



PENNAR INDUSTRIES LIMITED



Dated : Thursday, November 14, 2019
Place: Hyderabad

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001 BSE Scrip code: 513228	The National Stock Exchange of India Limited Bandra Kurla Complex, Bandra East Mumbai-400 051 NSE Symbol: PENIND
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Dear Sir/Madam,

Sub: Public Announcement.

Further to our letter dated November 12, 2019, we enclose copies of the Public Announcement published in Business Standard (English and Hindi) and Nava Telangana newspapers on 14th November, 2019.

This is for your information and record.

Thanking You,

for Pennar Industries Limited

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS: 29058



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

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

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



PENNA R INDUSTRIES LIMITED

Corporate Identification Number (CIN): L27109TG1975PLC001919

Registered Office: 3rd Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana
Investor Service Telephone: +91 040 40061621 Fax: +91 040 40061618

Website: www.pennarindia.com

Email: corporatetelecommunications@pennarindia.com

Company Secretary and Compliance Officer: Mirza Mohammed Ali Baig

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

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

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

1. DETAILS OF BUY-BACK OFFER AND OFFER PRICE

1.1 The board of directors of the Company (hereinafter referred to as the "Board" or "Board of Directors"), at their meeting held on November 12, 2019 (the "Board Meeting"), has approved the proposal for buy-back of its own fully paid-up equity shares of face value of ₹5 each ("Equity Shares") in accordance with Article 24 of the Articles of Association of the Company, the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended ("Companies Act") and the applicable rules thereunder, in compliance with the SEBI Buy-Back Regulations and subject to such other approvals, permissions, sanctions and filings as may be necessary under the SEBI Buy-Back Regulations, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR"), Reserve Bank of India ("RBI"), the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Hyderabad (the "ROC"), Stock Exchanges where the Equity Shares of the Company are listed etc. as may be required and further subject to such conditions as may be prescribed while granting such Board approval which may be agreed by the Board of Directors of the Company.

1.2 The Board in the aforementioned meeting, have approved the Buy-back by the Company of its fully paid-up Equity Shares for an aggregate amount not exceeding ₹ 4,000 Lakhs (Rupees Four Thousand Lakhs Only) ("Maximum Buy-back Size"), being 6.16% and 6.14% of the total paid-up share capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company respectively, as at March 31, 2019 (being the date of the last audited financial statements of the Company), for a price not exceeding ₹45/- (Rupees Forty Five only) per Equity Share ("Maximum Buy-back Price") from all shareholders of the Company excluding promoters, promoter group and persons who are in control of the Company, as the terms are respectively defined in the SEBI Buy-Back Regulations ("Promoters") ("Buy-back"). The Maximum Buy-back Size does not include any other expenses incurred or to be incurred for the Buy-back like filing fees payable to SEBI, Stock Exchanges fees, advisors' fees, public announcement, publication expenses, transaction cost viz., brokerage, applicable taxes such as securities transaction tax, stamp duty, income tax etc., and any other incidental and related expenses ("Transaction Costs"). The Buy-back period extends from November 12, 2019, i.e., the date of the Board approval to the date on which the final payment of consideration for the Equity Shares bought back by the Company is made ("Buy-back Period").

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

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

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

2. NECESSITY FOR THE BUY-BACK

2.1 In continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back its own Equity Shares for an aggregate amount not exceeding the Maximum Buy-back Size being 6.16% and 6.14% of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2019 on standalone and consolidated basis respectively, from the open market through Stock Exchanges. Having regard to the healthy cash flows that the Company has been able to consistently generate, the future projected cash flows of the Company and the anticipated funds required for capital expenditure and working capital to meet the expected future growth of the Company, the Buy-back is expected to achieve the following objectives:

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

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

2.2 At the Maximum Buy-back Price and for Maximum Buy-back Size, the indicative maximum number of Equity Shares bought back would be 88,88,888 (Eighty Eight Lakhs Eighty Eight Thousand Eight Hundred Eighty Eight) Equity Shares ("Maximum Buy-back Shares").

