Date : 02.09.2026
Place: Hyderabad

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

Dear Sir/Madam,

Sub: Annual Report 2025-26 - Reg.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the Annual Report 2025-26 of M/s. Pennar Industries Limited.

Kindly take the same on record.

Thanking You,

for Pennar Industries Limited

Mirza Mohammed Ali Baig

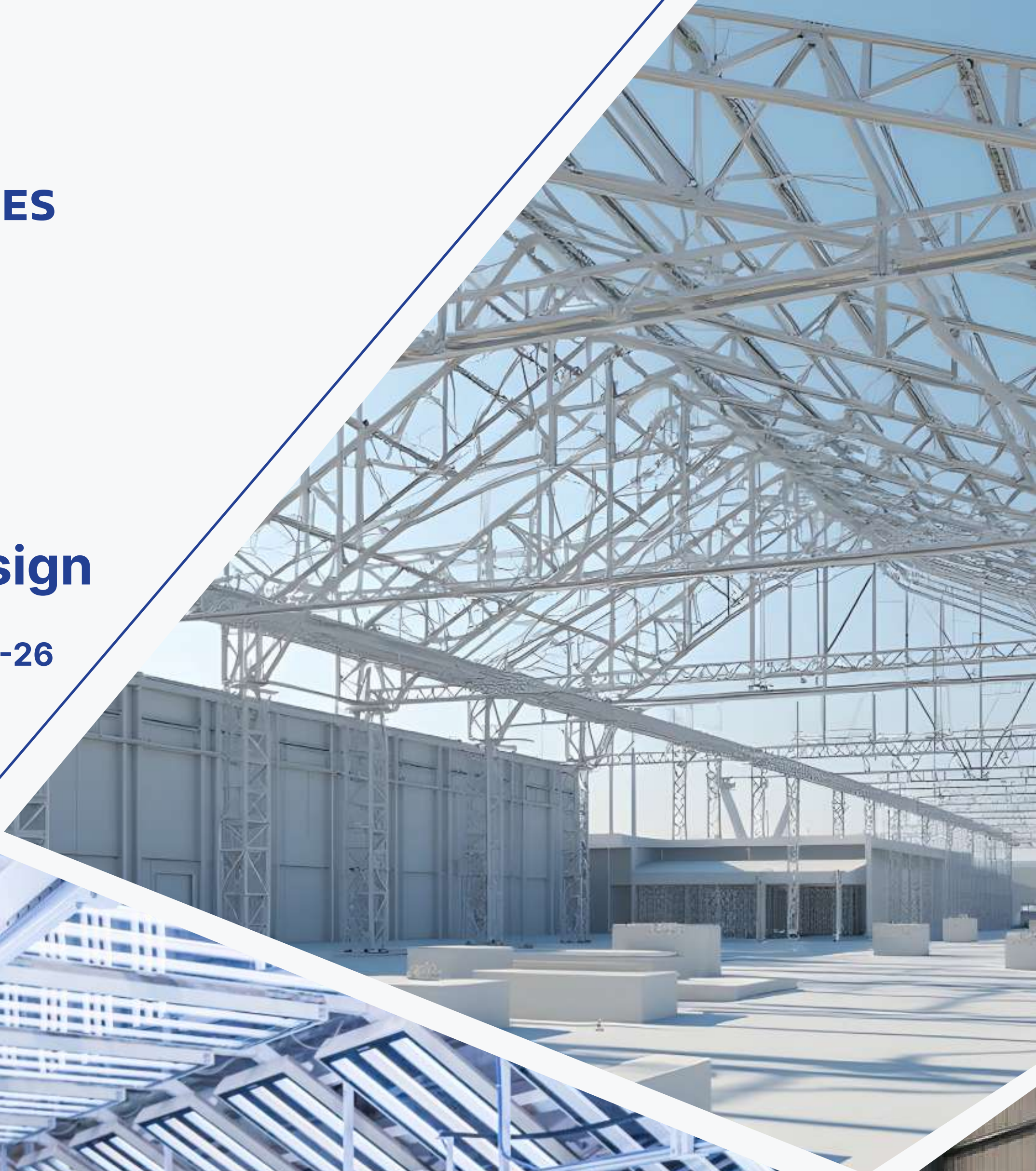
Digitally signed by Mirza Mohammed Ali Baig
Date: 2026.09.02 12:05:39 +05'30'

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS29058

PENNAR
INDUSTRIES

Growth by Design

ANNUAL REPORT 2025-26



PENNAR INDUSTRIES LIMITED

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Growth by Design

The financial year 2025-26 was the strongest in the fifty one year history of your Company. Revenue, EBITDA, profit after tax and cash balances each reached their highest recorded levels. The theme of this year's report reflects our conviction that these outcomes were the product of deliberate design rather than of favourable circumstance.

GROWTH

is the measurable outcome. Total income of ₹ 3,666.32 crore, EBITDA of ₹ 401.32 crore, profit after tax of ₹ 138.83 crore and earnings per share of ₹ 10.29, together with a fourth consecutive year of expansion in the profit after tax margin. Each of these results follows from portfolio and capital allocation decisions taken over the preceding three to four years.

BY

denotes causation. The Company's performance is attributable to identifiable decisions: the businesses selected for priority, the businesses from which capital has been withdrawn, the operations selected for automation, the markets entered, and the capital committed to each.

DESIGN

is the governing discipline. Two tests are applied to every business the Company owns and to every business it evaluates. The first is the right to play, being demonstrable engineering capability and a customer willing to pay for it. The second is the right to win, being a defensible position on cost, quality, speed or engineering depth relative to the strongest competitor in that market. Capital is allocated only to businesses that satisfy both tests. Businesses that do not are retained for the cash they generate and are permitted to decline as a proportion of the whole. Prioritised businesses accordingly account for approximately 65 to 70 per cent of revenue and grow at rates materially above the Company average.

Performance At A Glance

Total income ₹ 3,666.32 crore. EBITDA ₹ 401.32 crore. Profit after tax ₹ 138.83 crore. A fourth consecutive year of profit after tax margin expansion.

Performance

Total Income

₹ in Crore

FY26	3,666.32
FY25	3,263.27

12.35%

Revenue From Operations

₹ in Crore

FY26	3,620.09
FY25	3,226.58

12.20%

EBITDA

₹ in Crore

FY26	401.32
FY25	347.44

15.51%

Profit Before Tax

₹ in Crore

FY26	179.57
FY25	158.95

12.97%

Profit After Tax

₹ in Crore

FY26	138.83
FY25	119.45

16.22%

Earnings Per Share

FY26	10.29
FY25	8.84

16.40%

Net Worth

₹1,163.15 Crore

FY25 ₹ 999.60 crore

Total Assets

₹3,550.59 Crore

FY25 ₹ 2,954.19 crore

Cash and Bank Balances

₹269.93 Crore

FY25 ₹ 189.54 crore

Debt to Equity

0.98 times

FY25 0.78 times

Current Ratio

1.13 times

FY25 1.14 times

Operating Year

During the year, the Company achieved an average productivity improvement of about 10% across its manufacturing facilities and recognised 35 Kaizens. Safety performance remained strong, with 2 million safe man-hours at Pre-Engineered Buildings project sites and 1 million safe man-hours at the Tarapur plant. The Company also delivered 15,689 man-days of training during the year.

Quality of Earnings

Ebitda Margin

	%
FY26	11.09
FY25	10.77

Profit Before Tax Margin

	%
FY26	4.96
FY25	4.93

Profit After Tax Margin

FY26	3.83
FY25	3.70

Return On Capital Employed

	%
FY26	20.23
FY25	21.83

Return On Equity

	%
FY26	11.94
FY25	11.95

Forward visibility at 31 March 2026

₹810 Crore
Pre Engineered Buildings India order backlog

₹145 Crore
Boilers and process equipment order backlog

USD 63 million
Metal buildings and structural steel, United States, combined backlog

₹34 Crore
Hydraulics order backlog

₹902.26 Crore
Order inflows in the closing three months of the year

Company Profile

Established in 1975, Pennar Industries Limited is a diversified engineering and manufacturing enterprise. We design, engineer, fabricate and deliver products, assemblies and complete building systems to customers in infrastructure, mobility, energy and general industry, in India, the United States, Europe and West Asia.

We were incorporated in 1975 and we are headquartered in Hyderabad. What began as a single cold rolled steel plant at Isnapur is now a group of fourteen manufacturing facilities across three countries, engineering centres in India and abroad, and holding, engineering and distribution subsidiaries in the United States, Germany and the United Arab Emirates. Our shares are listed on the National Stock Exchange of India and on BSE.

Eight Divisions, Two Segments

Our eight business divisions are Pre Engineered Buildings and Structural Units, Precision Tubes, Process Heating, Hydraulics, Engineering Services, Body in White, Steel, and Railways. For reporting purposes they sit in two segments.

Diversified Engineering contributed revenue of ₹ 1,871.77 crore in FY26 and a segment result of ₹ 223.04 crore. It houses precision tubes, steel products and profiles, industrial components, Body in White, hydraulics, boilers and process heating, railway products and engineering services.

Custom Designed Building Solutions and Auxiliaries contributed revenue of ₹ 1,835.60 crore and a segment result of ₹ 178.28 crore. It houses pre engineered buildings in India and metal buildings and structural steel in the United States.

The near equal balance between the two segments, at 50.5 per cent and 49.5 per cent of revenue, is a deliberate portfolio choice, and it is a principal reason our earnings line has held its trajectory through commodity cycles, tariff shocks and shifting construction demand. The two halves answer to different demand cycles, so a difficult period in one is ordinarily cushioned by the other. FY26 bore this out: neither segment was uniformly strong, yet consolidated EBITDA rose 15.51 per cent and profit after tax 16.22 per cent.

Our operating approach

Design, tooling, manufacturing, project management and erection are held within the organisation. A customer may therefore present a functional requirement rather than a drawing, and the Company can carry it through to a commissioned asset. The large majority of revenue is derived from value added products rather than from commodity pass through.

51 Years of engineering	**14** Facilities	**8** Divisions
1,000+ Engineered products	**500+** Customers	**24.1%** International revenue

Vision, Mission and Values

OUR 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.

OUR 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.

OUR VALUES

Value	What it requires of us
Inclusion and Collaboration	Solve as one team across divisions, plants and geographies
Learning	Treat every project as a source of institutional knowledge
Development and Digitisation	Invest ahead of the curve, in people and in systems
Innovation	Look for the better method before looking for the bigger machine
Communication and Transparency	Say what we will do, and report what we did
People Centred	Remember that capability lives in people, not in assets
Customer Focused and Growth Oriented	Grow when our customers grow
Pride and Ownership	Sign our work
Engineering Excellence	The founding discipline of the Company

Defining Moments In Our Journey

1975

Incorporated as a private limited company

1988

First manufacturing facility commissioned at Isnapur, Hyderabad, for cold rolled steel strips. It remains in operation today, making tubes, profiles and solar structures.

1998

Pennar Steel Limited acquires Nagarjuna Steel Limited and is converted into Pennar Industries Limited.

2008

Pennar Engineered Building Systems Limited incorporated, marking our entry into pre engineered buildings.

2017

Pennar Enviro Limited and Pennar Engineered Building Systems Limited merge into Pennar Industries, creating a single unified platform.

2019

Engineering services presence in the United States strengthened through our subsidiary Pennar Global Inc.

2020

Ascent Buildings LLC acquired, establishing manufacturing in Tennessee and taking pre engineered buildings into the United States.

2024

Raebareli plant commissioned to serve northern and eastern India. Pennar FZCO incorporated in Dubai to address West Asia.

2025

A year of portfolio surgery. Joint venture concluded with Zetwerk for solar module manufacturing. Structural steel assets acquired in the United States for about USD 14 million, now Ascent Structural LLC, with Pennar Global Investments Alabama LLC incorporated to hold them. Our entire 51 per cent holding in the defence subsidiary divested in September. Agile Traders FZCO acquired in December to build the West Asia distribution platform.

2025-26

The strongest year in our history. Record revenue, EBITDA, profit and cash. AGT robotics welding commissioned in the United States. Production streamlined at Raebareli. Ratings reaffirmed at CARE A with a Stable outlook. Subsequent to the year end, one of the promoters commits about ₹ 50.40 crore through convertible warrants.

From the Chairman's Desk

"

Strategic focus, global resilience and targeted investments strengthened Pennar's competitive position, while robust order inflows, expanding capabilities and empowered leadership created a strong foundation for accelerated growth.

Ravi Venkata Siva Ramakrishna

Chairman-Non-Executive
Independent Director

Dear Shareholders,

It is my privilege to write to you at the close of FY 2025-26, a year in which your Company sustained its growth momentum through a demanding global environment and converted strategic focus into visible results.

Sustaining Momentum in an Uncertain World

The year tested manufacturers everywhere. Trade policy realignments and new tariff structures in major markets, conflict in West Asia, volatile energy prices, elevated logistics costs and persistent cost pressures across supply chains together created an environment of continuing uncertainty. Global growth held at an estimated 3.4 per cent in 2025, though it demanded exceptional agility from businesses with international operations. India, by contrast, remained a picture of strength, with GDP growing 7.7 per cent and manufacturing expanding 10.7 per cent, supported by strong public capital expenditure, benign inflation and easing interest rates.

I am pleased to report that your Company did not merely withstand this environment but grew through it. Consolidated total income rose 12.35 per cent to ₹ 3,666.32 crore, EBITDA grew 15.51 per cent to ₹ 401.32 crore and profit after tax increased 16.22 per cent to ₹ 138.83 crore, with earnings per share improving to ₹ 10.29 from ₹ 8.84. Our manufacturing presence within the United States insulated the bulk of our American revenue from tariff shifts, while price variation clauses and disciplined procurement protected margins from input cost volatility.

Focus on Core Businesses, Delivering as Envisaged

The sharpened focus on our core businesses that we committed to is showing results exactly as envisaged. Both operating segments grew during the year, with custom designed building solutions expanding nearly 16 per cent, and return on capital employed stayed above 20 per cent. Our buildings businesses in India and the United States, engineering services, hydraulics, boilers and industrial components each strengthened their market positions, and order inflows of ₹ 902.26 crore in the final quarter alone reflect the health of our franchise. In line with this focus, we divested our stake in the defense subsidiary and moved the solar business into the ZAP91 joint venture, ensuring capital and management attention flow to businesses where we enjoy clear competitive advantages. The reaffirmation

> FY2025-26 delivered record performance, with strong revenue and profit growth, resilient core businesses, strategic investments, strengthened leadership, disciplined governance, and confidence in sustained value creation ahead.

of our credit ratings at CARE A with a Stable outlook and CARE A1 validates this disciplined approach.

Investing to Seize Growth Opportunities

Growth of this quality requires conviction backed by capital, and we continued to invest ahead of demand. The Company deployed about ₹ 328 crore in capacity and capability during the year, which included the acquisition of structural steel assets in the United States for our Ascent platform, a new robotics line that automates welding and fitment, the near completion of our dedicated Body in White facility and continuing investment in the solar module joint venture. Subsequent to the year end, the promoters committed about ₹ 50.40 crore through convertible warrants, a telling expression of confidence in the road ahead.

Strengthening the Leadership Team

A larger, more global Pennar needs deeper leadership, and we invested in it deliberately. We strengthened the senior management and engineering teams in the United States ahead of scale, brought in specialised talent for automation and new capacities, and continued to empower the leadership of each business vertical with clear accountability for growth and returns. Your Board, with its blend of independent oversight and diverse experience, remains committed to the highest standards of governance, ethics and stakeholder well being, and to nurturing the performance driven culture that attracts and retains the best professionals.

