,13,057**

Performance obligation:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Revenue from contracts: The performance obligation in respect of contracts is satisfied when the contract completed and certified by the customer. In respect of these contracts, payment is generally due upon completion of contract and acceptance of the customer.

Sales of services: The performance obligation in respect of services is satisfied when the service completed and accepted by the customer. In respect of these services, payment is generally due upon completion of service and acceptance of the customer.

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue as per contract price	3,25,021	3,15,287
Adjustments:		
-Discounts	2,363	2,230
Revenue from contracts with customers	**3,22,658**	**3,13,057**

C. Remaining performance obligations:

The amount of revenue that will be recognised in future periods on the contracts when those remaining performance obligations will be satisfied is analysed as follows:

As at March 31,2025:

Particulars	Products	Contracts	Services
Within 1 year	75,603	1,01,574	11,007
More than 1 year and less than 2 years	-	-	-
More than 2 years	-	-	-
Total	**75,603**	**1,01,574**	**11,007**

As at March 31,2024:

Particulars	Products	Contracts	Services
Within 1 year	71,047	99,803	9,926
More than 1 year and less than 2 years	-	-	-
More than 2 years	-	-	-
Total	**71,047**	**99,803**	**9,926**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

D. Changes in contract assets are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	5,459	2,646
Add: Revenue recognised during the year	4,077	3,872
Less: Invoices raised during the year	2,760	1,059
Balance at the end of the year	**6,776**	**5,459**

E. Changes in unearned revenue is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	811	1,920
Add: Invoices raised during the year	279	1,219
Less: Revenue recognised during the year	536	2,328
Balance at the end of the year	**554**	**811**

24. Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income earned on financial assets		
- Bank deposits	326	402
- Other interest income	93	172
Other non operating income		
-Net gain arising from financial instruments designated as fair value through Profit and Loss	10	67
-Gain on sale of current investments (net)	223	130
-Net gain on foreign currency transactions and translation	341	219
-Liabilities no longer required written back	567	2,248
-Rental Income	63	-
-Reversal of Provision of credit impaired trade receivables(Net)	769	-
-Others	1,277	793
Total	**3,669**	**4,031**

25. Cost of materials consumed

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw material at the beginning of the year	15,418	17,682
Add:- Purchases during the year	1,98,220	1,92,666
Less:- Raw material at the end of the year	19,761	15,418
Cost of materials consumed	**1,93,985**	**1,94,930**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

25 A. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening stock of inventories		
Work-in-progress	45,315	42,278
Finished goods	10,552	9,762
Scrap	963	709
Total	**56,830**	**52,749**
Closing stock of inventories		
Work-in-progress	45,746	45,315
Finished goods	15,630	10,530
Scrap	610	963
Total	**61,985**	**56,808**
Increase in inventories of finished goods, work-in-progress and stock-in-trade	**(5,155)**	**(4,059)**

26. Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	29,846	27,708
Contribution to provident and other funds	1,181	1,086
Staff welfare expenses	3,000	2,489
	34,027	**31,283**
Less: Capitalization of salaries	(373)	(286)
Total	**33,654**	**30,997**

27. Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest:		
Term loans	2,003	1,389
Working capital demand loans	5,058	3,983
Interest on leases	456	624
Others	207	997
Bill discounting charges	2,266	1,455
Other bank charges	2,566	3,362
	12,556	**11,810**
Less: Capitalization Interest [Refer Note 3 (b), 3A(a) and (b)]	(596)	(274)
Total	**11,960**	**11,536**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment (Refer note 3)	6,040	5,521
Depreciation on Investment property (Refer note 4)	37	-
Depreciation on right-of-use assets (Refer note 5)	635	930
Amortisation of intangible assets (Refer note 6)	177	199
Total	**6,889**	**6,650**

29. Other Expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Job work and processing charges	10,162	11,170
Sub-contract expenses	3,219	1,711
Erection expenses	6,980	5,672
Stores and spares consumed	17,612	15,763
Power and fuel	2,923	2,698
Repairs and maintenance		
- Plant and equipment	828	857
- Buildings	20	31
- Others	454	206
Rent	898	654
Travel and conveyance	1,557	1,480
Printing and Stationery	76	360
Communication and Internet expenses	194	200
Carriage and freight	6,674	5,443
Office expenses	2,516	2,132
Legal and professional	3,888	2,895
Auditors remuneration	72	67
Rates and taxes	310	400
Marketing and selling Expenses	2,345	3,167
Commission	879	746
Loss on sale of property, plant and equipment	5	6
Expenditure for Corporate social responsibility	123	57
Credit impaired trade and other receivables written off	522	1,307
Provision for credit impaired trade receivables	-	12
Provision for credit impaired advances and deposits	320	615
Miscellaneous expenses	3,763	3,342
Total	**66,340**	**60,991**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

30 Contingent liabilities and commitments

Particulars	As at March 31, 2025	As at March 31, 2024
a) Claims against the company not acknowledged on debt:		
i) Sales Tax	6,029	6,029
ii) Excise duty and service tax	312	312
iii) Goods and Services Tax #	4,902	1,549
iv) Entry tax	250	250
v) Income-tax	979	119
vi) Others	35	
Total	**12,507**	**8,259**

The amount disclosed above represents best estimates and the uncertainties are depended on the outcome of the legal proceedings initiated by the Company or the claimant as the case may be.

The aforesaid amount does not include certain orders, for which final orders received by the Group subsequent to the balance sheet date with no liability .