2.3 Further, in accordance with Regulation 15 of the SEBI Buy-Back Regulations, the Company shall utilize at least 50% of the amount earmarked as the Maximum Buy-back Size for the Buy-back, i.e. ₹2,000 Lakhs (Rupees Two Thousand Lakhs only) ("Minimum Buy-back Size") and based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase a minimum of 44,44,444 (Forty Four Lakhs Forty Four Thousand Four Hundred Forty Four) Equity Shares ("Minimum Buy-back Shares") in the Buy-back.

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

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

3.1 The Maximum Buy-back Price of ₹45/- (Rupees Forty Five only) per Equity Share has been arrived at after considering various factors, including average of the weekly high and low of the closing share price of the Equity Shares of the Company on the Stock Exchanges, the net worth of the Company and the potential impact of the Buy-back on the EPS of the Company. The Maximum Buy-back Price excludes the Transaction Costs.

3.2 The Maximum Buy-back Price is at a premium of 61.58% over the closing prices on BSE and the NSE (i.e. ₹ 27.85 (Rupees Twenty Seven and Paise Eighty Five only), on November 11, 2019 which is one trading day prior to the date on which the notice of the Board Meeting to consider the Buy-back proposal was intimated to the BSE and the NSE. The Maximum Buy-back Price is at a premium of 62.28% and 60.79%, compared to the average of the weekly high and low of the closing prices of the Equity Shares of the Company on the Stock Exchanges during the 2 (two) weeks preceding the date of the Board Meeting on BSE and NSE respectively.

3.3 The Buy-back is proposed to be completed within a maximum period of six (6) months from the date of opening of the Buy-back. Subject to the Maximum Buy-back Price of ₹45/- (Rupees Forty Five only) per Equity Share for the Buy-back and maximum validity period of six (6) months from the date of opening of the Buy-back and achievement of the Minimum Buy-back Size, the actual time frame and the price for the Buy-back will be determined by the Board or the authorized representatives of the Board, at their discretion, in accordance with the SEBI Buy-Back Regulations.

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

4. PROMOTER SHAREHOLDING AND OTHER DETAILS

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

Name	Aggregate no. of shares purchased or sold	Nature of transaction	Minimu price (Rs.)	Date of minimum price	Maximu price (Rs.)	Date of maximum price
Kondapally Lavanya Kumar Rao	2,34,900	Transmission	N.A.	February 19, 2019	N.A.	February 19, 2019
Late. Sumatha Devi Kondapally	2,34,900	Transmission	N.A.	February 19, 2019	N.A.	February 19, 2019
Aditya Rao	19,00,695	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Aditya Rao	15,00,000	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J. Rajyalakshmi	12,22,386	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J. Rajyalakshmi	4,09,826	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J. Rajyalakshmi and Arathi C	4,09,826	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
JayanthiPuljal	17,692	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Jayanthi Puljal	10	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J Nrupender Rao	9,12,923	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Kalpana Puljal	10	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Bhavana Puljal	10	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J Avanti Rao	4,51,065	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J Avanti Rao	4,09,826	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Pennar Holdings Private Limited	11,144	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J Nrupender Rao HUF	3,50,288	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
J Nrupender Rao HUF	3,09,826	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
D Sudeepta Rao	9,02,129	Merger of Pennar Engineered Building Systems Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
D Sudeepta Rao	9,58,925	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Fort Kochi Holdings Limited	1,00,000	Merger of Pennar Enviro Ltd. with Pennar Industries Limited	N.A.	June 12, 2019	N.A.	June 12, 2019
Kuram Murali Sunil	500	Purchase	36.75	December 17, 2018	36.75	December 17, 2018
Kuram Murali Sunil	500	Purchase	32.13	February 18, 2019	32.13	February 18, 2019