Governance Rooted in Fiduciary Duty

As Chairman and an Independent Director, I regard the fiduciary duty of your Board as the foundation on which everything else at Pennar rests. We are, above all, trustees of the capital and confidence that shareholders have placed in the Company, and every decision of consequence, be it allocation of capital, approval of related party transactions, oversight of risk or the integrity of our disclosures, is tested against one simple question: does it serve the long-term interest of the Company and of every shareholder, large or small. Your Board exercises this duty through independent oversight, rigorous functioning of its committees, unqualified audit outcomes and timely, transparent communication with the market, and we hold ourselves accountable to act with care, diligence and undivided loyalty to the Company at all times.

In Conclusion

We enter FY 2026-27 with confidence. With record earnings behind us, healthy order backlogs across businesses, a clear commitment to 20 per cent growth in profit after tax and a leadership team built for the next phase, your Company is well placed to deliver sustained and superior value.

On behalf of the Board, I thank you, our shareholders, customers, employees and partners, for your continued trust as we build the next chapter of Pennar 'together.'

Warm regards,

Ravi Venkata Siva Ramakrishna
Chairman and Independent Director

Message from the Vice Chairman and Managing Director

"FY2026 was Pennar's strongest year, with record profit, expanding margins, double-digit segment growth, strong cash generation and 20.23% ROCE.

Aditya Rao
Vice Chairman and Managing Director

Dear Shareholders,

FY2026 was the strongest year in Pennar's history and, more importantly, the year our strategy proved itself. We closed with revenue of about ₹ 3,620.09 crores and a highest profit after tax of ₹ 138.83 crores, but the numbers beneath the headlines matter more. Profit before tax grew 12.97% to ₹ 179.57 crores. EBITDA margins improved to 10.95%, our third successive year of margin expansion, driven by a deliberate shift in mix towards higher value businesses. Standalone profit after tax crossed ₹ 101 crores for the first time. Both operating segments grew earnings in double digits, up 14.7% in diversified engineering and 16.8% in custom designed building solutions. We generated ₹ 202 crores of cash from operations, our net worth crossed ₹ 1,163.15 crores, and we delivered a ROCE of 20.23% in a year of substantial investment, keeping our medium term ambition of 30% firmly in sight. The exit quarter itself delivered an EBITDA of ₹ 114.06 crores, up 15.75%.

Both our growth platforms delivered on what we had set out to achieve. In the United States, our buildings platform rode the extraordinary strength of data centre and industrial construction to deliver strong double digit growth, closing with a combined backlog of about USD 63 million, which grew 20% in the final quarter alone. With three plants, a structural steel capability now in place and a market share of under 3%, the runway ahead of us is long. In India, the PEB business ended with a backlog of ₹ 810 crores and exit utilisation of 70%, staying selective on orders to protect mix and margin. Our Boilers business closed with its highest ever backlog of ₹ 145 crores, won its largest capacity orders to date, a 100 TPH AFBC boiler and an 80 TPH waste heat recovery boiler, and added new product lines in hot water generators and reciprocating grate systems. Our Body in White business readied its dedicated facility for a marquee automotive customer.

Engineering Services deserves a special word. The business grew revenue and profit in healthy double digits, and we have embedded AI assisted design and detailing into our delivery workflow. Since billing in this industry is largely outcome based rather than man hour based, the productivity gains from AI accrue to us, making artificial intelligence a structural tailwind rather than a threat. A dedicated sales infrastructure in the United States positions the business for accelerated growth.

Hydraulics demonstrated resilience. After tariff actions in the United States disrupted export orders early in the

> FY2027 targets 20% profit growth, driven by higher utilisation, disciplined capital allocation, automation, and continued investment in businesses earning superior returns.

year, demand recovered smartly, the backlog rose to ₹ 34 crores from ₹ 22 crores, and we began developing European customers to diversify our export base.

Equally important is what we chose not to grow. Legacy revenue streams, which do not meet our return thresholds, were allowed to decline by design and now account for roughly 30% of revenue; this share will keep falling as capital is redeployed to the prioritised portfolio. We also planted seeds for the next phase: Pennar FZCO, our Dubai entity, acquired Agile Traders, giving us a trading and distribution platform in the Middle East.

Let me be equally candid about what we must improve. Our debt to equity at 0.98 is not a number we are comfortable with; we commit as a management team to bringing it to 0.8 through profitability, equity infusion by the founders and tighter working capital. Receivables rose towards the year end on account of project handovers, and their normalisation is a clear near term priority.

Our strategy for FY2027 is straightforward. We have committed to growing profit after tax by 20%, led by operating leverage as utilisation rises across India and the United States. Capex will be light, under ₹ 100 crores, directed at completing the Body in White plant and at automation, because the labour cost arbitrage that Indian manufacturing has long enjoyed is narrowing and we intend to stay ahead of that curve. Capital will keep flowing only to businesses that earn their cost of capital and more.

My gratitude goes to our workforce, whose passion powers this Company, to our customers and suppliers, and to you, our shareholders, for your conviction. The record year behind us is, to my mind, simply the base for the decade ahead.

Sincerely,

Aditya Rao
Vice Chairman and Managing Director

Review By Executive Director

"Manufacturing productivity improved around 10%, driven by rising utilisation, automation, continuous improvement, solar power and real-time energy monitoring, with 35 Kaizens strengthening operational excellence across facilities.

K Lavanya Kumar
Executive Director

Dear Shareholders,

It gives me great satisfaction to present a review of our operations for FY 2025-26, a year in which our plants, project sites and people responded admirably to a demanding order book and set new benchmarks in productivity, safety and industrial harmony, even as consolidated revenue from operations rose to ₹ 3,620.09 crore from ₹ 3,226.58 crore.

Operations and Business Focus

Our manufacturing network across India, the USA and France operated at steadily rising levels of utilisation. At Raebareli, we streamlined production and lifted output to the 1,200 MT mark, firmly establishing the plant as our springboard for Northern and Eastern India. At Sadashivpet, manpower in the PEB business was fully stabilised through long term contractor partnerships, improved onboarding and buffer manning of critical lines, restoring complete manning well before the year closed. The ZAP91 solar module program at Sadashivpet progressed towards commissioning, while automation and capacity expansion programs at Ascent in the USA moved ahead as planned. I am particularly pleased that these efforts translated into an average productivity improvement of around 10 per cent across all our manufacturing facilities, supported by a culture of continuous improvement that saw 35 Kaizens awarded during the year. We also widened the use of solar power and real time energy monitoring across plants, lowering costs and our carbon footprint.

Safety First, Always

Safety remained our first operating principle. We achieved two million safe man hours at our PEB project sites and one million safe man hours at the Tarapur plant. PEBS Projects received the Platinum Award at the IINA 2025 ISDA Infracon National Awards in the category of best practices in health, safety and environment. Our Patancheru plant received the Silver prize at the CII EHS Excellence Awards and our Chennai plant earned a certificate of participation, while our safety officer Mr. Vidhyadhar was honoured with the Best Contractor Safety Officer Award by our client Jindal, Kolkata. These recognitions strengthen our resolve to achieve zero incidents across every plant and site.

People and Industrial Harmony

The proudest moment of the year was receiving the Best Management Award in the large scale category from the

> Safety and people remained core priorities, achieving three million safe man-hours, earning industry recognition, maintaining industrial harmony, developing internal talent and delivering 15,689 mandays of training.

Labour Department, Government of Telangana for 2026, a recognition of the fairness and maturity of our employee relations. Industrial relations remained smooth, with wage agreements signed for three years at our Chennai, Tarapur and Hyderabad plants, giving us cost visibility and our workmen assured progression. We also identified and groomed internal talent to take up higher responsibilities across roles and regions, ensuring that growth at Pennar is led from within.

Training and Development

A total of 15,689 mandays of training was conducted during the year through an effective skill enhancement program linked to behavioural and safety outcomes, covering all our plants.

Community

Our commitment to inclusive growth continued through community initiatives in education and skill development around our locations, and we will deepen these programs in the coming year.

Looking Ahead

With utilisation rising, automation maturing and an energised workforce, our operations are prepared for the strong growth your Company has committed to deliver.

I thank our employees, unions, partners and shareholders for their trust as we take Pennar into its next phase.

Sincerely,

K Lavanya Kumar
Executive Director

The Basis of Our Performance

Seven characteristics of the business account for the results reported in this section and for the consistency of the trend over the preceding four years. Each is set out below with the evidence on which it rests.

Portfolio Composition and Cyclical Exposure

The Company operates eight divisions distributed almost evenly across two segments, serving infrastructure, automotive, railways, energy, process industries and general engineering across four geographies. When United States tariffs disrupted our hydraulics export flows during the year, the American buildings platform was compounding at double digit rates. When labour availability slowed fabrication throughput in Pre Engineered Buildings India, boilers were setting records and engineering services was compounding at double digit rates. The portfolio is not a collection of unrelated businesses but a distribution of exposures across a common engineering core. This is a principal reason the earnings line has risen in each of the last four years.

Revenue Mix And How it is Managed

Approximately 65 to 70 per cent of revenue is derived from businesses designated as prioritised, which grow at rates materially above the Company average. The remaining 30 to 35 per cent, receives no growth capital and is allowed to decline as a share of the whole. This is why the profit after tax margin has risen in each of the last four years, from under 2.61% per cent in FY22 to 3.83 per cent in FY26. Margin expansion has therefore followed from a change in business mix rather than from pricing.

The United States Platform and its Addressable Market

The addressable market for metal buildings and metal building components in the United States exceeds USD 10 billion a year. Our share of it is under 3 per cent. That comparison requires qualification. The market the Company can presently serve is smaller than the total, since manufacturing is located in Tennessee and Alabama and sales are made into the South and the Midwest. We do not yet serve the East, the West or the deep South, and the constraint is plant location rather than customer acceptance. In FY26 this platform delivered strong double digit growth in revenue and in profitability, grew its combined order backlog by about 20 per cent in the closing three months of the year to USD 63 million, and added structural steel to its offering. Growth in this platform is therefore a function of geographic reach rather than of competitive displacement.

International Revenue and the Location Of Manufacture

International markets contributed 24.1 per cent of revenue in FY26, up from 20 per cent. The Company's largest American revenue stream, metal buildings, is manufactured within the United States. When trade policy moved against imported goods during the year, that business was not exposed in the same way, because it was never an export business. The one stream that was affected, hydraulics, has since recovered, with its order backlog rising from ₹ 22 crore to ₹ 34 crore. An international footprint supported by local manufacture carries a different risk profile from one dependent on cross border shipment.

Engineering Services and the Billing Model

The engineering services business bills predominantly on a project outcome basis rather than on man hours. Where AI assisted design and detailing reduces hours at the lower end of the work, the benefit accrues to the Company rather than to the customer. The elements for which customers contract, being engineering judgement, optimisation against project constraints, project management and the professional engineer's certification required by statute, are not amenable to automation. AI assisted design was introduced into the delivery workflow during FY26, and the business recorded double digit growth in both revenue and profit before tax. The Company therefore expects the technology to be net positive for this business.

Capital Allocation During the Year

The Company divested its entire holding in a defence subsidiary during the year, that business not being a prioritised one. About USD 14 million of long term and working capital funding went into acquiring structural steel capability in the United States, that business having satisfied both tests. A final ₹ 10.06 crore was committed to complete the solar module joint venture in which the Company holds a minority 45 per cent interest, and it has been stated publicly that no further capital will follow. The capital expenditure plan for the year ahead is under ₹ 100 crore, principally the completion of the Body in White facility and further automation, and is within internal cash generation. Each of these movements, and the reasoning behind it, is set out in the developments section of this report.

Balance Sheet Position at the Year End

Gross debt to equity moved from 0.78 to 0.98 during the year. The Company has stated publicly that it does not regard this level as satisfactory. About USD 14 million of the increase funded the American acquisition; the balance is predominantly working capital borrowing that scaled with revenue, together with an inventory position we consciously built ahead of announced steel price increases. Against gross borrowings of ₹ 1,141.52 crore we hold record cash and bank balances of ₹ 269.93 crore, so net gearing stood at about 0.75. Our stated intent is to return the gross ratio to 0.8 or below and net working capital from 93.14 days to 75 days. CARE Ratings reaffirmed our long term rating at CARE A with a Stable outlook and our short term rating at CARE A1 in March 2026.

Our Value Creation Model

Financial Capital

What we bring in

- Net worth ₹ 1,163.15 crore
- Cash and bank balances Rs. 269.93 crore
- Rated bank facilities Rs. 1,766.96 crore
- Gross borrowings Rs. 1,141.52 crore

What we do with it

Capital allocated only to businesses that clear the right to play and the right to win tests, with maintenance and safety capital expenditure ranking first

What it produced in FY26

- Revenue from operations ₹ 3,620.09 crore
- EBITDA ₹ 401.32 crore
- Profit after tax ₹ 138.83 crore
- Cash from operations Rs. 202.12 crore

What it means for our stakeholders

- Earnings per share of ₹ 10.29
- Return on capital employed of 20.23 per cent
- A fourth consecutive year of profit after tax margin expansion
- CARE A; Stable and CARE A1 reaffirmed

Intellectual and engineering Capital

What we bring in

- Over 1,000 engineered product profiles
- A repository of over 2,500 tools and dies
- In house design, three dimensional modelling, simulation and detailing
- Eight management system certifications

What we do with it

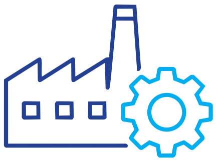
Design from a functional requirement rather than a drawing, with dies, fixtures and process routes built in house

What it produced in FY26

- AI assisted design deployed in the engineering services workflow
- Highest capacity boiler orders to date, at 100 TPH and 80 TPH
- New hot water generator and reciprocating grate lines

What it means for our stakeholders

- Customers receive single point accountability from concept to commissioned asset
- Lead times on new product introduction compress
- Productivity gains accrue to the Company under outcome based billing



Manufactured Capital

What we bring in

- Fourteen facilities across India, the United States and France
- Laser and plasma cutting, transfer presses, CNC machining, automated body shops, robotic welding, in house galvanising and surface treatment
- Validation laboratories

What we do with it

Fabrication to ISO certified protocols, with automation extended across painting, surface treatment, assembly and welding

What it produced in FY26

- Average productivity across facilities improved by about 10 per cent
- AGT robotics welding line commissioned in the United States
- Raebareli output taken to the 1,200 MT mark
- Body in White plant brought to completion

What it means for our stakeholders

- Consistency of output across three countries
- An operation less exposed to skilled labour scarcity
- Capacity headroom for the order book ahead

Human Capital

What we bring in

- Engineers, technologists, fabricators, project managers and erection teams across three countries
- Structured technical, behavioural and safety training

What we do with it

Internal talent groomed for higher responsibility, with senior engineering and management capability added in the United States ahead of scale

What it produced in FY26

- 15,689 man days of training delivered
- 35 Kaizens awarded
- Three year wage agreements concluded at Chennai, Tarapur and Hyderabad
- Two million safe man hours at project sites and one million at Tarapur

What it means for our stakeholders

- Best Management Award, large scale category, from the Labour Department, Government of Telangana
- Assured progression for our workmen and cost visibility for the Company
- Operations under ISO 45001 certified systems

Social and Relationship Capital

What we bring in

- Over 500 customers
- A supplier base built around steel and long cycle equipment
- Joint venture and technology partners
- Communities around our plants

What we do with it

Cross selling across divisions off a common engineering core, supplier settlement within contracted terms, and community programmes in education and skill development

What it produced in FY26

- Order inflows of ₹ 902.26 crore in the closing three months
- Order backlogs of ₹ 810 crore in Pre Engineered Buildings India, USD 63 million in the United States, ₹ 145 crore in process heating and ₹ 34 crore in hydraulics

What it means for our stakeholders

- A high proportion of repeat business
- Forward revenue visibility across four businesses
- A widened customer base across rice milling, food processing, agro processing, data centres and steel

Natural Capital

What we bring in

- Steel as our principal input, together with energy, water and land
- Solar generation at our plants, both utility scale and rooftop

What we do with it

Real time energy monitoring at facility level, zero liquid discharge through multiple effect evaporation with reverse osmosis, and waste segregated and routed only through authorised vendors

What it produced in FY26

- Renewable share of energy mix 16.2 per cent
- Waste recycled 1,506 MT

What it means for our stakeholders

- No untreated effluent leaves our premises
- High efficiency boilers, waste heat recovery systems, solar structures and lightweight vehicle structures lower energy intensity in our customers' operations

Strategic Framework and Capital Allocation

FOUR STRATEGIC PILLARS

Deepen the Prioritised Portfolio

Metal buildings in India and the United States, engineering services, boilers and process equipment, hydraulics, Body in White, precision tubes and industrial components carry the growth capital. They account for roughly 65 to 70 per cent of revenue and grow faster than the Company average. As they compound, both revenue mix and margin mix improve without any change in pricing.