(b) The Company has provided Corporate Performance Guarantee to Several Companies for a value not exceeding ₹ 14,058 Lakhs (March 31, 2024 ₹ 349 Lakhs) with regards to contractual liabilities under applicable agreements/contracts entered by company with those Companies.

(c) **Capital and other commitments:**

Particulars	As at March 31, 2025	As at March 31, 2024
Capital commitment-Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)	2,641	4,445
Other commitment-Investments	1,270	216

31 Earnings per Share

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit after tax	11,927	9,834
Weighted average number of equity shares	13,49,46,231	13,49,46,231
Face value per share	5	5
Basic and Diluted earnings per Equity Share	8.84	7.29

Note: No potential equity shares are outstanding as on March 31, 2025 /2024, and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered diluted EPS.

32. Financial Instruments

a. Capital Management

The Group's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Group ensures optimal credit risk profile to maintain/ enhance credit rating.

The Group determines the amount of capital required on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents, investment in mutual funds.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The Group's management reviews the capital structure of the Group on monthly basis. As part of this review, the Management considers the cost of capital and the risks associated with each class of capital.

The table below summarises the total equity, net debt and net debt to equity ratio of the Group:

Particulars	As at March 31, 2025	As at March 31, 2024
Equity share capital	6,747	6,747
Other equity	93,098	80,903
Total Equity (A)	**99,845**	**87,650**
Non-current borrowings	20,586	13,482
Short term borrowings	51,138	53,896
Current maturities of long-term borrowings	5,788	6,017
Gross Debt	**77,512**	**73,395**
Less: Current investments	(148)	(1,873)
Less: Cash and cash equivalents	(14,137)	(8,978)
Less: Other bank balances	(4,817)	(5,256)
Net debt (B)	**58,410**	**57,288**
Net debt to equity (B/A)	**0.59**	**0.65**

b. Financial instruments by category

Particulars	Carrying value as at	
	March 31, 2025	March 31, 2024
Financial assets		
Measured at amortised cost		
Other financial assets	10,185	8,891
Trade receivables	58,079	51,163
Cash and cash equivalents	14,137	8,978
Other bank balances	4,817	5,256
Total financial assets measured at amortised cost (A)	**87,218**	**74,288**
Measured at fair value through profit and loss		
Investments in mutual funds	148	1,873
Total financial assets at fair value through profit and Loss (B)	**148**	**1,873**
Financial assets at fair value through other comprehensive income		
Investments	464	286
Total Financial assets at fair value through other comprehensive income(C)	**464**	**286**
Total Financial Assets (A+B+C)	**87,830**	**76,447**
Financial Liabilities		
Measured at amortised cost		
Long-term borrowings	20,586	13,482
Short-term borrowings	56,926	59,722
Trade payables	87,744	79,083
Other financial liabilities	5,855	4,255
Total financial liabilities carried at amortised cost (A)	**1,71,111**	**1,56,542**
Measured at fair value through Profit and Loss		
Sales tax deferment loan	-	191
Lease liabilities	3,704	5,153
Financial liabilities at fair value through Profit and Loss (B)	**3,704**	**5,344**
Total Financial Liabilities (A+B)	**1,74,815**	**1,61,886**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The management assessed that fair value of cash and cash equivalents, trade receivables, other current financial assets, trade payables, borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than a forced or a liquidation sale.

Investments in other equity instruments (quoted and unquoted) are measured at cost through initial designation in accordance with Ind-AS 109 - Financial Instruments.

Investments in mutual funds are mandatorily measured at fair value.

c. Financial risk management

The Board oversees the risk management frame work, develops and monitors the Group's risk Management policies. The risk Management policies are established to ensure timely identification and evaluation of the risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk Management policies and systems are reviewed regularly to reflect changes in the market conditions and Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management frame work in relation to the risk faced by the Group.

The Management policies aims to mitigate the following risks arising from the financial instruments

1. Market Risk
2. Credit Risk
3. Liquidity Risk

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Group’s reputation.

The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short term and long term. The Group has established an appropriate liquidity risk management framework for the Management of the Group's short term, medium and long term funding and liquidity Management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Foreign Currency Exchange Risk

The Company's functional currency is Indian National Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Fluctuation in exchange rates affects the Group's revenue from export markets and the cost of imports, primarily in relation to capital goods.

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of reporting period as follows:

Currency exposure as at March 31, 2025

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	AED (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	2,793	34	110	265	3,202
Trade payables	93	-	-	-	93
Advances	843	-	-	1	844
Total	**3,729**	**34**	**110**	**266**	**4,139**

*Others include currencies such as Qatari Rial, Malaysian Ringgit and Oman rial.

Currency exposure as at March 31, 2024

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	AED (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	2,886	4	42	258	3,190
Trade payables	592	-	-	1	593
Total	**3,478**	**4**	**42**	**259**	**3,783**

*Others include currencies such as Qatari Rial, Malaysian Ringgit, Singapore Dollars etc

Unhedged foreign currency exposure

Amounts receivable/ (payable) in foreign currency

Particulars	As at March 31, 2025			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	32.64	0.37	4.73	12.00
Trade payables	9.85	-	-	-
Advances	43.57	-	-	-

Amounts receivable/ (payable) in foreign currency

Particulars	As at March 31, 2024			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	34.61	-	2.00	243.00
Trade payables	7.05	-	-	-

Sensitivity analysis:

The Group is mainly exposed to fluctuations in US Dollar. The following table details the Group's sensitivity to a ₹ 1 increase and decrease against the US Dollar. ₹ 1 is the sensitivity used when reporting foreign currency risk internally to key Management personnel and represents Management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ₹ 1 change in foreign currency rates. A positive number below

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

indicates an increase in profit or equity where the Rupee strengthens by ₹ 1 against the US Dollar. For a ₹ 1 weakening against the US Dollar, there would be a comparable impact on the profit or equity.