5. PARTICIPATION BY PROMOTERS

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

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

6. NO DEFAULTS

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

7. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

7.1 The Board has confirmed on the date of the Board Meeting, i.e. November 12, 2019 that they have made full inquiry into the affairs and prospects of the Company and that they have formed the opinion:

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

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

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

8. REPORT BY THE COMPANY'S AUDITORS

The text of the report dated November 12, 2019 received from M/s Deloitte Haskins & Sells LLP, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote

REF: GB/089/2019
AUDITOR'S REPORT

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

Dear Sirs,

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

1. This Report is issued in accordance with the terms of our engagement letter dated November 06, 2019.

2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its Meeting held on November 12, 2019, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buyback Regulations.

3. We have been requested by the Management of the Company to provide a report on the accompanying "Statement of Permissible Capital Payment" (Annexure A) as at March 31, 2019 (hereinafter referred to as the "Statement"). This Statement has been prepared by the Management, which we have initiated for the purposes of identification only.

Management's Responsibility

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

Auditor's Responsibility

5. Pursuant to the requirements of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:

- i. we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at March 31, 2019;
- ii. the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone and consolidated financial statements as at March 31, 2019 in accordance with Section 68(2) of the Act and the proviso to Regulation 4(iv) of the Buyback Regulations; and
- iii. the Board of Directors of the Company, in their Meeting held on November 12, 2019 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.

6. The standalone and consolidated financial statements referred to in paragraph 5 above, have been audited by us, on which we have issued an unmodified audit opinion in our report dated May 27, 2019. We conducted our audit of the standalone and consolidated financial statements in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. 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

9. Based on inquiries conducted and our examination as above, we report that:

i. We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements as at and for year ended March 31, 2019, which have been approved by the Board of Directors of the Company on May 27, 2019.

ii. The amount of permissible capital payment towards the proposed buy back of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68 (2)(c) read with proviso to Section 68(2)(b) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2019.

iii. The Board of Directors of the Company, at their meeting held on November 12, 2019 have formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board Resolution dated November 12, 2019.

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, and other documents pertaining to buyback to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the Managers in connection with the proposed buyback of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Act and the Buyback Regulations, and may not be suitable for any other purpose.

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

Sd/-
Ganesh Balakrishnan
Partner
Membership No. 201193

Place: Hyderabad
Date: November 12, 2019
UDIN: 19201193AAAAY6707

Annexure A - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment towards buy back of equity shares in accordance with Section 68(2)(c) read with proviso to Section 68(2)(b) of the Companies Act, 2013 ("the Act") based on audited standalone and consolidated financial statements as at March 31, 2019.

(₹ in Lakhs)

Particulars	Standalone	Consolidated
Paid up Equity Share Capital as at March 31, 2019 (A)	7,618	7,618
Free Reserves as at March 31, 2019		
Retained earnings & Items of Other Comprehensive Income	43,410	43,650
General Reserve	1,272	1,272
Share Premium Account	12,622	12,622
Total Free Reserves (B)	57,304	57,544
Total (A) + (B)	64,922	65,162
Maximum amount permissible for buy back under section 68 of the Companies Act, 2013 i.e. 25% of total paid-up equity capital and free reserves	16,231	16,291
Maximum amount permissible for buy back under section 68 of the Companies Act, 2013 within the powers of the Board of Directors - 10% of total paid-up equity and free reserves.	6,492	6,516

Unquote

9. DATE OF BOARD APPROVAL

The Board approval for the Buy-back was granted on November 12, 2019.

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

10.1 Based on the Minimum Buy-back Size and the Maximum Buy-back Price, the Company will purchase a indicative minimum of 44,44,444 (Forty Four Lakhs Forty Four Thousand Four Hundred Forty Four) Equity Shares ("Minimum Buy-back Shares") and based on Maximum Buy-back Size and the Maximum Buy-back Price, the indicative maximum number of Equity Shares bought back would be 88,88,888 (Eighty Eight Lakhs Eighty Eight Thousand Eight Hundred Eighty Eight) Equity Shares ("Maximum Buy-back Shares"). If the Equity Shares are bought back at a price below the Maximum Buy-back Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buy-back Shares or Minimum Buy-back Shares but will always be subject to the Maximum Buy-back Size. Further, the number of Equity Shares bought back will not exceed 25% of the total paid-up equity capital of the Company as on March 31, 2019.