Turn the United States from a subsidiary into a platform

We entered the United States with a single metal buildings plant. We now manufacture in Tennessee and Alabama, we have added structural steel, and we have commissioned robotic welding capacity. The next stage is geographic reach into the West and the North, into states with sound labour policy and infrastructure growth, whether organically or through further acquisition.

Automate ahead of the labour curve

The labour cost arbitrage that Indian manufacturing long enjoyed is narrowing, and skilled fabrication labour has become harder to secure in India and in the United States alike. The Company's response is not to bid indefinitely for scarce labour but to reduce the dependency wherever technology permits, principally in painting, surface treatment, assembly, end plate fitment and stiffener welding. Automation capex is now a standing item in our annual plan rather than a project, and as these lines mature we expect operating margins to exceed the levels that prevailed before the disruption.

Hold the balance sheet to account

Growth funded by a deteriorating balance sheet is not growth the Company seeks. We hold finance costs below 4 per cent of total income. We work to net working capital of 75 days and gross debt to equity of 0.8 or below. Where these levels are exceeded, as they were on both counts during the year, the Company discloses the position, explains the cause and sets out the path to restoration.

CAPITAL ALLOCATION PRIORITIES

Growth capital into prioritised businesses that clear our return threshold

Maintenance and safety capital expenditure across all plants, without exception

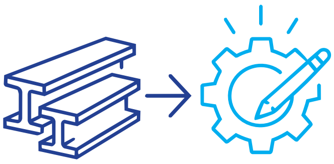
Balance sheet repair towards the stated gearing and working capital levels

Selective acquisition where it buys capability or geography faster than we can build it

Recycling of capital out of non prioritised assets, including divestment and the unlocking of value from non core land, as the Board takes those decisions

Three Structural Shifts

Robotic welding commissioned in the United States. AI assisted design deployed in engineering services. Automation extended across painting, surface treatment and assembly in India. Average productivity across manufacturing facilities improved by about 10 per cent, supported by 35 Kaizens awarded during the year. A fourth consecutive year of profit after tax margin expansion.



From Steel to Engineering

We began with cold rolled steel strips, tubes and coils. We moved up into fabricated products and profiles, then into components for infrastructure, railways and automobiles, then into modular assemblies such as pre engineered buildings, Body in White structures and hydraulic systems. Today we deliver precision systems and engineering services.

The FY26 Evidence

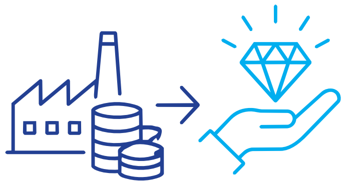
The Diversified Engineering segment lifted its margin from 11.3 per cent to 11.9 per cent on richer value addition in Body in White, industrial components, boilers and engineering services, even as legacy steel and solar streams declined.

From Indian to Global

Pre engineered buildings were once an India only business and exports were in their infancy. Today international markets contribute 24.1 per cent of revenue. We manufacture in Tennessee and Alabama, we machine precision components at Villebret in France through Cadnum SARL, we hold engineering and commercial entities in Germany and Dubai, and we export Body in White solutions and precision tubes to global customers..

The FY26 Evidence

International revenue share rose from 20 per cent to 24.1 per cent, with growth in the year led by our overseas subsidiaries. Pennar FZCO acquired Agile Traders FZCO to build a distribution platform in West Asia. Pennar Global Investments Alabama LLC was incorporated to hold the new American structural assets.



From Capacity led to Value Led

The older model was about tonnes: manual fabrication, standard steel formats, low automation, working capital cycles of ninety to ninety five days, profits tied to input costs rather than to value added, high energy use per tonne and limited engineering depth.

The FY26 Evidence

The model we run now is about value: plants instrumented with IoT, CNC and manufacturing execution systems; original equipment manufacturer grade assemblies with growing research and development for export; margins driven by buildings, Body in White and hydraulics rather than by steel spreads; lower energy use with real time tracking; and lean methods, design thinking and digital tools embedded in how we work.

Our Operating Structure

We operate through two segments of almost equal scale. Diversified Engineering recorded revenue of ₹ 1,871.77 crore and a segment result of ₹ 223.04 crore, and Custom Designed Building Solutions and Auxiliaries recorded revenue of ₹ 1,835.60 crore and a segment result of ₹ 178.28 crore. Together, after inter segment eliminations, they delivered ₹ 3,620.09 crore of revenue and ₹ 401.32 crore of segment result.

Diversified Engineering

Precision Tubes; Steel Products and Profiles; Industrial Components; Body in White; Hydraulics; Process Heating; Railways; Engineering Services

Custom Designed Building Solutions and Auxiliaries

Pre Engineered Buildings India; Metal Buildings and Structural Steel, United States

Less: Inter Segment Revenue

Total FY26 Revenue

3,620.09 Crore

FY26 Segment Result

401.32 Crore

FY26 Revenue

● Segment Result ● Revenue

THE RATIONALE FOR A COMBINED PORTFOLIO

One Engineering Organisation

Our structural engineering and design group is the hub. It supports pre engineered buildings, custom components and automotive body structures with the same modelling, detailing and simulation capability.

One Set of Processes

Steel forming, welding, machining, surface treatment and testing are applied across multiple business units, which means shared infrastructure, shared learning and better asset utilisation.

One Supply Chain

We source, process and test steel through common quality systems, which gives us purchasing leverage and consistency of material across product lines.

One Customer, Several Products

A customer purchasing precision tubes is a prospective customer for industrial components, and a customer purchasing a building is a prospective customer for structural detailing services. Cross selling deepens relationships and reduces the cost of acquiring revenue.

Independent Demand Cycles

Because the divisions serve different end markets with different demand drivers, a slowdown in one is seldom a slowdown across the portfolio. This is by design.

The Financial Parameters We Operate To

GROSS MARGIN
42–43%
Held in the region of 42 to 43 per cent, moving with business mix

FINANCE COST
<4%
Below 4 per cent of total income

CONSOLIDATED TAX RATE
25–26%
In the range of 25 to 26 per cent

NET WORKING CAPITAL
93 DAYS

GROSS DEBT TO EQUITY
≤0.98x
0.8 times or below

CAPITAL EXPENDITURE
FUNDED FROM INTERNAL ACCRUALS

Business Vertical Performance

Pre Engineered Buildings, India

Demand Environment

Demand has broadened well beyond warehousing and logistics into data centres, semiconductor and electronics fabrication, solar module plants, food processing and general manufacturing. Process industries in South India were a particularly strong source of enquiry and order intake for us during the year, alongside solar related structures. Speed of construction, cost certainty, quality control and sustainability continue to shift share from conventional construction towards factory fabricated steel buildings, and industry studies project the Indian pre engineered buildings market to grow at roughly 12 per cent a year over the coming decade

Performance during the year

Labour availability constrained fabrication throughput in the earlier part of the year, which held back output and deferred revenue. We resolved it during the year by moving to a wider network of labour contractors, improving onboarding, benchmarking wages, buffer manning fabrication and surface treatment lines, and accelerating automation in painting, surface treatment and assembly. By the fourth quarter manning was complete with buffers in place. Securing that manning required paying more, which carries a modest cost to operating margin until automation matures. Inventory was reduced during the closing quarter. Capacity utilisation exited the year at 70 per cent. At Raebareli we streamlined production and lifted output to the 1,200 MT mark, establishing the plant as our springboard for northern and eastern India.

Order intake was approached selectively. An order of approximately ₹ 150 crore was declined during the year because the product mix did not meet the Company's requirements. In this business, order intake is a margin decision before it is a volume decision.

Our offering

The Company operates as a design to erection contractor rather than a component supplier, delivering turnkey building systems and heavy steel components engineered to each customer's layout, process and safety codes: primary and secondary framing, panels, mezzanines, crane systems, accessories, building additions and design services, with in house galvanising and a dedicated structural engineering group. Everything is cut, drilled, formed and painted under ISO 9001 controls before it reaches site, so that erection is rapid and error free.

Position at the year end

Order backlog of ₹ 810 crore. Quote activity healthy. Capacity being added in fabrication and painting lines, with utilisation targeted at about 80 per cent. Orders received in the closing quarter of the year came from Reliance, JSW Steel, ENES Textiles, Kaizen Industries, Toyo Engineering, MRO Air India, SEMAC Construction, Chalimeda Feeds, Sri Venkateswara Aerospace and Powermech, among others.

Business Vertical Performance

Metal Buildings and Structural Steel, USA

Demand Environment

The addressable market for metal buildings and metal building components in the United States exceeds USD 10 billion annually. The defining feature of the year was the strength of data centre construction, alongside continued strength in manufacturing and industrial facilities driven by reshoring

Performance during the year

Another year of strong double digit growth in revenue and in profitability. In June 2025 we acquired the structural assets of Telco Enterprises for about USD 14 million. They now operate as Ascent Structural LLC, which extends the offering from metal building systems into structural steel and adds capacity in Alabama. We commissioned an AGT robotics welding line which automates end plate fitment and stiffener welding, work that previously absorbed twenty to thirty people per product and now requires two, at higher precision and materially lower man hours per tonne. We also invested in senior management and engineering talent ahead of scale, which is expensive talent in that market and necessarily so.

Our offering

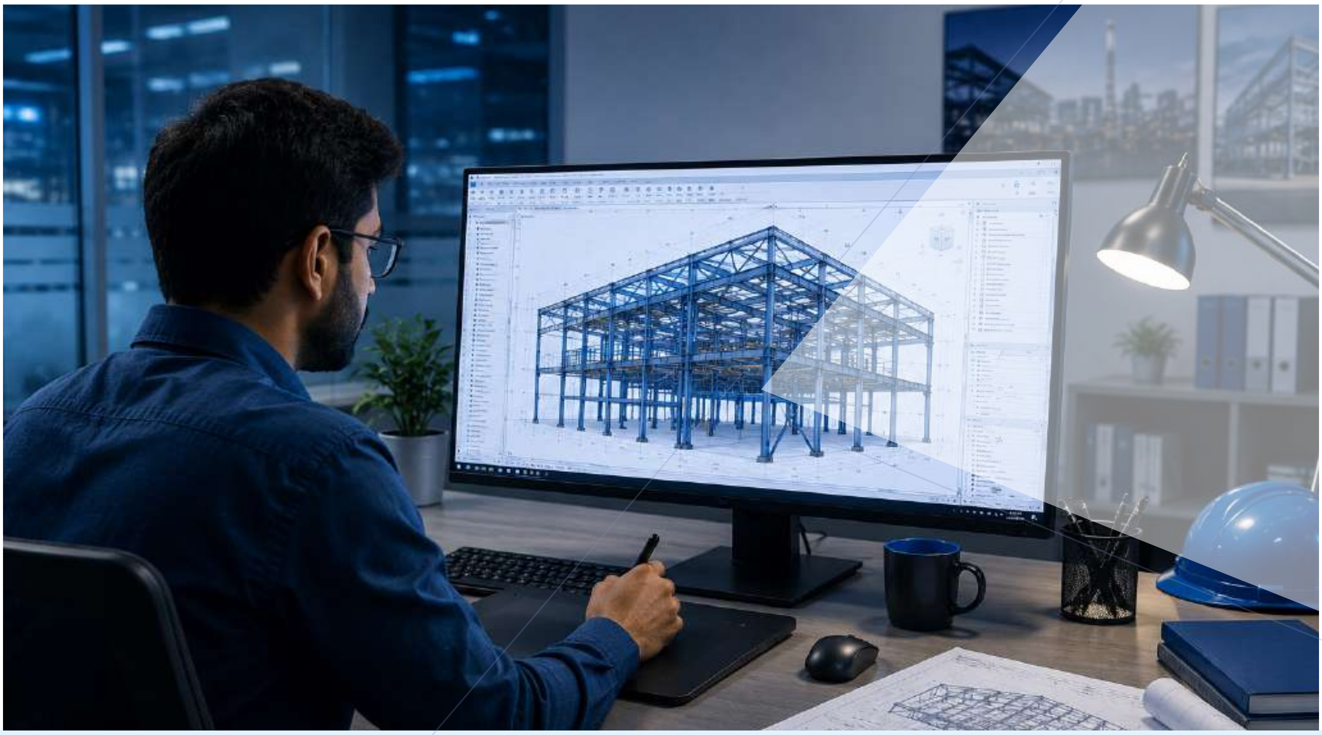
We manufacture and supply metal building systems and, since June 2025, fabricated structural steel, from Tennessee and Alabama, serving general contractors across the South and the Midwest.

Position at the year end

Combined order backlog for Ascent Buildings and Ascent Structural of about USD 63 million, having grown roughly 20 per cent in the closing three months of the year. Market share under 3 per cent. Capacity headroom at both new and existing lines. Customers include KBM Marine, Southeast Construction, Ata Steel and Joist, Ordner Construction, Welbro, JA Street and Associates, Hayden Construction, Joiner Construction, Flintco, M B Kahn Construction, Solomon Associates and LF Jennings.

Business Vertical Performance

Engineering Services



Demand Environment

Global demand for structural steel detailing, pre engineered metal building design and plant engineering remains strong, led by construction cycles in the United States and Europe.

Performance during the year

Healthy double digit growth in both revenue and profit before tax, led by pre engineered metal building design and structural design and detailing. We began deploying AI assisted design and detailing within our delivery workflow and are already seeing the benefit; because we bill predominantly on project outcomes rather than on man hours, that productivity accrues to us. We invested during the year in dedicated sales infrastructure in the United States. The building information modelling and plant automation practice, which had underperformed, was strengthened significantly on both business development and delivery.

Our offering

Structural steel and pre engineered metal building design and detailing, developed over more than fifteen years, for customers in the United States, Europe, West Asia and India, with a particular focus on complex, large span projects. The practice also covers building information modelling and plant automation engineering.

Position at the year end

A rebuilt sales engine in the largest market, an expanded delivery team in the practice that was lagging, and a technology shift working in our favour rather than against us.

Business Vertical Performance

Process Heating: Boilers and Process Equipment

Demand Environment

Investment across food processing, rice milling, chemicals, textiles, distilleries and metals is sustaining healthy demand for industrial boilers, waste heat recovery systems and heat exchangers. Tightening emission norms and rising fuel costs favour energy efficient combustion technologies such as atmospheric fluidised bed combustion and waste heat recovery.