Particulars	Impact on profit and loss	
	March 31, 2025	March 31, 2024
Strengthening	86.06	41.67
Weakening	(86.06)	(41.67)

Commodity price risk

The Group's revenue is exposed to the market risk of price fluctuations related to the purchase of steel products used as Raw Material in manufacture of Finished Goods. The Group manages the risk by forecasting its production and the manufacturing plan. Raw Material purchases are made based on the evaluation of the steel prices aligned to such production plans.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees with mix of fixed and floating rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirement for its day to day operations like short term loans. The risk is managed by Group by maintaining an appropriate mix between fixed and floating rate borrowings, ensuring the most cost-effective strategies are applied.

Working Capital position

Particulars	As at March 31, 2025	As at March 31, 2024
Current assets	1,90,602	1,63,639
Current liabilities	(1,67,792)	(1,57,253)
Working capital	**22,810**	**6,386**

Sensitivity analysis:

Particulars	Impact on profit and loss	
	March 31, 2025	March 31, 2024
1% increase in interest rate	(228)	(64)
1% decrease in interest rate	228	64

Liquidity Risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables details the Group's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods.

The table have been drawn up based on the undiscounted cash flows of financial liabilities based on earliest date on which the Group can be required to pay.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(i) Liquidity exposure as at March 31, 2025

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	17,638	2,948	20,586
Short-term Borrowings including current maturity of long term borrowings	56,926	-	-	56,926
Trade payables	87,744	-	-	87,744
Lease Liabilities	1,792	1,912	-	3,704
Other financial liabilities	5,573	282	-	5,855
	1,52,035	**19,832**	**2,948**	**1,74,815**

(ii) Liquidity exposure as at March 31, 2024

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	13,482	-	13,482
Short-term Borrowings	59,913	-	-	59,913
Trade payables	79,083	-	-	79,083
Lease Liabilities	1,710	3,443	-	5,153
Other financial liabilities	3,881	374	-	4,255
	1,44,587	**17,299**	**-**	**1,61,886**

Refer note 17 for the details of collateral security against the above mentioned banking facilities.

d. Fair value hierarchy

Valuation technique and key inputs

Level 1 - Quoted prices (unadjusted) in an active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as at March 31, 2025

(i) Level wise disclosure of Financial instruments as at March 31, 2025 that are measured at fair value

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current- Investments	464	-	-	464
Current- Investments	148	148	-	-
Financial liabilities				
Lease liabilities	3,704	-	3,704	-

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(ii) Level wise disclosure of Financial instruments as at March 31, 2024 that are measured at fair value

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Non current- Investments	286	-	-	286
Current- Investments	1,873	1,873	-	-
Financial liabilities				
Lease Liabilities	5,153	-	5,153	-
Sales tax deferment loan	191	-	-	191

(iii) Level wise disclosure of Financial instruments as at March 31, 2025 that are not measured at fair value (but fair value disclosures are required)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Trade receivables	58,079	-	58,079	-
Cash and cash equivalents	14,137	-	14,137	-
Other bank balances	4,817	-	4,817	-
Other financial assets	10,185	-	10,185	-
Financial liabilities				
Borrowings	77,512	-	77,512	-
Trade payables	87,743	-	87,743	-
Other financial liabilities	5,855	-	5,855	-

(iv) Level wise disclosure of Financial instruments as at March 31, 2024 that are not measured at fair value (but fair value disclosures are required)

Particulars	Total	Fair value measurements at reporting date using		
		Level 1	Level 2	Level 3
Financial assets				
Trade receivables	51,163	-	51,163	-
Cash and cash equivalents	8,978	-	8,978	-
Other bank balances	5,256	-	5,256	-
Other financial assets	8,891	-	8,891	-
Financial liabilities				
Borrowings	73,204	-	73,204	-
Trade payables	79,082	-	79,082	-
Other financial liabilities	4,255	-	4,255	-

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

33. Related parties disclosures:

As per the Indian Accounting Standards – "Related Party Disclosures" (Ind AS 24) the following disclosures are made:

(i) List of related parties and nature of relationship:

Details of Subsidiaries	Nature of Relationship	Country of incorporation	Percentage of holding as at	
			March 31, 2025	March 31, 2024
ZAP91 Solar India Private Limited	Joint Venture(Non controlling interest)	India	45%	-

Name of the related parties	Category
Pennar Holdings Private Limited	Promoter Company
Pennar Foundation	Trust in which KMP's are trustees
Ravi Venkata Siva Ramakrishna	Chairman and Non Executive Independent Director
Aditya Narsing Rao	Vice Chairman and Managing Director
Lavanya Kumar Rao Kondapalli	Whole Time Director
Potluri Venkateswara Rao	Non Executive Director
Eric James Brown	Non Executive Director
Chandra Sekhar Sripada	Non Executive and Independent Director
Virginia Sharma	Non Executive and Independent Director
Vankipuram Srinivasa Parthasarathy	Non Executive and Independent Director
Joginapally Venkata Nrupender Rao	Chairman Emeritus & Relative of KMP
Bhandari Kamalakar Rao	Non Executive and Independent Director (Till February 09,2024)
Manish Sabharwal	Non Executive and Independent Director (Till March 31,2024)
Shrikant Bhakkad	Chief Financial Officer
JS Krishna Prasad	Chief Financial Officer (till May 24 ,2023)
Mirza Mohammed Ali Baig	Company Secretary
VP Synergic weld solution private Limited	Common Director
Kondapalli Siddharth Rao	Relative of KMP