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

10.3 As mentioned in Paragraph 10.1 above, in continuation of the Company's efforts to effectively utilize its resources, it is proposed to Buy-back upto 6.16% and 6.14% of the paid-up share capital and free reserves based on the audited financial statements of the Company as at March 31, 2019 on standalone and consolidated basis respectively, from the open market through the Stock Exchanges. The Buy-back of Equity Shares will result in a reduction in number of shares accompanied by a likely increase in EPS and return on capital employed. The Company believes that the Buy-back will create long term value for continuing shareholders. The Buy-back is not likely to cause any material impact on the profitability/ earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards the Buy-back. The Buy-back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations and for continued capital investment, as and when required.

11. PROPOSED TIMETABLE FOR BUY-BACK

Activity	Date
Date of Board Approval	Tuesday, November 12, 2019
Date of publication of the Public Announcement	Thursday, November 14, 2019
Date of commencement of the Buy-back	Monday, November 25, 2019
Acceptance of Equity Shares accepted in dematerialized mode	Upon the relevant pay-out by the Stock Exchanges.
Extinguishment of Equity Shares/certificates	In case the Equity Shares bought back are in dematerialized form, the same will be extinguished in the manner specified in the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the bye-laws framed thereunder. The Company shall ensure that all the Equity Shares bought back are extinguished within seven (7) days of the expiry of the Buy-back Period.
Last Date for the Buy-back	Earlier of: (a) Sunday, May 24, 2020 (i.e., 6 months from the date of the opening of the Buy-back); or (b) when the Company completes the Buy-back by deploying the amount equivalent to the Maximum Buy-back Size; or (c) at such earlier date as may be determined by the Board / or its duly authorized Buy-back committee, after giving notice of such earlier closure, subject to the Company having deployed an amount equivalent to the Minimum Buy-back Size (even if the Maximum Buy-back Size has not been reached or the Maximum Buy-back Shares have not been bought back), however, that all payment obligations relating to the shares bought back shall be completed before the last date for the Buy-back.

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

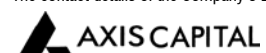
12.1 The Buy-back is open to all eligible shareholders of the Company holding Equity Shares in dematerialized form ("Demat Shares"). Shareholders holding shares in physical form can participate in the Buy-Back after such Equity Shares are dematerialized by approaching depository participant.

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

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

12.4 For the implementation of the Buy-back, the Company has appointed Axis Capital Limited as the registered broker ("Company's Broker") through whom the purchases and settlements on account of the Buy-back would be made by the Company.

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



AXIS CAPITAL LIMITED
1st Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025
Tel: +91 22 4325 5577 Fax: +91 22 4325 5599
Contact Person: Mr. Sudhir Agarwal Email: qib@axiscap.in

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

12.6 The Company, shall, commencing from November 25, 2019 (i.e., the date of opening of the Buy-back), place "buy" orders on the BSE and/or NSE on the normal trading segment to Buy-back the Equity Shares through the Company's Broker in such

14. Brief Information about the Company

14.1 Pennar Industries was incorporated on 08th August 1975. The company CIN is L27109TG1975PLC001919. Pennar Industries Limited is one of the leading engineering organizations in India well known for its expertise in providing engineered products & services. The company is engaged in the business of manufacturing precision engineering products such as precision tubes, railway wagons/coaches, sheet metal components, solar module mounting structures, hydraulic products, auto components, pre-engineered building systems, and water treatment plants.