Performance during the year

This division recorded its strongest year to date. We secured our highest capacity orders to date, a 100 tonne per hour atmospheric fluidised bed combustion boiler and an 80 tonne per hour waste heat recovery boiler, and added new product lines in hot water generators and reciprocating grate systems. The order backlog grew at double digit rates through the closing months.

Our offering

We supply tailor made steam generation and heat recovery solutions for process applications, cogeneration and waste heat use, spanning high efficiency package and field erected boilers, from our Trichy facility, backed by our own design intellectual property.

Position at the year end

An order backlog of about ₹ 145 crore, a widened product range and a customer base spanning rice mills, food processing, agro processing and steel, including Sri Lakshmi Model Rice Mill, Kallari Foods, SLV Agri, Tangent Techno, Sri Ramanjaneya Rice Mills, Vijayalakshmi Rice Mills, Vedha Rice, Srinivas Agro, Siva Engineering and MSP Steel. The customer base has widened across rice milling, food processing, agro processing and steel. Management has identified this division as a significant contributor to growth.

Business Vertical Performance

Hydraulics

Demand Environment

Mechanisation across construction, material handling, agriculture, mining and rail, with electro hydraulic systems, IoT enabled predictive maintenance and smart sensors raising efficiency and uptime across the sector.

Performance during the year

Tariffs in the United States disrupted export order flows during the year, the one place in our portfolio where trade policy had a direct effect on the business model. That impact has since moderated and customers have resumed ordering. The backlog recovered from ₹ 22 crore to about ₹ 34 crore over the closing months. We have begun developing European customers to widen the export base.

Our offering

We design and manufacture customised hydraulic cylinders at Chennai for construction equipment, material handling, railway and renewable energy applications, for domestic and export customers.

Position at the year end

A recovering export book, a new geography under development and steady domestic demand.

Business Vertical Performance

Body in White

Demand Environment

Vehicle lightweighting, electrification and tightening crash and emission regulation are reshaping body structure requirements towards high strength and ultra high strength steels and modular architectures. The Indian automotive component industry grew 12.7 per cent in FY26, with supplies to original equipment manufacturers growing 16.3 per cent

Performance during the year

Our dedicated Body in White facility reached its final stages of completion, with commissioning expected early in the new financial year. This is a long cycle original equipment manufacturer programme, and the capital and capability investment necessarily precede the revenue.

Our offering

We are an end to end Body in White partner to global original equipment manufacturers, supplying complete structural sub assemblies with in house die making, automated body shops and proven capability in high strength and ultra high strength steels, for passenger, commercial and off highway vehicles, on both internal combustion and electric platforms.

Position at the year end

A new plant coming on stream against a committed programme, and a portfolio positioned for the lightweighting and electrification shift.

Business Vertical Performance

Precision Tubes, Steel and Industrial Components

Demand Environment

Precision tubes are critical to automotive, infrastructure, energy, aerospace and general engineering because of their strength, dimensional accuracy and durability, and they are central to import substitution and to India's position as a global components hub. India's crude steel production rose 10.7 per cent to 168.4 million tonnes in FY26 and finished steel consumption grew by around 7 to 8 per cent (source: Ministry of Steel data referenced in the Management Discussion and Analysis).

Performance during the year

Order flows were sustained across automotive and engineering customers, and value addition improved across the mix, which is visible in the Diversified Engineering segment margin. Legacy steel volumes, which are not part of the prioritised portfolio, declined in line with our stated strategy of redeploying capital to higher margin businesses.

Our offering

Our precision tubes portfolio covers electric resistance welded and cold drawn welded tubes across a wide range of sizes and thicknesses, in stainless steel and nickel alloys to IS, BS, JIS and ASTM or API standards, with applications from shock absorbers and heat exchangers to propeller shafts, transformer tubes, furniture tubes and structural tubes. Our steel division makes cold rolled steel strips from a range of grades including special steels, and cold roll formed sections for building components and infrastructure. Our industrial components business supplies precision press components and assemblies to automotive, engineering and heavy machinery customers.

Position at the year end

A stable, cash generative base with an improving value added mix, feeding both external customers and our own downstream divisions.

Business Vertical Performance

Railways

Demand Environment

Indian Railways continues on a sustained modernisation and capacity expansion programme, with a capital outlay of ₹ 2.81 lakh crore provided for 2026-27 and an expanded pipeline of high speed corridors, dedicated freight infrastructure and modern rolling stock (source: Union Budget documents referenced in the Management Discussion and Analysis).

Performance during the year

Sustained supply to Integral Coach Factory, Rail Coach Factory, Wabtec, Trident and OFPL, with strong growth in custom cold roll formed and stainless steel components for wagons.

Our offering

We supply coach and wagon components and assemblies, including cold roll formed and stainless steel sections, roof panels, coach structures and heavy fabricated parts.

Position at the year end

Aligned to a record national capital outlay for rolling stock, with capability extending into metro, semi high speed and freight applications.

Business Vertical Performance

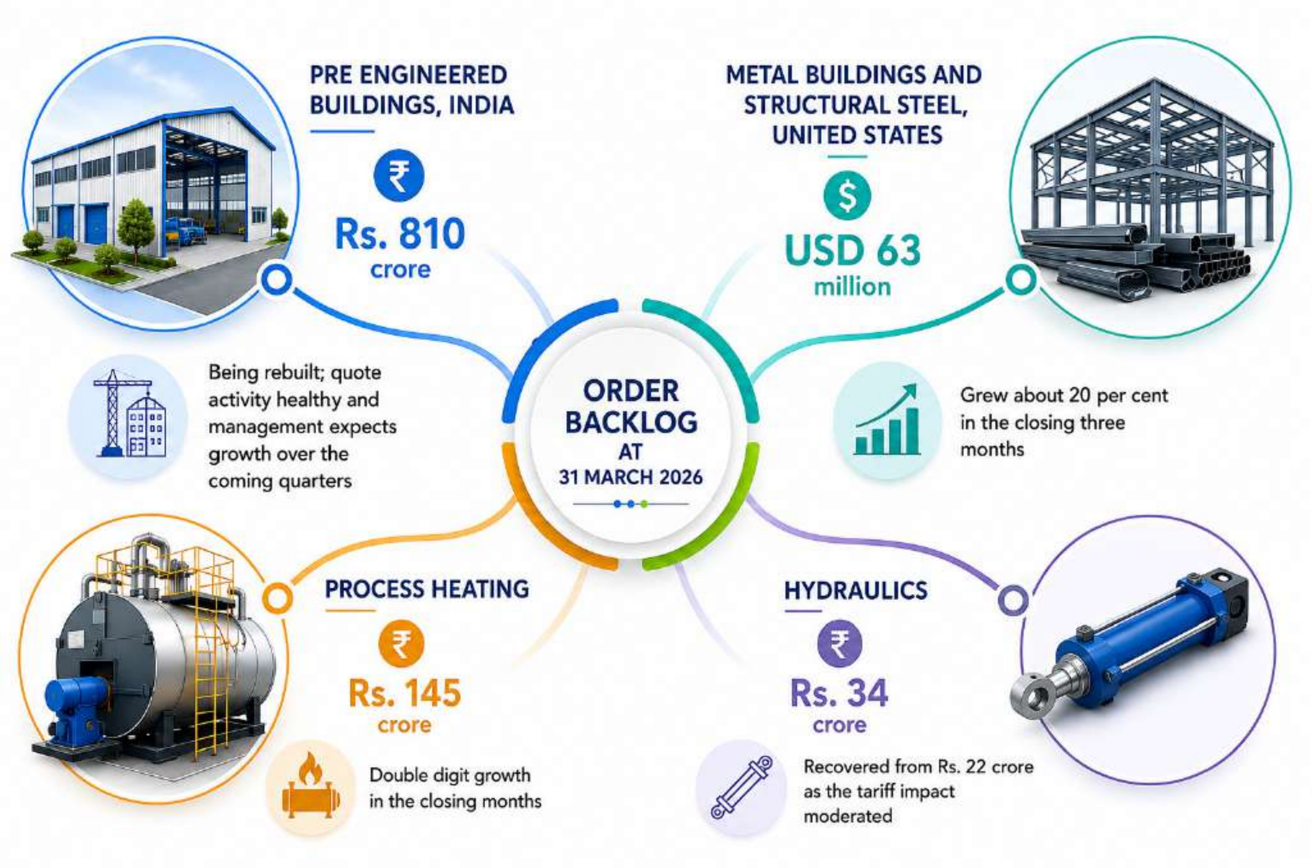
Solar: Participation Without Capital Intensity

We participate in India's solar build out in two ways that ask very little of our capital. We supply solar module mounting structures and related fabrication from our Telangana plants. And we hold a 45 per cent minority interest in ZAP91 Solar India Private Limited, our solar module joint venture with Zetwerk, whose plant at Sadashivpet progressed towards commissioning during the year. We made a final equity contribution of ₹ 10.06 crore to complete the plant, necessitated by currency movement on imported equipment and an upgrade of the module technology to the G12R format. We have stated clearly that no further capital commitment from Pennar is envisaged and that the venture's future funding needs will be met within the joint venture structure.

India added a record 44 GW of solar capacity in FY26, taking cumulative installed capacity to about 150 GW (source: MNRE and industry data referenced in the Management Discussion and Analysis). Our exposure to that opportunity is real, and deliberately capital light

Order Book and Revenue Visibility

Forward visibility in an engineering enterprise is measured by its order book. Ours strengthened through the closing months of the year in the United States, in process heating and in hydraulics, while the pre engineered buildings book in India is being rebuilt as capacity utilisation recovers.



Order inflows of ₹ 902.26 crore were received across business verticals in the closing three months of the year alone, in the normal course of business, for execution in the coming quarters.

The composition of the order book is as material as its size. Most of the pre engineered buildings backlog in India is bound by price variation clauses, so movements in steel prices during execution do not compress the margin we underwrote. Where price increases must be passed through outside those clauses, we pass them through. We cannot absorb a ₹ 10,000 per tonne movement in commodity pricing and we do not attempt to.

End Markets and Applications

Buildings and Infrastructure

A single point of accountability for steel structures from design through to erection, supplying fully engineered, factory fabricated systems that shorten project cycles and reduce cost. Through our building systems business and an international structural engineering arm, the Company is an established participant in the Indian market for industrial, warehousing and commercial buildings, and exports design services to the United States, Europe and West Asia. In FY26 the centre of gravity of Indian demand moved decisively towards process industries, data centres and solar related structures, and towards data centres and industrial facilities in the United States.

Automotive

Precision components, structures and systems supplied to original equipment manufacturer specifications. The Company works with customers on cost, functionality and manufacturability at the design stage. Our contributions are Body in White solutions, precision tubes, hydraulic and mechanical systems, and value engineering services. As the industry shifts towards electrification and lightweighting, our focus is on electric vehicle components, sustainable materials and modular body structures.

Railways

A long standing supplier to Indian Railways and its production units of precision components and assemblies for passenger and freight rolling stock, and extending into metro, semi high speed and freight solutions in step with government investment in modernisation and high speed corridors.

Energy and Process Industries

Boilers, waste heat recovery systems and heat exchangers for food processing, rice milling, chemicals, textiles, distilleries, cogeneration and metals. Tightening emission norms and rising fuel costs are making energy efficiency a commercial imperative rather than a compliance exercise, and our product range is built for exactly that shift.

Clean Energy

Solar module mounting structures and fabricated steel for renewable projects, together with module manufacturing through our joint venture. India's renewable build out is a durable source of demand for engineered steel.

Oil and Gas

The Company deploys specialists on onshore and offshore assignments, supporting upstream and midstream operators across the drilling lifecycle. All services follow ISO, IEC and industry standards, so that rig assemblies and heavy duty equipment meet global compliance requirements. Applications span onshore, offshore, pipeline, transport, modules and static equipment.

Heavy Engineering

End to end solutions covering design, logistics and automation, built on new product introduction, continuous process improvement and value analysis with value engineering, applied to proof of concept standards.

Other end markets

Warehousing and logistics, power, food and beverages, pharmaceuticals, aerospace, white goods, and metals and mining, served with customised steel structures, engineered products for thermal and renewable projects, hygienic process equipment and components for demanding operating environments.

The Customers We Serve

The Company records recurring orders in both domestic and international markets. The customers listed below are those from whom orders were received during the closing quarter of the year, in the normal course of business.

Pre Engineered Buildings, India

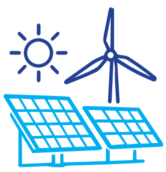
Reliance, JSW Steel, ENES Textiles, Kaizen Industries, Toyo Engineering, MRO Air India, SEMAC Construction, Chalimeda Feeds, Sri Venkateswara Aerospace, Powermech

Metal Buildings, United States

KBM Marine, Southeast Construction, Ata Steel and Joist, Ordner Construction, Welbro, JA Street and Associates, Hayden Construction, Joiner Construction, Flintco, M B Kahn Construction, Solomon Associates, LF Jennings

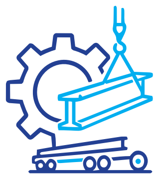
Industrial Components

Haldex Brakes, Venus, Marmon Amarillo, WABCO, INEL, Emerson, Endurance, Fleet Guard, IFB, Tecumseh, Elkhart, VRV, Jost India, SI Air Spring, Xylem



Precision Tubes

TKIL Industries, AE Engineering, ALF Engineering, Duro Shox, Toyota Boshoku, TTP Technologies, Forbes Vyncke, Privilege Biksons, United Traders, Thermax, Marmon Keystone, Artech, Sree Pavithra, G and J Steel and Tubing



Steel Products and Profiles

Saint Gobain, Thermax, VRL, Sunworks, Flexpro, BGR, Techno Electric, Powermech, MEIL, Schaeffler, JM Frictech, IFB Industries, Renold Chain, Aditya Auto, Kirby, Prathima Infra, Mudhra Fine Blanc, LGB, VECV

Railways

Integral Coach Factory, Wabtec, Trident, OFPL, Rail Coach Factory

Process Heating

Sri Lakshmi Model Rice Mill, Kallari Foods, SLV Agri, Tangent Techno, Sri Ramanjaneya Rice Mills, Vijayalakshmi Rice Mills, Vedha Rice, Srinivas Agro, Siva Engineering, MSP Steel

Projects delivered during the year include work for Apar Industries, Maanya Bioengineering, Powermech Engineering Systems, Prince Pipes and Fittings, Tata Electronics and Tata Steel.