(ii) Details of transactions with related parties during the year:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of goods and services		
VP Synergic weld solution private Limited	257	60
Pennar holdings private Limited	-	1
Investment in Joint Ventures		
ZAP91 Solar India Private Limited	644	-
Professional charges		
Kondapalli Siddharth Rao	8	11
CSR contribution		
Pennar Foundation	71	92
Director's remuneration (Including Perquisites and Contribution to Funds)		
Joginapally Venkata Nrupender Rao(till August 9, 2023)		
-Remuneration	-	168

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Joginapally Venkata Nrupender Rao Chairman Emeritus (w.e.f. August 10, 2023)		
-Salary, wages and bonus	138	-
-Perquisites	17	-
Aditya Narsing Rao		
-Remuneration	74	105
-Other long-term employee benefits - compensated absences	12	-
-Commission	20	-
Lavanya Kumar Rao Kondapalli		
-Remuneration	92	115
-Other long-term employee benefits - compensated absences	5	-
-Leave Travel Allowance	12	-
-Commission	20	-
Eric James Brown		
-Remuneration	310	305
-Other long-term employee benefits - compensated absences	38	-
Chandra Sekhar Sripada		
-Remuneration	24	12
-Sitting fee	4	3
Ravi Venkata Siva Ramakrishna		
-Remuneration	24	12
-Sitting fee	6	5
Virginia Sharma		
-Remuneration	24	12
-Sitting fee	5	4
Vankipuram Srinivasa Parthasarathy		
-Remuneration	24	3
-Sitting fee	4	1
JS Krishna Prasad (Chief Financial Officer till May 24, 2023)		
-Salary, wages and bonus	-	6
Shrikant Bhakkad(Chief Financial Officer w.e.f May 25, 2023)		
-Salary, wages and bonus	103	90
-Other long-term employee benefits - compensated absences	16	-
Mirza Mohammed Ali Baig (Company Secretary)		
-Salary, wages and bonus	15	15
Directors sitting fees		
Bhandari Kamalakar Rao (Till February 09,2024)	-	5
Manish Sabharwal (Till March 31,2024)	-	4
Potluri Venkateswara Rao	5	4

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(iii) Balances with related parties:

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
VP Synergic weld solution private Limited	28	60
Kondapalli Siddharth Rao	-	3
Managerial Remuneration Payable		
Joginapally Venkata Nrupender Rao(till August 9, 2023)	-	13
Managerial Commission payable	71	36

34. Segment Information

Segment information is presented for the consolidated financial statements as permitted under the Ind AS 108 - 'Operating segments'. The Group is focused on two business segments: Diversified Engineering, 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 Group'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 statements are consistently applied to record revenue and expenditure in individual segments.

A. Segment revenue and results

Particulars	Segment results		Segment profit	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
Diversified engineering	1,72,132	1,64,137	19,431	16,693
Custom designed building solutions & auxiliaries	1,58,444	1,58,391	15,258	14,635
Less: Inter segment revenue	7,918	9,471	-	-
Total	**3,22,658**	**3,13,057**	**34,689**	**31,328**
Depreciation and amortisation expense			(6,889)	(6,650)
Finance costs			(11,960)	(11,536)
Profit before tax			**15,840**	**13,142**
Tax expense			(3,895)	(3,307)
Profit after tax			**11,945**	**9,835**
Share of non-controlling interest			18	1
Profit for the year attributable to the shareholders of the Company			**11,927**	**9,834**

B. Segment assets and liabilities

Particulars	As at March 31, 2025	As at March 31, 2024
Segment assets		
Diversified engineering	2,13,631	1,96,350
Custom designed building solutions and auxiliaries	81,788	67,656
Consolidated total assets	**2,95,419**	**2,64,006**
Segment liabilities		
Diversified engineering	1,30,136	1,20,116
Custom designed building solutions and auxiliaries	65,323	56,143
Consolidated total liabilities	**1,95,459**	**1,76,259**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

C. Geographical information

The geographical information analyses the Group's revenues and non-current assets held by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic market, regardless of where the goods were produced. However, there are no non-current assets held in other countries. Hence, disclosure in respect of non-current assets has not been made.