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

14.3 On consolidated basis, for the financial years ended March 31, 2017, March 31, 2018 and March 31, 2019, the Company recorded a total income of ₹1,71,969 Lakhs, ₹1,81,430 Lakhs, and ₹2,15,985 Lakhs respectively, and the profit after tax was recorded as ₹4,978 Lakhs, ₹9,049 Lakhs, and ₹6,666 Lakhs respectively.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder ("Ind AS"). Financial information on the basis of audited standalone financial statements of the Company for the last three financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 and the unaudited standalone financial statements for the six (6) months ended September 30, 2019 provided hereunder

(₹ in Lakhs)

Particulars	Six months ended September 30, 2019	FY 19 (Merged)	FY 18 (Merged)	FY 17
	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Revenue from Operations	1,11,405	2,11,612	1,78,017	1,06,950
Other Income	1,151	2,603	1,725	491
Total Income	1,12,556	2,14,215	1,79,742	1,07,441
Total Expense (Excluding Interest, Depreciation and Exceptional Items)	1,01,779	1,94,566	1,59,477	98,217
Finance Costs	4,253	7,511	6,166	3,503
Depreciation & Amortization	1,989	2,787	2,289	1,175
Exceptional Items	-	-	(2,129)	-
Profit Before Tax	4,535	9,351	13,939	4,546
Provision for Tax (including Deferred Tax)	556	2,947	4,634	1,691
Profit After Tax	3,979	6,404	9,305	2,855
Equity Share Capital	7,618	7,618	7,618	6,017
Other Equity	62,860	58,881	52,787	29,156
Net Worth	70,478	66,499	60,405	35,173
Total Debt*	45,113	44,428	35,368	13,582

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

Financial Ratios on standalone basis are as under:

Particulars	September, 2019	FY 19 (Merged)	FY 18 (Merged)	FY 17
	(Limited Review) Unaudited Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Basic EPS (in ₹)	2.61	4.20	6.11	2.37
Diluted EPS (in ₹)	2.61	4.20	6.11	2.37
Debt Equity Ratio	0.64	0.67	0.59	0.39
Book Value (₹ per share)	46.26	43.65	39.65	29.23
Return on Net worth (in %)	5.65% (un-annualised)	9.63%	15.40%	8.12%

Notes:

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

15.2 The Company prepares its financial statements in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder ("Ind AS"). Financial information on the basis of audited consolidated financial statements of the Company for the last three financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 and the unaudited consolidated financial statements for the six (6) months ended September 30, 2019 provided hereunder.

(₹ in Millions)

Particulars	Six months ended September 30, 2019	FY 19	FY 18	FY 17
	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Revenue from Operations	1,11,778	2,13,311	1,79,841	1,71,132
Other Income	1,215	2,674	1,589	837
Total Income	1,12,993	2,15,985	1,81,430	1,71,969
Total Expense (Excluding Interest, Depreciation and Exceptional Items)	1,02,163	1,95,994	1,59,251	1,55,720
Finance Costs	4,259	7,520	6,740	6,226
Depreciation & Amortization	1,992	2,789	2,926	2,539
Exceptional Items	-	-	(1,295)	-
Profit Before Tax	4,579	9,682	13,808	7,484
Provision for Tax (including Deferred Tax)	556	3,016	4,759	2,506
Profit After Tax	4,103	6,666	9,049	4,978
Equity Share Capital	7,618	7,618	7,618	6,017
Other Equity	63,133	59,131	52,787	41,593
Net Worth	70,751	66,749	60,405	47,610
Total Debt*	45,172	44,461	35,380	29,781

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

Financial Ratios on consolidated basis are as under:

Particulars	September, 2019	FY 19	FY 18	FY 17
	(Limited Review) (Unaudited) Ind AS	(Audited) Ind AS	(Audited) Ind AS	(Audited) Ind AS
Basic EPS (in ₹)	2.63	4.36	5.87	4.14
Diluted EPS (in ₹)	2.63	4.36	5.87	4.14
Debt Equity Ratio	0.64	0.67	0.59	0.63
Book Value (₹ per share)	46.44	43.81	39.65	39.56
Return on Net worth (in %)	5.67% (un-annualised)	9.99%	14.98%	10.46%

Note:

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

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

16. DETAILS OF ESCROW ACCOUNT

16.1 In accordance with Regulation 20 of the SEBI Buy-back Regulations, the Company has appointed Axis Bank Limited ("Escrow Agent"), as the Escrow Agent for Buy-back, and an escrow agreement has been entered into amongst the Company, Axis Capital Limited and Escrow Agent on November 13, 2019.