Global Footprint

Manufacturing Plants

India

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

Maharashtra
Tarapur

Tamil Nadu
Chennai
Trichy

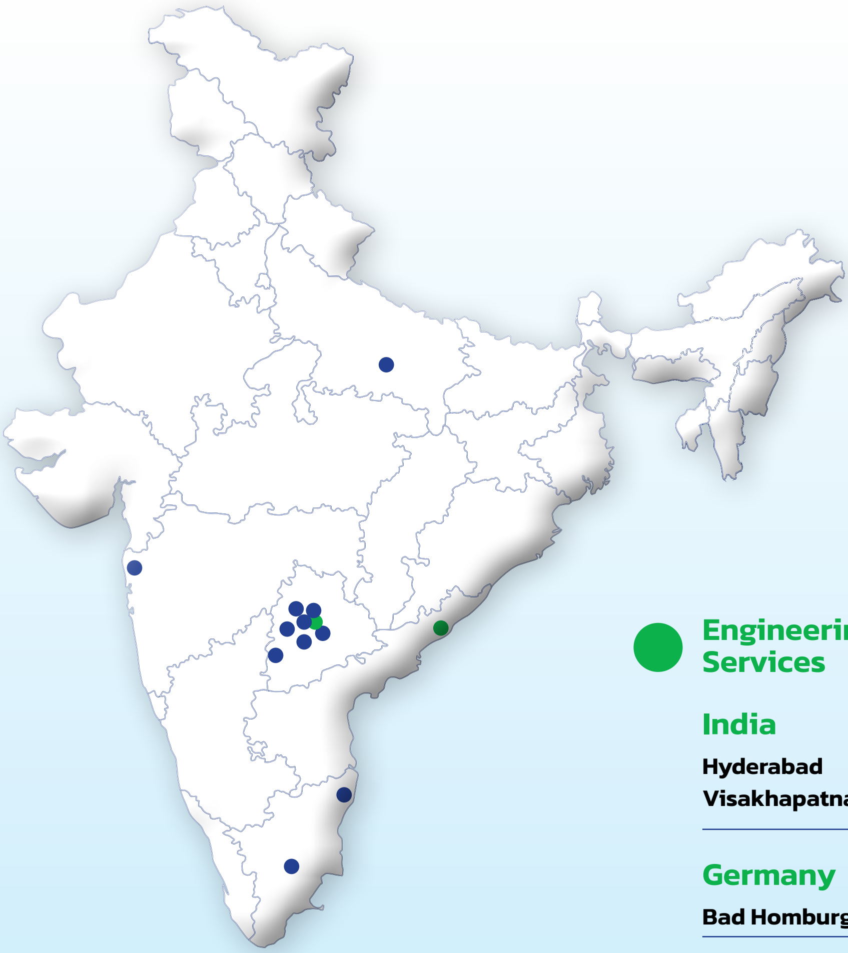
Uttar Pradesh
Raebareli

USA

Tennessee
Alabama

France

Villebret



Engineering Services

India

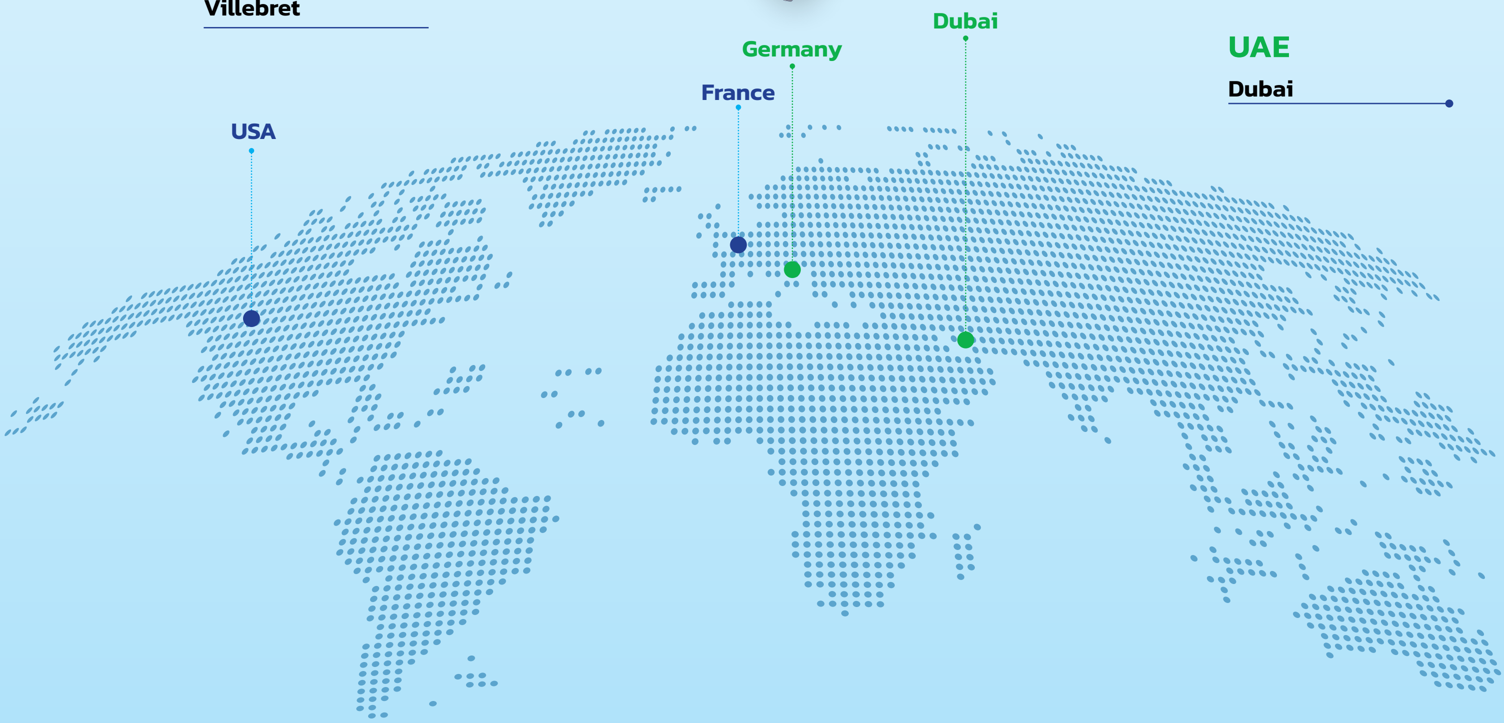
Hyderabad
Visakhapatnam

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

Principal International Entities

The table below covers the principal entities. Further consolidated step subsidiaries exist in the United States and are listed in the notes to the consolidated financial statements.

Entity	Role
Pennar Global Inc, United States	Holding and engineering services platform in the United States
Ascent Buildings LLC, United States	Metal buildings manufacture, Tennessee
Ascent Structural LLC, United States	Structural steel fabrication, Alabama. Incorporated 3 June 2025 to hold the acquired Telco Enterprises structural assets
Pennar Global Investments Alabama LLC, United States	Holding entity, incorporated June 2025
Cadnum SARL, France	Precision machining for auto and aerospace, Villebret
Pennar GmbH, Germany	Wholly owned subsidiary and parent of Cadnum SARL
Pennar FZCO, United Arab Emirates	West Asia platform
Agile Traders FZCO, United Arab Emirates	Trading and distribution, acquired December 2025
Pennar Metals Private Limited, India	Domestic subsidiary
ZAP91 Solar India Private Limited	Solar module joint venture, 45 per cent holding

Manufacturing Footprint and Capacities

Facility	What it makes	Capacity	Land
Chennai, Tamil Nadu	Hydraulic cylinders, Body in White, railway coach products, auto profiles, components, building products	11,050 MT per month	38 acres
Isnapur, Hyderabad, Telangana	Electric resistance welded and cold drawn welded tubes, profiles, solar. Our founding plant, established 1988 for cold rolled steel strips	9,115 MT per month	29 acres
Patancheru, Hyderabad, Telangana	Press components, steel products, industrial components, profiles, building products, solar, railway components, cold rolled steel strips, fabrication	9,000 MT per month	40 acres
Velchal, Telangana	Pre engineered buildings, steel products, solar structures	7,250 MT per month	118 acres
Sadashivpet Units 1 and 2, Telangana	Pre engineered buildings and steel structures	6,000 MT per month	73 acres
Raebareli, Uttar Pradesh	Pre engineered buildings for northern and eastern India	2,600 MT per month	18 acres
Trichy, Tamil Nadu	Boilers and process heating equipment		
Mallapur, Telangana	Fuel additives, water treatment chemicals and solutions		
Tarapur, Maharashtra	Steel products		
Tennessee, United States	Metal buildings		
Alabama, United States	Metal building components and structural steel		
Villebret, France	Precision machining for auto and aerospace		

In most divisions installed capacity is not the binding constraint on output. Utilisation and product mix are the operative variables.

Automation and Digital Capability

Automation delivers what manual methods cannot hold consistently: dimensional precision, repeatability and predictable throughput. It also gives us capacity that is not dependent on the availability of increasingly scarce skilled fabrication trades, in India and in the United States alike. Automation capex is accordingly a standing line in our annual plan rather than a project, and skilled work that calls for judgement continues to be valued and paid for accordingly.

Robotic welding in the United States

Our AGT robotics line automates end plate fitment and stiffener addition after the pull through weld, historically one of the most man hour intensive operations in metal building fabrication. The advantages are higher dimensional precision, steadier throughput and materially lower man hours per tonne. The greater part of the capital cost has already been incurred, so the margin benefit accrues from this point.

Automation in India

We have extended automated painting, surface treatment and assembly across our Indian fabrication plants. These are the operations in which consistency matters most, and the advantage shows up directly as less rework and fewer warranty claims.

Continuous improvement

Average productivity across our manufacturing facilities improved by about 10 per cent during the year, supported by a culture of continuous improvement that saw 35 Kaizens awarded.

AI assisted design and detailing

AI assisted design and detailing was introduced into our engineering services delivery workflow during FY26. Because we bill on project outcomes rather than on hours, the productivity gain accrues to the Company. What customers value and contract for remains with us: engineering judgement, optimisation against real inventory and real constraints, direct project management, and the professional engineer's stamp that statute requires. Considered as automation rather than as artificial intelligence, the benefit is straightforward.

Digital manufacturing and enterprise systems

Our plants are progressively instrumented with IoT sensing, CNC machining and manufacturing execution systems, supported by real time energy monitoring. Migration to cloud infrastructure and leased IT assets has reduced electronic waste and improved resilience. Cyber security is managed through hardened infrastructure and periodic vulnerability assessment.

Design and tooling depth

The Company holds a large repository of tools and dies and designs and builds dies, fixtures and process routes in house. The advantage is that a customer requirement can be taken from concept to commercialisation without external dependency, on shorter lead times for new product introduction.

Quality Systems and Certifications

Certification is a condition of entry to several of the industries the Company serves, which do not accept suppliers unable to demonstrate audit ready systems across every process. Quality assurance is accordingly managed across all functions rather than within a single department.

We hold eight management system certifications spanning general quality, environment, occupational health and safety, welding, rail, automotive and aerospace requirements. Together they form an integrated compliance framework across our multi vertical operations.

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

ISO 3834-2:2021
Welding Quality Management System

EN 15085-2:2020
Railway Welding Quality Management System

IATF 16949:2016
Automotive Quality Management System

AS9100:2016
Aerospace Quality Management System

Our validation laboratories, material testing protocols and precision led processes hold our output to a common standard across locations, which is what allows us to serve global supply chains from more than one geography.

Principal Developments of the Year

Acquisition of structural steel capability in the United States

In June 2025 we acquired a structural steel fabrication business for about USD 14 million. Now operating as Ascent Structural LLC, it takes our American platform beyond metal building systems into fabricated structural steel and adds capacity in Alabama. It is already contributing to revenue and it materially widens what we can quote for on any American project. Pennar Global Investments Alabama LLC was incorporated in the same month to hold the assets.

Automation of the highest man hour operation in metal buildings

The AGT robotics welding line was commissioned in the United States, automating end plate fitment and stiffener welding. In India we extended automation across painting, surface treatment and assembly.

Stabilisation of the Raebareli facility

Production at our newest Indian plant was streamlined and output taken to the 1,200 MT mark, establishing Raebareli as our springboard for northern and eastern India.

Resolution of the labour constraint in Pre Engineered Buildings

Long term contractor partnerships, improved onboarding, wage benchmarking, buffer manning of fabrication and surface treatment lines and accelerated automation restored full manning at Sadashivpet and across the business well before the year closed.

Expansion of the West Asia platform

Pennar FZCO acquired Agile Traders FZCO in December 2025, giving us a trading and distribution platform in the region.

Divestment of a non prioritised business

In September 2025 we divested our entire 51 per cent holding in Enertech Pennar Defense and Engineering Systems Private Limited. It was not a prioritised business, and our policy is to recycle capital away from businesses that do not clear the right to play and right to win tests.

Completion of the commitment to the solar joint venture

A final equity contribution of ₹ 10.06 crore was made to ZAP91 Solar India Private Limited to fund completion and commissioning of the module manufacturing plant at Sadashivpet. We hold 45 per cent. The additional investment reflected currency movement on imported equipment and an upgrade of the module technology to the G12R format. No further capital commitment from Pennar is envisaged.

Process heating at a new scale

We secured our highest capacity orders to date, a 100 tonne per hour atmospheric fluidised bed combustion boiler and an 80 tonne per hour waste heat recovery boiler, and added hot water generators and reciprocating grate systems to the range.

Body in White facility brought to completion

Our dedicated Body in White plant reached its final stages of completion during the year, with commissioning expected early in the new financial year.

Recognition for management of employee relations

The Labour Department, Government of Telangana conferred its Best Management Award in the large scale category for 2026, a recognition of the fairness and maturity of our employee relations.

Reaffirmation of credit ratings

CARE Ratings reaffirmed our long term bank facilities of ₹ 754.46 crore, enhanced from ₹ 712.46 crore, at CARE A with a Stable outlook, and our short term bank facilities of ₹ 1,012.50 crore at CARE A1, in March 2026.

Strengthening of the equity base

Subsequent to the year end, the Board approved and shareholders sanctioned the issue of 30,00,000 convertible warrants to one of the promoters on a preferential basis at ₹ 168 per warrant, aggregating about ₹ 50.40 crore.

Financial Performance

Consolidated. ₹ in crore unless stated otherwise. Margins are computed on revenue from operations.