Revenue from external customers	For the year ended March 31, 2025	For the year ended March 31, 2024
India	2,45,954	2,44,434
Other countries	76,704	68,623
	3,22,658	**3,13,057**

35. Ageing schedules

(i) Trade Payables

As at March 31, 2025	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	1,261	-	-	-	1,261
(ii) Others	38,255	7,172	35,388	2,464	2,558	645	86,482
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**38,255**	**7,172**	**36,649**	**2,464**	**2,558**	**645**	**87,743**

As at March 31, 2024	Not Due	Unbilled	Outstanding for following periods from due date of payment				Total
			<1 year	1-2 years	2-3 years	> 3 years	
(i) MSME	-	-	815	-	-	-	815
(ii) Others	35,834	6,566	33,235	1,208	534	891	78,268
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	**35,834**	**6,566**	**34,050**	**1,208**	**534**	**891**	**79,083**

(ii) Trade Receivables (Current & Non-current)

As at March 31, 2025	Outstanding for following periods from due date of payment						Total
	Not Due	<6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables - considered good	23,849	25,258	8,972	-	-	-	58,079
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	558	1,575	1,094	4,545	7,772
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	942	942
Less: Provision for credit impaired trade receivables	-	-	(558)	(1,575)	(1,094)	(5,487)	(8,714)
Total	**23,849**	**25,258**	**8,972**	**-**	**-**	**-**	**58,079**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

As at March 31, 2024	Outstanding for following periods from due date of payment						Total
	Not Due	<6 months	6 months -1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed trade receivables - considered good	27,418	21,874	1,482	107	282	-	51,163
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	1,217	1,895	2,175	3,647	8,934
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	780	780
Less: Provision for credit impaired trade receivables	-	-	(1,217)	(1,895)	(2,175)	(4,427)	(9,714)
Total	**27,418**	**21,874**	**1,482**	**107**	**282**	**-**	**51,163**

(iii) Capital-work-in progress (CWIP)

(a) For Capital-work-in progress as at March 31, 2025, following is the ageing schedule :

As at March 31, 2025	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	4,282	1,032	-	-	5,314
Total	**4,282**	**1,032**	**-**	**-**	**5,314**

(b) For Capital-work-in progress as at March 31, 2024, following is the ageing schedule :

As at March 31, 2024	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	21,763	-	-	-	21,763
Total	**21,763**	**-**	**-**	**-**	**21,763**

Project execution plans are reviewed periodically on the basis of management judgement and estimates w.r.to further business, technology developments/ economy/ industry/ regulatory environments and all the projects are assessed as per periodic plans.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

36. Summary of Net Assets and Profit and Loss

Name of the entity	Net Assets*				Share in Profit/Loss				Share in other comprehensive income				Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit/ loss	Amount	As % of consolidated profit/ loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	March 31, 2025		March 31, 2024		March 31, 2025		March 31, 2024		March 31, 2025		March 31, 2024		March 31, 2025		March 31, 2024	
A Parent	87.78%	87,749	89.82%	78,817	76.85%	9,180	60.26%	5,927	(93.20%)	(248)	(1508.38%)	(215)	73.14%	8,932	58.00%	5,712
B Subsidiary incorporated in India																
Enertech Pennar Defense and Engineering System Private Limited	0.25%	235	0.24%	200	0.30%	36	0.02%	2	-	-	-	-	0.29%	36	0.02%	2
Pennar Metals Private Limited	0.00%	2	**0.00**	**2.00**	0.00%	-	-	1	-	-	-	-	0.00%	-	-	1
C Subsidiary incorporated outside India																
Pennar GmbH	(0.04%)	(40)	0.15%	134	(1.44%)	(173)	(0.93%)	(92)	-	-	-	-	(1.42%)	(173)	(0.93%)	(92)
Pennar Global Inc.	20.65%	20,638	18.83%	16,527	24.76%	2,957	40.64%	3,997	193.20%	515	1608.38%	229	28.42%	3,472	42.90%	4,226
Pennar FZCO	0.00%	2	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-
D Joint venture (Investments as per the equity method) Incorporated in India																
ZAP91 Solar India Private Limited					(0.46%)	(55)							(0.45%)	(55)		
Total	**108.63%**	**1,08,586**	**109.04%**	**95,680**	**100%**	**11,945**	**100.00%**	**9,835**	**100.00%**	**267**	**100.00%**	**14**	**100.00%**	**12,212**	**100.00%**	**9,849**
Non-controlling interest	(0.12%)	(115)	(0.11%)	(97)	-	-	0.00%	-	-	-	-	-	-	-	-	-
Adjustments arising out of consolidation	(8.52%)	(8,515)	(8.93%)	(7,836)	-	-	0.00%	-	-	-	-	-	-	-	0.00%	-
Net Amount	**100.00%**	**99,960**	**100.00%**	**87,747**	**100%**	**11,945**	**100.00%**	**9,835**	**100.00%**	**267**	**100.00%**	**14**	**100.00%**	**12,212**	**100.00%**	**9,849**

*Net assets means total assets minus total liabilities excluding share holders funds.

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter company transactions. The net impact on elimination of intercompany transactions/ profits / consolidations adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Companies Act , 2013.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

37. Other Statutory Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

38 Movement in borrowings and lease liabilities:

Year ended March 31, 2025					
Particulars	**Opening Balance**	**Proceed from borrowings / Addition during the year**	**Interest added during the year/ Other Adjustments**	**Repayment of Borrowings / lease payments**	**Closing Balance**
Short-term borrowings*	59,913	457	-	(3,445)	56,926
Long-term borrowings	13,482	14,199	-	(7,095)	20,586
Lease liabilities	5,153	432	456	(2,337)	3,704
Total	**78,548**	**15,088**	**456**	**(12,877)**	**81,215**
Year ended March 31, 2024					
Short-term borrowings*	46,066	13,847	-	-	59,913
Long-term borrowings	16,053	3,728	-	(6,299)	13,482
Lease liabilities	6,405	92	624	(1,968)	5,153
Total	**68,524**	**17,667**	**624**	**(8,267)**	**78,548**

*** Net of payment / receipt disclosed for short-term borrowings.**

39 Subsequent Events

No significant subsequent events has bee observed which may require an adjustment/disclosure to the financial statement.