16.2 In accordance with the Escrow Agreement, the Company has opened an escrow account no. 919020085816061 titled "Pennar Industries Limited - Buyback - Escrow Account" ("Escrow Account") with the Escrow Agent and deposited therein cash aggregating to ₹100 Lakhs (Rupees One Hundred Lakhs only) ("Cash Escrow") and has procured a bank guarantee for ₹900 Lakhs (Rupees Nine Hundred Lakhs only) from Yes Bank Limited in favour of the Manager to the Buyback ("BG"). In accordance with the SEBI Buy-back Regulations, the Manager to the Buyback will be empowered to operate the Escrow Account. Bank guarantee is valid until (i) a period of 7.5 months from November 13, 2019; or (ii) expiry of a period of 30 days from the date of closure of the Buyback Offer or till the completion, of all obligations under the Buyback regulations, whichever is earlier. The security provided by the

Company for performance of its obligations under the SEBI Buy-back Regulations, consisting of the Cash Escrow and the BG, aggregates to ₹1,000 Lakhs (Rupees One Thousand Lakhs only).

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

17. LISTING DETAILS AND STOCK MARKET DATA

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

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

Year/Month ending	High (₹)	Date of High	No. of Equity Shares traded on date of high	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals/ months (in number)
FY 2019	62.20	April 27, 2018	484,822	30.25	February 18, 2019	125,843	43.54	51,631,969
FY 2018	76.55	January 05, 2018	7,678,523	42.80	April 03, 2017	297,697	58.78	160,869,535
FY 2017	53.55	April 20, 2016	618,998	39.65	November 22, 2016	150,308	44.97	59,248,415
October, 2019	27.15	October 18, 2019	114,812	25.05	October 14, 2019	70,252	25.91	1,370,922
September, 2019	30.45	September 26, 2019	75,253	25.15	September 03, 2019	48,488	27.68	1,561,947
August, 2019	29.40	August 19, 2019	752,311	23.40	August 08, 2019	51,240	25.86	2,343,322
July, 2019	33.75	July 02, 2019	44,075	26.15	July 31, 2019	115,421	31.06	1,518,963
June, 2019	38.20	June 04, 2019	113,324	32.85	June 26, 2019	43,136	35.32	1,217,569
May, 2019	37.55	May 30, 2019	109,326	31.40	May 16, 2019	81,320	34.02	2,287,316

Source: NSE (www.nseindia.com)

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

Year/Month ending	High (₹)	Date of High	No. of Equity Shares traded on date of high	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals/ months (in number)
FY 2019	62.10	April 27, 2018	90,123	30.25	February 18, 2019	23,592	43.51	8,910,196
FY 2018	76.70	January 05, 2018	15,51,380	42.85	April 03, 2017	74,558	58.80	33,652,371
FY 2017	53.60	April 20, 2016	1,74,585	39.85	November 22, 2016	40,125	44.95	14,209,727
October, 2019	26.90	October 18, 2019	12,917	25.00	October 16, 2019	4,658	25.90	247,146
September, 2019	30.10	September 26, 2019	17,648	25.10	September 03, 2019	4,210	27.64	203,491
August, 2019	29.45	August 19, 2019	55,437	23.40	August 08, 2019	6,042	25.86	291,986
July, 2019	34.00	July 02, 2019	9,070	26.25	July 31, 2019	11,325	31.07	199,286
June, 2019	38.25	June 04, 2019	20,743	32.65	June 26, 2019	6,034	35.32	161,289
May, 2019	37.65	May 30, 2019	23,724	31.45	May 16, 2019	7,101	34.02	481,075

Source: BSE (www.bseindia.com)

17.4 The closing market price of the Equity Shares on the BSE and the NSE as on November 07, 2019, being the day on which notice of Board meeting to consider the proposal for the Buyback was filed at the Stock Exchanges, was ₹29.15 (Rupees Twenty Nine and Paise Fifteen Only) and ₹29.10 (Rupees Twenty Nine Rupees Paise Ten Only) respectively.