Total Income

₹ in Crore

FY26	3,666.32
FY25	3,263.27
FY24	3,170.88

Revenue from Operations

₹ in Crore

FY26	3,620.09
FY25	3,226.58
FY24	3,130.57

EBITDA

FY26	401.32
FY25	347.44
FY24	313.28

EBITDA margin

%

FY26	11.09
FY25	10.77
FY24	10.01

Profit Before Tax

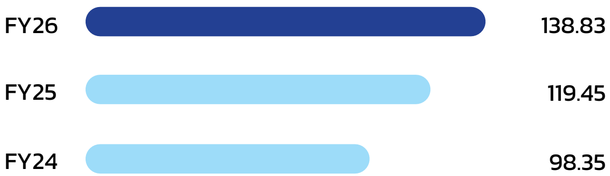
FY26	179.57
FY25	158.95
FY24	131.42

Margin

%

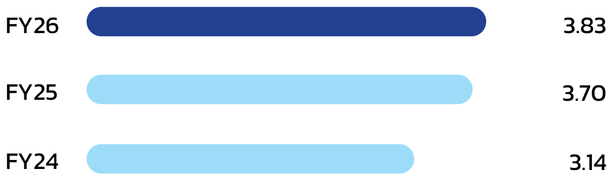
FY26	4.96
FY25	4.93
FY24	4.20

Profit After Tax

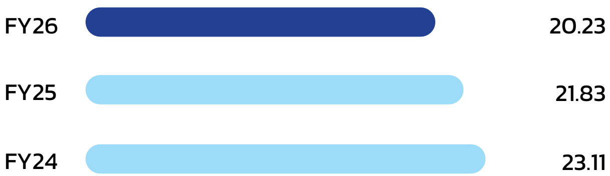


Margin

%

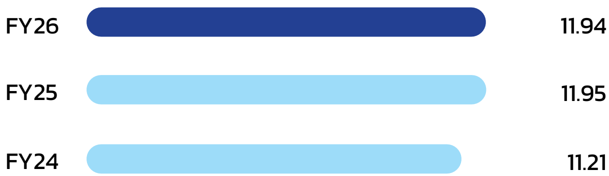


Return on Capital Employed

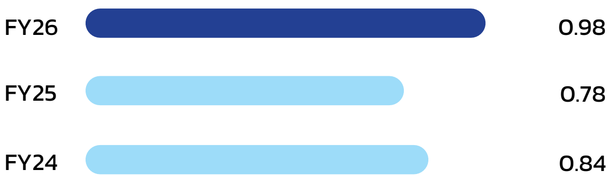


Return on Equity

%

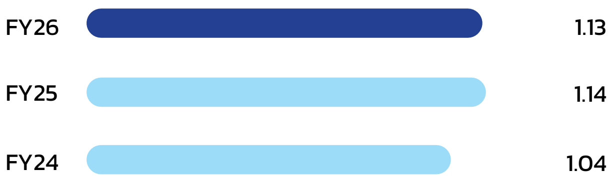


Debt to Equity



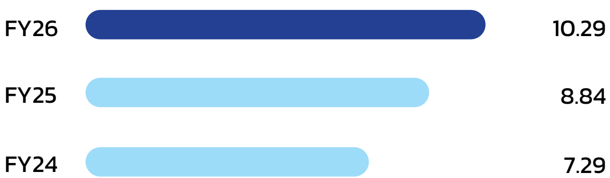
Current Ratio

%



Earnings Per Share

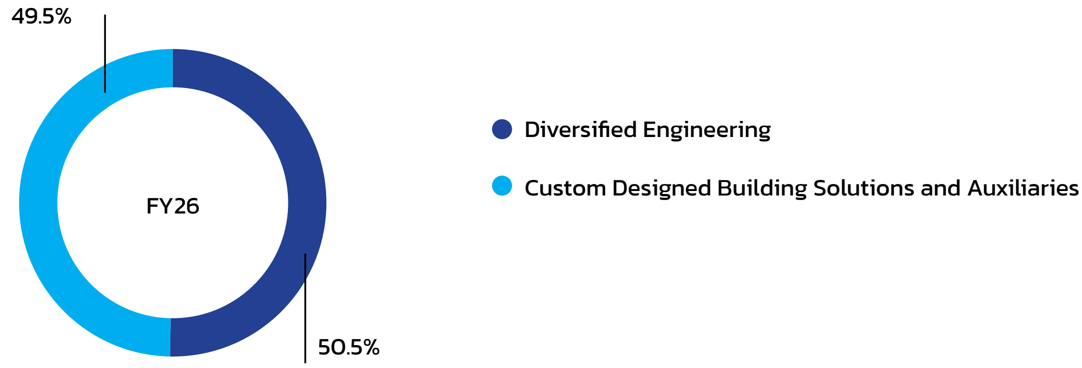
(Rs.)



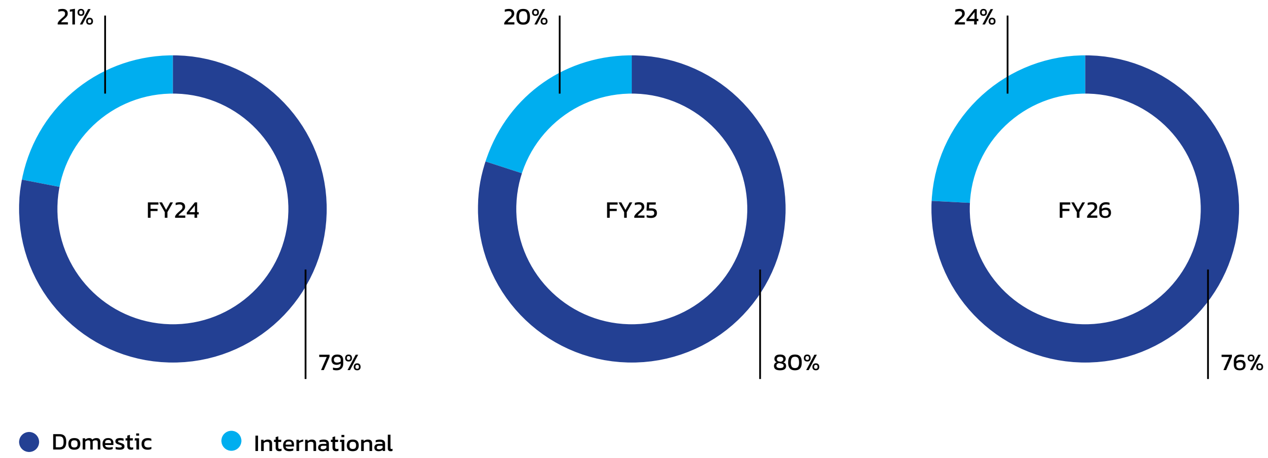
Financial Performance

Revenue Mix by Segment, FY26

Diversified Engineering



Revenue Mix by Geography



The five year view. Revenue from operations has grown from ₹ 1525.35 cr in FY21 to ₹ 3,620.09 crore in FY26, and profit after tax from ₹ 2.84 crore to ₹ 138.83 crore over the same period. The profit after tax margin has risen in each of the last four years.

Capital Structure and Credit Profile

Particulars	FY26	FY25
Net worth	1,163.15	999.60
Long term borrowings	326.99	205.86
Short term borrowings	814.53	569.26
Gross borrowings	1,141.52	775.12
Cash and cash equivalents	205.57	141.37
Other bank balances	64.36	48.17
Total cash and bank balances	269.93	189.54
Total assets	3,550.59	2,954.19
Inventories	1,010.41	935.33
Trade receivables	731.46	580.79

Environmental Stewardship

At Pennar, we hold that responsible growth and resource efficiency advance together. Through the year we have steadily decoupled energy use from output, and that efficiency shows directly in a lighter carbon footprint across our plants. In waste, our circularity record speaks plainly: every tonne of hazardous waste we generated was recovered through recycling and co processing, with iron sludge routed to cement units as a substitute raw material and our electronic and battery waste moving only through authorised recyclers. Water follows the same discipline. Our Zero Liquid Discharge plant returns purified water to the process, and we discharge nothing to surface water, groundwater or the sea.

Performance highlights

Renewable Energy Consumed

9,855.32 GJ

Close to 12 percent of total energy consumed

Total Energy Consumed

83,000.79 GJ

Down 30 percent from 118,454.63 GJ in FY25

Energy Intensity

22.93 per ₹ crore

Improved 38 percent from 36.71 GJ per INR crore

Scope 1 and Scope 2 Emissions

14,322.92 tCO2e

Down 27 percent from 19,651.01 tCO2e

Emission Intensity

3.96 tCO_2e per ₹ crore

Improved 35 percent from 6.09 tCO_2e per INR crore

Share of Total Waste Recovered

76 percent

Of 1,969.38 MT generated during the year

Waste Intensity

0.544 MT per ₹ crore

Improved 26 percent from 0.739 MT per ₹ crore

Water Intensity

31.73 KL per ₹ crore

Improved 19 percent from 39.33 KL per ₹ crore

Governance and the Board

The Board discharges its oversight through the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Risk Management Committee and the Corporate Social Responsibility Committee. Our internal control framework covers authorisation protocols, segregation of duties, IT enabled process controls and periodic physical verification, and is reviewed by an independent internal audit firm whose findings are placed before the Audit Committee. The statutory auditors have issued unmodified opinions on both the standalone and the consolidated financial statements for the year and have opined on the adequacy and operating effectiveness of internal financial controls over financial reporting. Cost records are subject to audit by an independent cost auditor.

Mr. R V S Ramakrishna

Chairman-Non-Executive Independent Director

Mr. Aditya Rao

Vice-Chairman & Managing Director

Mr. K Lavanya Kumar Rao

Whole-time Director

Mr. Parthasarathy Vankipuram Srinivasa

Independent Director

Mr. Chandrasekhar Sripada

Non Executive Independent Director

Ms. Virginia Sharma

Non Executive Independent Director

Mr. Eric James Brown

Non Executive Director

Corporate Information

Board of Directors

Mr. RVS Ramakrishna - Chairman and 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. K Lavanya Kumar Rao - Executive Director

Mr. Aditya Rao - Vice Chairman and Managing Director

Key Managerial Personnel

Chief Financial Officer

Mr. Shrikant Bhakkad

Company Secretary & Compliance Officer

Mr. Mirza Mohammed Ali Baig

Registered Office Address

2-91/14/8/PII/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

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:
214 Fountainhead Road Portland, TN 37148, United States of America

Ascent Structural:
Scottsboro, AL 35769, United States of America

Cadnum SARL:
Villebret, Allier, 03310, France

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

Statutory Auditors

Statutory Auditors
M S K A & Associates LLP
Chartered Accountants
1101/B, Manjeera Trinity Corporate
JNTU-Hitech City Road, Kukatpally, Hyderabad - 500072

Internal Auditors

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

Cost Auditors

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

Management Discussion and Analysis

Economic Overview

Global Economy

The global economy in calendar year 2025 demonstrated resilience despite an environment of elevated trade policy uncertainty, tariff realignments and geopolitical tension. Global output grew by an estimated 3.4 per cent in 2025. The International Monetary Fund, in its April 2026 World Economic Outlook, projects global growth to moderate to 3.1 per cent in 2026 before recovering to 3.2 per cent in 2027, with the near term outlook shaped by the conflict in West Asia, the resultant volatility in energy prices and the continuing reconfiguration of global supply chains. Global headline inflation is projected at 4.4 per cent in 2026, easing to 3.7 per cent in 2027.

For a diversified engineering enterprise such as ours, the implications of this environment are threefold. First, energy price inflation feeds into commodity and logistics costs, which must be managed through price variation clauses and disciplined procurement. Second, tariff and trade policy shifts in the United States alter the competitiveness of cross border supply, which affects our exports even as our manufacturing presence within the United States insulates the bulk of our American revenue. Third, the sustained capital expenditure cycle in the United States, led by data centres, manufacturing reshoring and industrial construction, continues to expand the addressable market for our metal buildings businesses.

Source: IMF World Economic Outlook, April 2026

Indian Economy

The Indian economy delivered a strong performance in FY 2025-26. As per the Provisional Estimates released by the National Statistics Office in May 2026, real GDP grew by 7.7 per cent during the year, with nominal GDP expanding by 8.9 per cent. Momentum strengthened through the year, with fourth quarter growth at 7.8 per cent. Of particular relevance to the Company, manufacturing gross value added grew by 10.7 per cent and construction by 7.4 per cent, the two sectors that most directly drive demand for engineered steel products, pre engineered buildings, tubes and industrial components.

The macroeconomic backdrop remained supportive. Consumer price inflation stayed benign through the year, at 3.40 per cent in March 2026, giving the Reserve Bank of India room to ease policy; the repo rate was reduced in stages to 5.25 per cent by December 2025, lowering the cost of working capital and supporting the private capex cycle. Public capital expenditure remained the principal demand engine: the Union Budget for 2026-27 has provided a capital outlay of Rs. 12.22 lakh crore, an increase of about 11.5 per cent over the revised estimate of Rs. 10.96 lakh crore for FY 2025-26, with Rs. 2.81 lakh crore allocated to Railways and Rs. 3.10 lakh crore to Road Transport and Highways.

India's engineering goods exports crossed USD 122 billion in FY 2025-26, underscoring the growing competitiveness of Indian manufacturing in global supply chains. The notification of the four Labour Codes in November 2025 marks a structural reform of the employment law framework; the Company has assessed the indicative financial impact and will give effect to the final Central and State rules as they are notified.

Sources: MoSPI Provisional Estimates of GDP for 2025-26 (May 2026); MoSPI CPI Press Release March 2026; RBI Monetary Policy Statements; Union Budget 2026-27 documents

Industry Overview and Demand Drivers

The Company's businesses serve infrastructure, industrial and mobility value chains in India and overseas. The demand environment in each of the relevant industries during FY 2025-26 is analysed below.

Steel and Engineering

India remained the fastest growing large steel market in the world. Crude steel production rose 10.7 per cent to 168.4 million tonnes in FY 2025-26, while finished steel consumption grew by about 7 to 8 per cent to nearly 164 million tonnes. Installed capacity stood at approximately 220 million tonnes and is projected to approach 300 million tonnes by 2030. Finished steel exports surged 35.9 per cent to 6.6 million tonnes while imports declined 31.7 per cent, restoring India's position as a net exporter. For the Company, steel is both the principal input and the substrate of value addition; steel price volatility during the year, accentuated by energy price inflation, was managed through price variation clauses in the order book and pass through pricing.

Source: Ministry of Steel data as reported for FY 2025-26

Pre Engineered Buildings, India

The Indian pre engineered buildings industry continues to be one of the fastest growing segments of construction, with industry studies projecting growth at roughly 12 per cent annually over the coming decade. Demand is broadening beyond conventional warehousing and logistics into data centres, semiconductor and electronics fabrication, solar module plants, food processing and general manufacturing, aided by production linked incentive schemes, the PM Gati Shakti national master plan and the states' industrial corridor programmes. Speed of construction, cost certainty, superior quality control and sustainability continue to shift share from conventional construction towards factory fabricated steel buildings. Process industries in South India were a particularly strong source of enquiries and orders for the Company during the year, alongside solar related structures.

Metal Buildings, United States

The addressable market for metal buildings and metal building components in the United States exceeds USD 10 billion annually. The defining feature of the year was the extraordinary strength of data centre construction, where annualised spending crossed USD 50 billion and overtook conventional office construction, alongside continued strength in manufacturing and industrial facilities. The Company operates in the South and Midwest of the United States through three plants and holds an estimated share of under 3 per cent of the national market, which frames a long runway for growth through geographic expansion, capacity addition and the newly acquired structural steel capability.

Source: US Census Bureau construction spending data, 2025-26

Automotive and Auto Components

The Indian automotive component industry grew 12.7 per cent in FY 2025-26, with supplies to OEMs growing 16.3 per cent. Electric vehicle related supplies, though still 4.6 per cent of OEM sales, are growing quickly and are reshaping product requirements towards lightweighting, high strength steels and modular body structures. These trends play directly to the Company's Body in White capabilities, hydraulics and precision tubes, where in house die making, automated body shops and expertise in high strength and ultra high strength steels position it as a value added partner to OEMs.

Source: ACMA industry performance review, FY 2025-26

Railways

Indian Railways continues on a sustained modernisation and capacity expansion programme, with a capital outlay of Rs. 2.81 lakh crore for 2026-27 and an expanded pipeline of high speed corridors, dedicated freight infrastructure and modern rolling stock. The Company supplies coach and wagon components and assemblies to Integral Coach Factory, Rail Coach Factory, Wabtec and other customers, and is aligned to the modernisation of passenger and freight rolling stock.

Process Heating and Boilers

Investment across food processing, rice milling, chemicals, textiles and distilleries is sustaining healthy demand for industrial boilers, waste heat recovery systems and heat exchangers. Tightening emission norms and rising fuel costs favour energy efficient combustion technologies such as AFBC and waste heat recovery, both areas where the Company secured its highest capacity orders during the year.

Hydraulics

Demand for hydraulic cylinders and systems is underpinned by mechanisation in construction, material handling, agriculture and mining. The imposition of tariffs in the United States had disrupted export order flows earlier in the year; this impact has since moderated and customers have resumed placing orders. The European market presents an additional avenue that the Company has begun to address.

Engineering Services

Global demand for structural steel detailing, pre engineered metal building design and plant engineering remains strong, led by the construction cycle in the United States and Europe. The economics of the industry are being reshaped by artificial intelligence assisted design, which automates lower end detailing man hours while raising the premium on engineering judgement, project management and statutory certification. As billing in this industry is predominantly project outcome based rather than man hour based, productivity gains from AI accrue to the service provider, a dynamic the Company views as a structural tailwind rather than a threat.