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

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

41 The Holding has used two accounting software's for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level respect of one of the accounting software's to log any direct data changes. Further, the audit trail (edit log) facility was not enabled at the both the levels for another accounting software's.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, there are no instances of audit trail feature being tampered during the year. Additionally, the audit trail of prior year has been preserved by the Holding Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous year.

Subsidiary companies and Joint venture Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instances of audit trail feature being tampered with. Additionally, the audit trail of the preceding year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the new accounting software to the extent applicable.

42 These financial statements were approved for issue by the Company's Board of Directors on May 30, 2025.

In terms of our report attached
For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W

Ananthakrishnan Govindan
Partner Membership No. 205226

Place: Hyderabad
Date: May 30, 2025

For and on behalf of the Board of Directors
of Pennar Industries Limited
CIN: L27109TG1975PLC001919

Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

Lavanya Kumar Rao K
Whole Time Director
(DIN: 01710629)

Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 30, 2025

NOTICE

NOTICE is hereby given that the 49th Annual General Meeting (AGM) of members of M/s. Pennar Industries Limited will be held on Tuesday, the 30th September, 2025 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement (including audited consolidated financial statements) of the company for the financial year ended 31st March, 2025 together with the reports of the Board of directors and the auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:

- "RESOLVED THAT the audited financial statement of the Company for the financial year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

- "RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended 31st March, 2025 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To appoint a Director in the place of Mr. Aditya Rao (DIN: 01307343) who retires by rotation and being eligible offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Aditya Rao (DIN: 01307343), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3. **To ratify the remuneration payable to M/s. Kandikonda & Associates., Cost Accountants (Registration No. 101361) for the financial year ending 31st March, 2026 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members be and is hereby accorded to ratify the appointment of M/s. Kandikonda & associates., Cost Accountants (Registration No. 101361) made by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026, and also to ratify the remuneration of Rs. 1,00,000/- p.a. as an audit fee including all taxes and duties and out of pocket expenses."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

4. **To approve the appointment of secretarial auditor of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT, pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and Regulation 24A and 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and amendments thereof, Mr. Subhash Kishan Kandrapu, Practicing Company Secretary, (Membership No. 32743 and Practicing No. 17545) (a peer reviewed Practicing Company Secretary) as recommended by the Board of Directors of the Company, be and is hereby appointed as the Secretarial Auditor of the Company for a period of five consecutive financial years i.e. from 2025-26 to 2029-30 with a remuneration in the range of INR 1.5 lakh to INR 2.0 lakhs and the Board is authorised to fix the remuneration from time to time.

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this Resolution."

5. **To Create Charges and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "RESOLVED THAT in supersession of the resolution passed by the Members at their Meeting held on 28th day of September, 2024 and pursuant to Section 180(1)(a) of companies Act 2013 and other applicable provision if an, of the companies Act, 2013 & Companies Act, 1956 (including any statutory modification or re-enactment thereof) the consent of Members of the company be and is hereby accorded to the Board of Directors of the Company to create such charges (including but not limited to Mortgages and Hypothecations) in addition to the existing charges created by the Company, on such movable, immovable and other properties / assets or the whole or substantially the whole of the Undertaking or the Undertakings of the Company both present and future or in such manner the Board may deem fit In the best interest of the Company, together with the power to take over management and concern of the Company in certain events, so as to secure 'Fund based borrowing (including but not limited to Rupee / Foreign Currency Loans, Debenture, Bonds or other instruments)' and 'Non- fund based Facilities / Limits etc., availed from Banks / financial institutions, Companies Body Corporate and others', Corporate Guarantees etc., provided that the total amount of such Funds base borrowing, Non-fund based support, Corporate Guarantees or other together with interest, cost, charges, expenses and other monies payable by the company by whatever name called, shall not, at any time, exceed Rs. 2,250 crores (Rupees Two Thousand Two Hundred and Fifty Crores) and that for the implementation of this Resolution, the Board may act through any Committee / Director or any other person duly authorized in that behalf."

6. **To borrow in excess of paid-up capital and free reserves and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT in supersession of the resolution passed by the Members at their Meeting held on 28th day of September, 2024 and pursuant to Section 180(1) (c) of Companies Act 2013 and other applicable provision if any, of the Companies Act, 2013 & Companies Act, 1956 (including any statutory modification or re-enactment thereof) the consent of Members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of money as it may deem proper notwithstanding that the money to be borrowed together with the money already borrowed by the company, if any (apart from temporary loans obtained from the company's banker in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, if any, that is to say, reserves not set apart for any specific purpose, provided that the total amount of moneys to be so borrowed by the Company together with money already borrowed (apart from temporary loans obtained from the Company's bankers in ordinary course of business) shall not exceed Rs. 2,250 crores (Rupees Two Thousand Two Hundred and Fifty Crores) outstanding at any one time and that for the implementation of this Resolution, the Board may act through any Committee /Director or any other person duly authorized in that behalf."

7. **To approve of Investments / Loans / Guarantees / Securities and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT in supersession of the resolution passed by the Members by the postal ballot on 11th day of January, 2017 and pursuant to the Section 186 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), the consent of the shareholders be and is hereby accorded to give any loans/any other form of debt to any person or other body corporate and / or to give guarantee and / or to provide security in connection with a loan/any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate whether Indian or overseas up to maximum limit for an amount not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors (the Board) or any Committee formed for the purpose thereof by the Board of the Company be and is hereby authorized to take from time to time all decisions in respect of the aforesaid purpose and to do and perform all such acts, deeds, matters and things as may be necessary in order to give effect to the aforesaid resolution."