17.5 The closing market price of the Equity Shares on the BSE and the NSE as on November 11, 2019, being the working day prior to the day the Board approved the proposal for Buy-back, was ₹27.85 (Rupees Twenty Seven and Paise Eighty Five only).

17.6 The closing market price of the Equity Shares on the BSE and the NSE as on November 13, 2019, being the working day after the day of resolution of the Board approving the proposal for Buy-back, was ₹28.15 (Rupees Twenty Eight and Paise Fifteen only) and ₹28.30 (Rupees Twenty Eight and Paise Thirty only) respectively.

18. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

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

(₹ in Lakhs)

Sr. No.	Particulars	Pre Buy-back
1.	Authorized Share Capital:	
	25,20,00,000 fully paid equity shares of ₹ 5/- each with voting rights	12,600
	Series A: 5,00,000 cumulative redeemable preference shares of ₹100/- each	500
	Series B: 4,00,00,000 cumulative redeemable preference shares of ₹ 5/- each	2,000
	Total	15,100
2	Issued, Subscribed and Paid-up Equity Share Capital:	
	15,23,57,231 fully paid equity shares of ₹ 5/- each with voting rights	7,617.86
	Total	7,617.86

18.2 Assuming full acceptance in the Buy-back, the capital structure of the Company post Buy-back would be as follows:

(₹ in Lakhs)

Sr. No.	Particulars	Post Buy-back
1.	Authorized Share Capital:	
	25,20,00,000 fully paid equity shares of ₹ 5/- each with voting rights	12,600
	Series A: 5,00,000 cumulative redeemable preference shares of ₹100/- each	500
	Series B: 4,00,00,000 cumulative redeemable preference shares of ₹ 5/- each	2,000
	Total	15,100
2.	Issued, Subscribed and Paid-up Equity Share Capital#:	
	14,34,68,343 Equity shares of ₹ 5/- each with voting rights	7,173.42
	Total	7,173.42

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

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

18.4 There are no outstanding instruments convertible into shares.

18.5 The shareholding pattern of the Company pre Buy-back as on date of the Board meeting approving the Buy-back i.e. November 12, 2019 and the post Buy-back shareholding pattern assuming full acceptance, is as follows:

Category of Shareholder	Pre Buy-back		Post Buy-back*	
	Number of Shares	% to the existing Equity Share capital	Number of Shares	% to post Buy-back Equity Share capital
Promoters and promoter group	5,36,86,278	35.24	5,36,86,278	37.42
Foreign Investors (Including Non-Resident Indians, Flts, FPIs, Foreign Mutual Funds, Foreign Nationals)	1,87,34,501	12.30	8,97,82,065	62.58
Financial Institutions/Banks, Mutual Funds promoted by Banks/ Institutions	1,80,82,859	11.87		
Others (Public, Bodies Corporate, etc.)	6,18,53,593	40.59		
Total	15,23,57,231	100.00	14,34,68,343	100.00

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

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

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

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

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

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

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

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

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

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

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

20. STATUTORY APPROVALS

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

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

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

20.4 To the best of the knowledge of the Company, no other statutory approvals are required by it for the Buy-back, as on the date of this Public Announcement. Subject to the obligation of the shareholders to obtain the consents and approvals necessary for transfer of their equity shares to the Company as set out in Paragraph 20.2 above, the Company shall obtain such statutory approvals as may be required, from time to time, if any, for completion of the Company's obligations in relation to the Buy-back.

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