Solar Energy

India added a record 44 GW of solar capacity in FY 2025-26, taking cumulative installed solar capacity to about 150 GW as at March 2026, with the country now ranked third globally in renewable energy installed capacity. Domestic module manufacturing is scaling rapidly under the approved list of models and manufacturers regime and production linked incentives. The Company participates in this value chain through solar module mounting structures and through ZAP91 Solar India Private Limited, its solar module manufacturing joint venture with Zetwerk, whose plant at Sadashivpet is being commissioned.

Sources: MNRE and industry data for FY 2025-26

Company Overview

Pennar Industries Limited, incorporated in 1975 and headquartered in Hyderabad, is a diversified engineering company serving customers in India, the United States, Europe and West Asia. The Company operates thirteen manufacturing facilities across India, the United States and France, supported by engineering services centres in India and marketing subsidiaries overseas. Its portfolio spans pre engineered buildings, precision tubes, cold rolled steel products, industrial components, Body in White assemblies, hydraulic cylinders, boilers and process heating equipment, railway components and engineering design services, delivered to a base of more than 500 customers across infrastructure, automotive, railways, energy and general engineering.

The Company reports its operations under two segments: Diversified Engineering, which houses tubes, steel products, industrial components, Body in White, hydraulics, boilers and engineering services; and Custom Designed Building Solutions and auxiliaries, which houses the pre engineered and metal buildings businesses in India and the United States. During the year the group comprised thirteen subsidiaries and one joint venture, including Pennar Global Inc. USA, Ascent Buildings LLC, Ascent Structural LLC, Pennar GmbH Germany, Cadnum SARL France, Pennar FZCO UAE and Pennar Metals Private Limited.

Key Corporate Developments During the Year

- Acquisition of a structural steel fabrication business in the United States (Ascent Structural LLC, June 2025) for a consideration of about USD 14 million, extending the American platform from metal building systems into structural steel and adding new capacity in Alabama.
- Incorporation of Pennar Global Investments Alabama LLC (June 2025) and acquisition of Agile Traders FZCO by Pennar FZCO (December 2025), strengthening the international holding and trading structure.
- Divestment of the Company's entire 51 per cent stake in Enertech Pennar Defense and Engineering Systems Private Limited (September 2025), consistent with the stated policy of recycling capital away from non prioritised businesses.
- Additional equity investment of Rs. 5.80 crore in the ZAP91 Solar India joint venture to fund completion and commissioning of the solar module plant at Sadashivpet, targeted before 30 June 2026; the Company holds 45 per cent in the joint venture.
- Commissioning of an AGT robotics welding line in the United States and expanded automation of painting, surface treatment and assembly operations in India, addressing labour availability and cost while improving precision.
- Reaffirmation of credit ratings by CARE Ratings in March 2026: CARE A with Stable outlook on long term bank facilities of Rs. 754.46 crore (enhanced from Rs. 712.46 crore) and CARE A1 on short term bank facilities of Rs. 1,012.50 crore.
- Subsequent to the year end, the Board approved and shareholders sanctioned the issue of 30,00,000 convertible warrants to a promoter on preferential basis at Rs. 168 per warrant, aggregating to about Rs. 50.40 crore, reinforcing the equity base for growth.

Operational Review of Business Verticals

Order inflows remained healthy through the year, with orders worth Rs. 902.26 crore received across business verticals in the fourth quarter alone. The position and performance of each vertical is discussed below.

Pre Engineered Buildings, India

The PEB India business closed the year with an order backlog of Rs. 810 crore and exit capacity utilisation of 70 per cent. Performance during the year was held back by labour availability constraints, which affected fabrication throughput and deferred revenue; these issues were resolved by the fourth quarter through expanded labour sourcing arrangements, long term contractor partnerships and targeted automation of painting, surface treatment and assembly. Inventory levels were brought down in the closing quarter. With the backlog rebuilt, quote activity strong and utilisation targeted to reach about 80 per cent, the business is positioned for double digit growth in FY 2026-27. The Company remained selective on order intake, prioritising product mix and margin over volume. Customers added during the year include Reliance, JSW Steel, Toyo Engineering, MRO Air India and Powermech, among others.

Metal Buildings, United States (Ascent Buildings and Ascent Structural)

The United States buildings platform delivered strong double digit growth in revenue and profitability, anchored by sustained demand from data centres, warehouses and industrial end markets. The combined order backlog of Ascent Buildings and Ascent Structural stood at about USD 63 million at the year end, having grown about 20 per cent in the final three months of the year. The Ascent Structural acquisition extends the offering into structural steel, and the new AGT robotics line automates end plate fitment and stiffener welding, materially reducing man hours per tonne. With capacity headroom, an expanding customer roster of American general contractors and a market share of under 3 per cent, this platform is expected to remain the principal growth contributor through FY 2026-27.

Engineering Services

Engineering Services delivered healthy double digit growth in revenue and profit before tax for the year, led by pre engineered metal building design and structural design and detailing. The Company has deployed AI assisted design and detailing within its delivery workflow, improving throughput on the lower end of the value chain while retaining the engineering review, optimisation and statutory certification that customers value. Investment in a dedicated sales infrastructure in the United States during the year positions the business for accelerated growth. The BIM and plant automation practice, which had underperformed, has been strengthened on both business development and delivery.

Boilers and Process Equipment

The boilers business enters FY 2026-27 with an order backlog of about Rs. 145 crore, up strongly during the year. The Company secured its highest capacity orders to date, comprising a 100 tonne per hour AFBC boiler and an 80 tonne per hour waste heat recovery boiler, and added new product lines in hot water generators and reciprocating grate systems. The customer base spans rice mills, food processing, agro processing and steel, with repeat orders reflecting design capability and execution reliability.

Hydraulics

The hydraulics order backlog rose to about Rs. 34 crore from Rs. 22 crore over the closing months of the year, as the disruption from United States tariffs moderated and customers resumed ordering. The business is developing European customers to diversify its export base, while domestic demand from construction equipment, material handling and railway applications remains steady.

Body in White and Industrial Components

The Body in White plant being established for Hyundai is in the final stages of completion and is expected to be commissioned early in FY 2026-27, following which the vertical will scale as a long term OEM programme. The industrial components business continued to serve marquee customers including WABCO, Emerson, Endurance, IFB and Xylem. The precision tubes business sustained order flows from automotive and engineering customers including Toyota Boshoku, Thermax and ALF Engineering; steel profiles served Saint Gobain, Schaeffler, VECV and others. Parts of the legacy steel and solar EPC revenue streams, which are not part of the prioritised portfolio, declined during the year in line with the Company's deliberate strategy of redeploying capital towards higher margin businesses; legacy streams now account for roughly 30 to 35 per cent of revenue and this share will continue to fall.

Railways

The railways vertical continued to supply coach and wagon components and assemblies to Integral Coach Factory, Rail Coach Factory, Wabtec, Trident and OFPL, and is positioned to benefit from the record capital outlay for rolling stock modernisation.

Solar Module Joint Venture (ZAP91)

The ZAP91 Solar India joint venture with Zetwerk, in which the Company holds 45 per cent, is completing its solar module manufacturing plant at Sadashivpet, Telangana, with commissioning targeted before 30 June 2026. The module technology has been upgraded to the G12R format during project execution. The Company made a final equity infusion of Rs. 5.80 crore during the year to fund completion; no further capital commitments are envisaged, with future funding needs of the venture to be met within the joint venture structure.

Financial Performance Review

The analysis below is based on the audited consolidated financial results for the year ended 31 March 2026. FY 2025-26 was the strongest financial year in the Company's history, with the highest ever revenue, EBITDA, profit after tax and cash balances.

REVENUE FROM OPERATIONS ₹ in Crore

OTHER INCOME ₹ in Crore

TOTAL INCOME ₹ in Crore

EBITDA ₹ in Crore

EBITDA MARGIN (ON TOTAL INCOME) ₹ in Crore

FINANCE COSTS ₹ in Crore

DEPRECIATION AND AMORTISATION

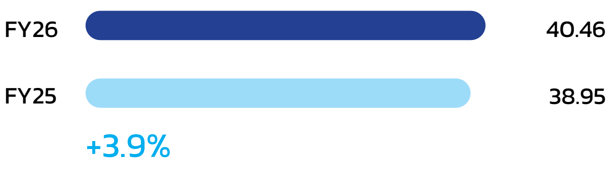
₹ in Crore

PROFIT BEFORE TAX

₹ in Crore

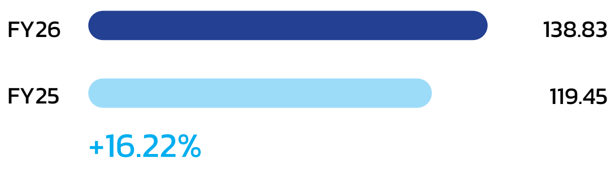
TAX EXPENSE

₹ in Crore



PROFIT AFTER TAX

₹ in Crore



EARNINGS PER SHARE (RS.)

₹ in Crore

Revenue Analysis

Consolidated revenue from operations grew 12.2 per cent to Rs. 3,620.09 crore. Growth was led by the overseas subsidiaries, which contributed revenue of Rs. 959.62 crore, driven by the United States buildings platform including the Ascent Structural acquisition and continued growth in engineering services. Standalone revenue grew 6.6 per cent to Rs. 2,747.75 crore. The revenue mix continued its planned migration towards higher margin streams: prioritised businesses now constitute about 65 to 70 per cent of revenue and are growing meaningfully faster than the Company average, while legacy steel and solar EPC streams were allowed to taper.

Segment Performance

Segment (Rs. crore)	FY26 Revenue	FY25 Revenue	FY26 Result	FY25 Result
Diversified Engineering	1,871.77	1,721.32	223.04	194.41
Custom Designed Building Solutions	1,835.60	1,584.44	178.28	152.58
Less: inter segment revenue	(87.28)	(79.18)	-	-
Total	3,620.09	3,226.58	401.32	346.99

Custom Designed Building Solutions grew 15.9 per cent, powered by the United States, where the acquisition and organic backlog conversion offset execution challenges in PEB India in the earlier part of the year. Diversified Engineering grew 8.7 per cent with an improvement in segment margin from about 11.3 per cent to 11.9 per cent, reflecting richer value addition in Body in White, industrial components, boilers and engineering services; the decline in legacy steel and solar revenue moderated the segment's headline growth.

Costs, Margins and Profitability

Material cost as a proportion of revenue was broadly stable, with gross margins in the region of 42 to 43 per cent, supported by value added mix despite commodity price inflation during the second half. Employee benefits expense rose to Rs. 392.11 crore, reflecting the consolidation of acquired entities and capability building in the United States and in engineering services; the engineering services business model records revenue in sales while its principal cost sits in employee benefits, which should be kept in view while reading gross margins. Other expenses rose in line with higher order execution, job work and manpower rates. Finance costs at about 3.7 to 3.8 per cent of total income remained within the Company's ceiling of

4 per cent. Depreciation increased 22.3 per cent on account of the robotics installations in the United States, the acquired assets and India capex. EBITDA grew 15.51 per cent to Rs. 401.32 crore and profit after tax grew 16.22 per cent to Rs. 138.83 crore, with the PAT margin improving to about 4 per cent, continuing the multi year trend of margin expansion. Return on capital employed stood at 13 per cent against 14 per cent in the previous year, and return on net worth at about 12.8 per cent.

Balance Sheet and Capital Structure

The consolidated balance sheet expanded to Rs. 3,550.59 crore of total assets from Rs. 2,954.19 crore, reflecting the acquisition, growth capex and working capital to support higher revenue. Net worth rose to Rs. 1,163.15 crore from Rs. 999.60 crore. Gross borrowings increased to Rs. 1,141.52 crore from Rs. 775.12 crore, taking the debt to equity ratio to 1.05 from 0.92. This increase warrants a candid explanation: about USD 14 million relates to the funding of the Ascent Structural acquisition, and the balance is predominantly working capital borrowing that scaled with revenue, alongside a conscious build up of inventory ahead of price increases. Cash, cash equivalents and bank balances stood at a record Rs. 269.93 crore, so that net gearing was materially lower. The Company has stated a firm intent to bring the debt to equity ratio down to 0.8 or below during FY 2026-27 through internal accruals, the promoter warrant infusion and working capital release.

Net working capital stood at 82 days of revenue against the Company's target of 75 days. Receivables increased by Rs. 151 crore, of which a portion pertains to project sites awaiting handover formalities, expected to be collected in the early part of FY 2026-27; debtor days moved from 65 to 66. Inventory was consciously procured ahead of announced steel price increases and will normalise over the coming quarters. Trade payable days reduced by two days.

Cash Flows and Capital Expenditure

Net cash from operating activities was Rs. 202.12 crore against Rs. 255.98 crore in the previous year, the reduction reflecting the working capital absorption described above. Investment outflows of Rs. 328.27 crore on property, plant and equipment and capital work in progress covered the Ascent Structural assets, the robotics lines in the United States, the Body in White facility for Hyundai and automation and maintenance capex in India. Planned capex for FY 2026-27 is modest at under Rs. 100 crore, principally the completion of the Body in White plant and further automation, and will be funded comfortably from internal accruals, keeping free cash flow generation strongly positive.

Credit Rating

CARE Ratings reaffirmed the Company's ratings in March 2026 at CARE A with a Stable outlook for long term bank facilities of Rs. 754.46 crore, enhanced from Rs. 712.46 crore, and CARE A1 for short term bank facilities of Rs. 1,012.50 crore, reflecting the improving business profile and financial discipline.

Key Financial Ratios

Key financial ratios are set out below. In terms of the SEBI Listing Regulations, ratios with a change of 25 per cent or more over the previous year require specific explanation; no key financial ratio registered a change of 25 per cent or more during the year.

DEBTORS TURNOVER (times)

INVENTORY TURNOVER (times)

INTEREST COVERAGE (EBITDA to finance costs, times)

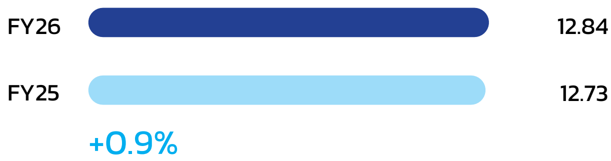
CURRENT RATIO (times)

DEBT TO EQUITY (gross, times)

OPERATING PROFIT MARGIN, EBITDA (%)

NET PROFIT MARGIN (%) ₹ in Crore

RETURN ON NET WORTH (%) ₹ in Crore



RETURN ON CAPITAL EMPLOYED (%)

While no ratio changed by 25 per cent or more, two movements merit comment. The debt to equity ratio increased from 0.92 to 1.05 primarily on account of borrowings for the acquisition of the structural steel business in the United States and higher working capital utilisation in step with revenue growth and a planned inventory build; net of the record cash and bank balances of Rs. 269.93 crore, gearing was materially lower, and the Company is committed to reducing the ratio during FY 2026-27 through internal accruals, the promoter warrant proceeds and working capital release. Return on capital employed moderated as recently deployed capital, including the acquisition and the Body in White facility, is yet to contribute full year earnings; the medium term objective of raising ROCE remains unchanged.

Opportunities and Threats

Opportunities

- Sustained public capital expenditure in India, growing at double digits, directly expands demand for pre engineered buildings, railway components and engineered steel.
- The United States data centre and industrial construction cycle, with a sub 3 per cent current market share, offers a long growth runway for the American buildings and structural steel platform.
- AI assisted engineering services convert an industry disruption into a productivity advantage under project outcome based billing.
- Energy efficiency and emission norms drive replacement demand for AFBC and waste heat recovery boilers.
- Vehicle lightweighting, electrification and the Hyundai Body in White programme open multi year OEM revenue streams.
- India's solar manufacturing expansion, addressed with limited capital through the 45 per cent joint venture and mounting structure supply.