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

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058

Place : Hyderabad
Date : 13.08.2025

Notes :

1. An Explanatory Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the notice is annexed herewith.

2. In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Act and the SEBI Listing Regulations, the 49th AGM is being conducted through VC/OAVM herein after called as "e-AGM". In view of the same, the registered office of the Company shall be deemed to be the venue of the AGM.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to subbok@gmail.com with copy to evoting@kfintech.com and mirza.baig@pennarindia.com.

5. Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the registered office of the company at least seven days before the date of the Annual General Meeting, so that the information requested may be made available.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Registrar and Share Transfer Agent, M/s. KFin Technologies Limited (formerly KFin Technologies Private Limited) in case the shares are held by them in physical form.

7. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e.30th September, 2025. Members seeking to inspect such documents can send an email to corporatecommunications@pennarindia.com.

8. Members are requested to address all correspondence with regard to change of address, dividend matters to the Registrar and Share Transfer Agents, M/s. KFin Technologies Limited (formerly KFin Technologies Private Limited), Selenium Tower B, Plot No. 31 & 32 Gachibowli Financial District, Nanakramguda, Seriligampalli Hyderabad - 500032 in respect of shares held in physical mode and to their depository participants in respect of shares held in dematerialized form.

9. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Share Transfer Agent, M/s. Kfin Technologies Limited (formerly Kfin Technologies Private Limited) in case the shares are held by them in physical form. The email IDs of the shareholders registered with the DP and made available to the Company shall be the registered email ID unless communication is received to the contrary.

10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same.

11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

12. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company's website www.

pennarindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

13. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

14. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

15. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company.

16. Members are requested to keep their copy of the Annual Report during meeting.

17. In compliance with the provisions of section 108 of the Act, the Companies (Management and Administration) Rules, 2014 and SEBI (LODR) Regulations, 2015, shareholders are provided with the facility to cast their vote electronically, through the e-voting services provided by M/s. KFin Technologies Limited (formerly KFin Technologies Private Limited), in respect of all resolutions set forth in this Notice. Mr. Subhash Kishan Kandrapu, (Membership No. 32743) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

18. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 24th September, 2025, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

    A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech , on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences from 26.09.2025 (9:00 a.m.) to 29.09.2025 (5:00 p.m.).

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility: I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. Alternatively by directly accessing the e-Voting website of NSDL I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing user who have opted for Easi / Easiest I. Visit URL: https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. Alternatively, by directly accessing the e-Voting website of CDSL I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.

Type of shareholders	Login Method
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

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

i. Launch internet browser by typing the URL: https://evoting.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on “LOGIN”.

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the “EVEN” i.e., ‘PENNAR INDUSTRIES LIMITED- AGM” and click on “Submit”

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under “FOR/AGAINST” or alternatively, you may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id subbok@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

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

Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated 16th March, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or

b) Through hard copies which are self-attested, which can be shared on the address below; or

Name	KFIN Technologies Limited
Address	Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

c) Through electronic mode with e-sign by following the link: https://ris.kfintech.com/clientservices/isc/default.aspx#

Detailed FAQ can be found on the link: https://ris.kfintech.com/faq.html

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

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

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id. Questions /queries received by the Company till 27.09.2025 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. Speaker Registration: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 26.09.2025 (9:00 a.m.) to 27.09.2025 (5:00 p.m.). Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. Post your Question: The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 26.09.2025 (9:00 a.m.) to 27.09.2025 (5:00 p.m.).

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Anandan, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 24th September, 2025, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after sending of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

i. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

Information pertaining to the RTA:

Name	:	KFIN Technologies Limited
Address	:	Selenium Building, Tower-B, Plot No 31 & 32,Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana, India - 500 032.
Email ID	:	einward.ris@kfintech.com
Toll Free / Phone Number	:	1800 309 4001
WhatsApp Number	:	(91) 910 009 4099
Investor Support Centre	:	https://kprism.kfintech.com/
KFINTECH Corporate Website	:	https://www.kfintech.com
RTA Website	:	https://ris.kfintech.com
KPRISM (Mobile Application)	:	https://kprism.kfintech.com/signup

QR code for the URLs are attached separately. Refer to the file name for the URL detail.

Online application for Investor Query:

Members are hereby notified that our RTA , KFin Technologies Limited (Formerly known as KFin Technologies Private Limited), basis the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, have launched an online application which can be accessed at https://ris.kfintech.com/default.aspx# > Investor Services > Investor Support.

Members are requested to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend , Interest , Redemptions, e-Meeting and e-Voting details.

Quick link to access the signup page : https://kprism.kfintech.com/signup

Senior Citizens - Investor Support

As part of the initiative, our RTA in order to enhance the investor experience for Senior Citizens, a Senior Citizens investor cell has been newly formed to assist exclusively the Senior Citizens in redressing their grievances, complaints and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com . Senior Citizens (above 60 years of age) have to provide the following details :

1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

A dedicated Toll-free number for Senior Citizens can also be accessed at 1-800-309-4006 for any queries or information

KPRISM Mobile App:

Mobile application for all users to review their portfolio being managed by KFINTECH is available in Play store and App Store. User are requested to download the application and register with the PAN number. Post verification, user can use functionalities like – Check portfolio / holding, check IPO status / Demat / Remat, Track general meeting schedules, download ISR forms, view the live streaming of AGM and contact the RTA with service request, grievance, and query.

Explanatory Statement

[pursuant to Section 102(1) of the Companies Act, 2013]

Item # 3 Approval for payment of remuneration to the Cost Auditors for the financial year ending 31st March, 2026

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the M/s. Kandikonda & associates., Cost Accountants (Registration No. 101361) to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2026 at a remuneration of Rs. 1,00,000/- p.a. as an audit fee including all taxes and duties and out of pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2026.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Item # 4 To approve the appointment of secretarial auditor of the Company

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time, every listed public Company is required to annex with its Board's Report made out in terms of Section 134(3) of the Companies Act, 2013, a Secretarial Audit Report given by a Company Secretary in practice.

Mr. Subhash Kishan Kandrapu, Practicing Company Secretaries, Hyderabad (a peer reviewed Practicing Company Secretary) having Membership No. 32743 and Practicing No. 17545, being eligible, has consented to act as Secretarial Auditor of the Company for a period of five consecutive financial years i.e., from 2025-26 to 2029-30 as required under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015. Based on the profile and experience of Mr. Subash Kishan Kandrapu, the Board has recommended the appointment of Mr. Subash Kishan Kandrapu as the Secretarial Auditors of the Company for a period of five financial years i.e., from 2025-26 to 2029-30.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Item # 5 Creation of charges

The Company requires to borrow funds from time to time to meet both its short term and long terms business objectives, from various external agencies like banks, financial institutions, bodies corporate, individuals or other kind of lenders. According to section 180 (1) (c) of the Companies Act, 2013, the total amount of such borrowings as well as the outstanding at any time cannot exceed the aggregate of paid up capital and free reserves of the Company, except with the consent of the members. The company felt that the said limit is not adequate and needs enhancement, accordingly the resolution having no. 5 has been proposed to increase the limits of borrowing to Rs. 2,250 Crore.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Item # 6 Authority to borrow in excess of paid-up capital and free reserves

Through the proposed resolution it is sought to grant authority to the Board of Directors to secure the borrowings, if required, by creating charge/mortgage on the assets of the Company. The existing authority is derived from the earlier resolution. Since it is not practical to seek general meeting's approval every time a loan is sanctioned, it is proposed to obtain a blanket approval to secure the properties for the loans sanctioned within the limits of Rs. 2,250 Crore, as stated in the previous item. Even though section 180 (1) (a) refers to sale, lease or disposal of the whole or substantially whole of the undertaking of the Company, creating mortgage or charge on the assets give a right to the lender to take possession of or own the said properties in certain events, such creation of charge/mortgage in way constitutes sale or disposal of the undertaking of the Company. Therefore a resolution under Section 180 (1) (a) is required for this purpose.

The Board recommends the resolution for your approval. None of the Directors, key managerial personnel or their relatives is, in any way, concerned or interested in the said resolution.

Item # 7 To approve of Investments / Loans / Guarantees / Securities

In order to achieve long term objective and align with strategy plan of the Company, it is necessary for the Company to give any loans/any other form of debt to any person or other body corporate and / or to give guarantee and / or to provide security in connection with a loan/any other form of debt to any other body corporate or person and to make investment or acquire by way of subscription, purchase or otherwise the securities of any other body corporate including but not limited to the subsidiaries of the Company.

Pursuant to the provisions of section 186 of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of shareholders / members by way of special resolution in case the amount of investment, loan, guarantee or security proposed to be made is more than the higher of sixty percent of the paid up share capital, free reserves and securities premium account or one hundred percent of free reserves and securities premium account,

Accordingly, the approval of members is sought by way of special resolution as contained in the notice for an amount not exceeding Rs. 1,000 Crores (Rupees One Thousand Crores Only) outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company and their relatives, except Mr. Aditya Rao is concerned or interested in the aforesaid special resolution except to the extent of their directorship, shareholding in the bodies corporate in which investments may be made or loans/ guarantees may be given or securities may be provided pursuant to this Special Resolution.

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

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058

Place : Hyderabad
Date : 13.08.2025

Additional information on Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

Particulars	Date of Birth	Date of appointment	Qualification	Expertise	List of Companies in which outside directorship held on 31st March, 2025	Chairman of the Committee of other companies on which he/she is a director as on 31st March, 2025	Member of the Committee of other companies on which he/she is a director as on 31st March, 2025	No. of Meetings attended during the year	No of Shares held by them in the Company as on 31st March, 2025	Relationship between Directors inter-se
Aditya Rao DIN: 01307343	06.12.1981	30.01.2008	B.S, M. Eng	16+ years Experience in the field of Management. Skills and Capabilities: • Strategic Planning • International Business Development • Finance Management • Legal and Compliance • Organization Structuring • Risk Management	Pennar Holdings Private Limited; Enertech Pennar Defense and Engineering Systems Private Limited; Pennar Metals Private Limited; ZAP91 Solar India Private Limited ; Pennar Global INC, USA	Nil	Nil	5 Board Meetings	89,90,408 Equity Shares of Rs. 5/- each.	Not related to any other Director

Notes

PENNAR
INDUSTRIES

2-91/14/8/PIl/10 & 11, 7th Floor,
Whitefields, Kondapur, Serilingampally,
Hyderabad, K.V.Rangareddy - 500084
CIN: L27109TS1975PLC001919
e-Mail ID: corporatecommunications@pennarindia.com