Threats

- Commodity and energy price inflation, accentuated by the West Asia conflict, pressuring input costs and requiring continuous pass through.
- Trade policy volatility and tariffs in key export markets, as witnessed in hydraulics during the year.
- Labour availability and rising labour costs in both India and the United States, mitigated through automation but with transition costs.
- Intensifying competition in PEB with industry capacity additions, which can pressure pricing in the short term.
- Elevated working capital intensity inherent to project businesses, with attendant borrowing costs.

Risks and Concerns

The Company operates an enterprise risk management framework overseen by the Risk Management Committee of the Board. The principal risks and their mitigation are summarised below.

- Commodity price risk: steel is the dominant input; mitigated through price variation clauses in project contracts, pass through pricing, and inventory planning.
- Market and cyclicality risk: mitigated by the two segment, multi vertical portfolio across geographies and end markets, and by the rising share of recurring OEM and services revenue.
- Working capital and receivables risk: elevated debtor and inventory levels at the year end; mitigated through a defined reduction programme targeting 75 working capital days, site handover completion and collection focus.
- Currency risk: a growing share of revenue and assets is denominated in US dollars and euros; hedging through forward cover, natural hedges from local manufacture, and translation effects monitored; the year recorded a favourable translation movement in other comprehensive income.
- Trade policy risk: tariff changes can disrupt export streams; mitigated by manufacturing within the United States and market diversification towards Europe and West Asia.
- Labour and talent risk: labour shortages affected PEB throughput during the year; mitigated through contractor partnerships, wage benchmarking and automation of repetitive operations.
- Cyber security risk: mitigated through hardened IT infrastructure, cloud migration and periodic vulnerability assessment.
- Regulatory risk: implementation of the Labour Codes notified in November 2025 is being tracked; the financial impact will be recognised as rules are finalised.
- Climate risk: addressed through renewable energy adoption at plants, zero liquid discharge systems and energy efficient product lines.

SWOT Analysis

Strengths

Five decades of engineering pedigree and brand equity; diversified portfolio of over 1,000 engineered products with more than 90 per cent of revenue from value added categories; integrated design to delivery capability with in house tooling; manufacturing presence in India, the United States and France; long standing blue chip customer relationships with high repeat order rates; reaffirmed CARE A and A1 credit ratings.

Weaknesses

Working capital intensity of project led businesses; presence of lower margin legacy revenue streams still constituting about a third of revenue; scale in individual verticals below the largest single vertical competitors; gearing temporarily above the internal comfort level.

Opportunities

Underpenetrated United States market with structural data centre demand; India's public and private capex cycle; AI led productivity in engineering services; energy transition demand in boilers and solar; OEM programmes in Body in White.

Threats

Commodity and energy inflation; global trade policy uncertainty; competitive capacity additions in PEB; labour market tightness; interest rate and currency movements.

Outlook for FY 2026-27

The Company enters FY 2026-27 with expanded order backlogs across its priority businesses: Rs. 810 crore in PEB India, about USD 63 million in the United States buildings platform, Rs. 145 crore in boilers and a rebuilt hydraulics book. Management has committed to profit after tax growth of at least 20 per cent for FY 2026-27, to be delivered through higher capacity utilisation in PEB India, scale up of Ascent Structural and the robotics enabled American operations, commissioning of the Body in White programme, continued double digit growth in engineering services and operating leverage on a contained fixed cost base. Margin expansion is expected to continue the four year trend as the revenue mix shifts further towards prioritised businesses.

On the balance sheet, the stated objectives for the year are a reduction of working capital from 82 to 75 days, restoration of the debt to equity ratio to 0.8 or below through cash generation and the promoter warrant proceeds of about Rs. 50.40 crore, and capex held under Rs. 100 crore. The Board is also evaluating options for unlocking value from non core land assets and will communicate developments as decisions are taken. Key variables to monitor are steel and energy prices, the trajectory of the West Asia conflict, United States trade policy and the pace of receivables collection.

Internal Control Systems and Their Adequacy

The Company maintains a system of internal controls commensurate with the size and complexity of its operations, encompassing authorisation protocols, segregation of duties, IT enabled process controls and periodic physical verification. The internal audit function, supported by an independent firm of chartered accountants appointed for FY 2026-27, reviews the adequacy and effectiveness of controls across locations, and its findings are placed before the Audit Committee. The statutory auditors have opined on the adequacy and operating effectiveness of internal financial controls over financial reporting, and have issued unmodified opinions on both the standalone and consolidated financial statements for the year. Cost records are subject to audit by an independent cost auditor.

Human Resources and Industrial Relations

The Company's performance in a labour intensive industry rests on its people. The year tested this in a specific way: labour availability constraints affected fabrication output in the PEB business during the first half. The response combined expanded engagement of labour contractors, improved onboarding and wage benchmarking, buffer manning of fabrication and surface treatment lines, and a decisive acceleration of automation in painting, surface treatment, assembly and welding. These measures restored full manning by the fourth quarter and are expected to lift operating margins beyond earlier levels as automation matures. Industrial relations remained cordial across plants during the year. The Company continues to invest in technical, behavioural and safety training and in building engineering and sales talent in India and the United States, and is preparing for the implementation of the new Labour Codes.

Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied on account of factors that include global and domestic economic conditions, movements in steel and energy prices, currency exchange and interest rates, changes in government regulations and tax laws, trade policy developments, labour availability and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of subsequent developments, information or events.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 50th Annual Report and the Company's audited financial statement (Standalone and Consolidated) for the financial year ended 31st March, 2026.

Financial Results:

The Company's financial performance, for the year ended 31st March, 2026 is summarized below:

Amount in Rs. Lakhs

Particulars	Consolidated		Standalone	
	2025-26	2024-25	2025-26	2024-25
Revenue from Operations	3,62,009	3,22,658	2,74,775	2,57,817
Operating profit (PBIDT)	40,132	34,744	32,531	29,400
Profit before tax (PBT)	17,957	15,895	12,959	12,134
Income Tax and Deferred Tax	4,046	3,895	2,820	2,954
Profit after tax (PAT)	13,883	11,945	10,139	9,180
Other Comprehensive income/(Loss)	2,590	267	32	-248
Total Comprehensive income for the year	16,473	12,212	10,171	8,932
Net profit attributable to Owners of the company	16,471	12,194	10,171	8,932
Profit brought forward from previous year	82,574	70,647	71,536	62,356
Surplus available for appropriation	96,455	82,574	81,675	71,536
Balance of profit carried to Balance Sheet	96,455	82,574	81,675	71,536

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

Your company has generated a consolidated net revenue of Rs. 3,62,009 Lakhs, EBITDA at Rs. 40,132 Lakhs, PAT at Rs. 13,883 Lakhs for the financial year 2025-26.

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 four subsidiaries of the company as on 31st March, 2026.

a. Pennar Global Inc, USA

b. Pennar GmbH, Germany

c. Pennar Metals Private Limited

d. 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 104.87 Million USD for the financial year 2025-26.

(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 2.13 million Euros for the financial year 2025-26.

(c) Pennar Metals Private Limited

Pennar Metals Private Limited has recorded a net revenue of Rs. 8.97 crores for the financial year 2025-26.

(d) Pennar FZCO

Pennar FZCO, a wholly owned subsidiary, was incorporated on 15th November, 2024. The subsidiary has recorded a net revenue of 0.68 Million AED for the financial year 2025-26.

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 nine step-down subsidiaries of the company as on 31st March, 2026.

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

g. Ascent Structural, LLC

h. Pennar Global Investments Alabama, LLC

i. Ageil Traders FZCO

Joint Venture:

The Joint Venture Company was incorporated on 27 December 2024 with the objective of manufacturing and marketing solar modules.

During the financial year under review, the Company continued to focus on the development of its manufacturing facility located at Sadashivpet, Telangana, India. As of the end of the financial year, the manufacturing unit was under development and commercial production had not commenced.

The Company is undertaking the necessary activities for the establishment and commissioning of the manufacturing facility and is progressing towards the commencement of commercial operations in due course.

Sale of subsidiary:

During the financial year under review, the Company divested its entire shareholding in Enertech Pennar Defense and Engineering Systems Private Limited. Consequently, Enertech Pennar Defense and Engineering Systems Private Limited ceased to be a subsidiary of the Company with effect from 26th September 2025.

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, 2026 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, 2026.

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. 223.06 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. Eric James Brown 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:

Four 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, 2026, 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, 2026 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 LLP, Chartered Accountants (Firm Registration No. 105047W/W101187) 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 2026-27. Necessary resolution for ratification of their remuneration in respect of the aforesaid terms of appointment for the financial year 2026-27 forms part of the Notice for the ensuing Annual General Meeting, which the Board recommends for the shareholders' approval.

Secretarial Auditor:

Mr. Subhash Kishan Kandrapu, Practicing Company Secretary was appointed as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, from 1st April, 2025 to 31st March, 2030, at the 49th Annual General Meeting held on 30th September, 2025. The Secretarial Audit Report for the financial year ended 31st March, 2026 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: Not Applicable

iii) Number of cases pending for more than ninety days : Not Applicable

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, 2026 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 : 12.08.2026

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	0.05	1022	2.58	1.00	1.00
5.	Reserves & Surplus	27,982	(189)	14	239	3
6.	Total Assets	61,418	4,417	547	1,204	1677
7.	Total Liabilities	33,436	3,584	530	963	1673
8.	Investments	Nil	Nil	Nil	Nil	Nil
9.	Turnover	92,606	2,178	171	110	897
10.	Profit Before Taxation	5,107	(132)	14	7	4
11.	Provision for Taxation	1,248	(24)	0	2	1
12.	Profit after Taxation	3,859	(108)	14	5	3
13.	Proposed Dividend	Nil	Nil	Nil	Nil	Nil
14.	% of Shareholding	100%	100%	100%	-	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, Ascent Structural Buildings, Pennar Global Investment Albama.
*	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 88.31 INR/USD for profit and loss account and 94.65 INR/USD for Balance sheet items.
**	Pennar GMBH is a Germany based foreign subsidiary and its local currency is EURO.
**	Exchange rate 102.45 INR/EURO for profit and loss account transactions and 109.01 INR/EURO for Balance sheet items.
**	Pennar FZCO includes step down subsidiary Agile Traders, is a Dubai based foreign subsidiary and its local currency is AED.
**	Exchange rate 24.97 INR/AED for profit and loss account and 25.77 INR/AED for Balance sheet items.
##	Enertech Pennar Defense and Engineering Systems Private Limited has been divested by the company on 26.09.2025

Additional Information:

1.	Names of subsidiaries which are yet to commence operations	Nil
2.	Names of subsidiaries which have been liquidated or sold during the year.	Enertech Pennar Defense and Engineering Systems Private Limited
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	31-03-2026
3.	Shares of Associate/Joint Ventures held by the company on the year end	45% 1,65,00,000 Equity shares of Rs. 10/- each, fully paid up
4.	Amount of Investment in Associates/Joint Venture	1,650.00
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	1566
9.	Profit/Loss for the year	
	i. Considered in Consolidation	-28
	ii. Not Considered in Consolidation	-35

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 2025-26.

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 2025 to March 2026
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	30.05.2025, 13.08.2025, 08.11.2025 and 14.02.2026.
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 : 12.08.2026	**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, 2026, 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 Executive Directors have not served or serve as Independent Director in more than three listed entities. None of the Independent Directors of the Company served or serve as Independent Director in more than seven listed entities.

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, 2026 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 4 times during the financial year from 1st April, 2025 to 31st March, 2026. The dates on which the meetings were held are as follows: 30th May, 2025, 13th August, 2025, 08th November, 2025 and 14th February, 2026.

(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 30th September, 2025
1.	Mr. Ravi Venkata Siva Ramakrishna	Chairman-Non-Executive Independent Director	4	4	Yes
2.	Mr. Aditya Rao	Vice-Chairman and Managing Director	4	4	Yes
3.	Mr. K Lavanya Kumar Rao	Whole-time Director	4	3	Yes
4.	Mr. V S Parthasarathy	Independent Non-Executive Director	4	4	Yes
4.	Mr. Chandrasekhar Sripada	Independent Non-Executive Director	4	4	Yes
6.	Ms. Virginia Sharma	Independent Non-Executive Director	4	4	No
7.	Mr. P V Rao	Non-Executive Director	4	4	No
8.	Mr. Eric James Brown	Non-Executive Director	4	4	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	-	-	-	-	-	-
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	-	6	4	6	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 Mr. Aditya Rao, Vice-Chairman and Managing Director and Mr. Shrikant Bhakkad, Chief Financial Officer of the Company in respect of the financial year ended 31st March, 2026 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 21st March, 2026, 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 4 times on 29th May, 2025, 12th August, 2025, 07th November, 2025 and 13th February, 2026. 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	4	4
2.	Mr. RVS Ramakrishna	4	4
3.	Mr. Eric James Brown	4	4

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 13th August, 2025 and 14th February, 2026. 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, 2014, 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 21st March, 2026. 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 2025-26 is given below:

Amount in Rs. lakhs.

Name of the Director	Designation	Remu-neration	Com-mission	Provident fund, Superannua-tion fund and other perqui-sites	Sitting Fee	Reim-bursement of expens-es	Total
Mr. Aditya Rao	Vice-Chairman & Managing Director	74	30	13	-	46	163
Mr. K Lavanya Kumar Rao	Whole-time Director	110	29	6	-	1	146
Mr. Chandrasekhar Sripada	Independent Non-Executive Director	24	-	-	4	-	28
Mr. Ravi Venkata Siva Ramakrishna	Chairman-Independent Non-Executive Director	24	-	-	5	-	29
Ms. Virginia Sharma	Independent Non-Executive Director	24	-	-	4	-	28
Mr. V S Parthasarathy	Independent Non-Executive Director	24	-	-	4	-	28
Mr. P V Rao	Non-Executive Director	-	-	-	4	-	4

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 2026:

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	6,860

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 64 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 29th May, 2025. The details of attendance are given below:

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	1

8. Corporate Social Responsibility Committee (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 1 meetings on 30th May, 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	1	1
2.	Mr. Lavanya Kumar Rao	1	1
3.	Mr. Aditya Rao	1	1

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 entities 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 4 meetings i.e., on 29th May, 2025, 12th August, 2025, 25th November, 2025 and 13th February, 2026. 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	4	4
2.	Mr. RVS Ramakrishna	4	4
3.	Mr. Lavanya Kumar Rao	4	3
4.	Mr. Aditya Rao	4	4

8B. Senior management:

The following persons are the senior management the company as on 31st March, 2026.

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
4.	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
30th September, 2025	2024-25	Annual General Meeting	Video Conferencing	11:00 A.M.
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.

(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
30th September, 2025	Yes	1. To Create Charges 2. To borrow in excess of paid-up capital and free reserves 3. To approve of Investments / Loans / Guarantees / Securities
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

(c) Extraordinary General Meeting:

No extraordinary general meeting of the members was held during Financial Year 2025-2026.

(d) Postal Ballot:

No special resolution were passed through postal ballot during Financial Year 2025-2026.

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, 2026, 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, 2014.

(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, 2026, is as follows:

Rs. in lakhs

Particulars	M S K A & Associates
Audit Fee	45
Limited Review	15
Other Services	8
Out of pocket expenses	6
Total	**74**

(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 2014 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 2014 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

8,86,841 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 2025-26 there were 2 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	24th September, 2026 at 11:00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2.	Financial calendar (Tentative schedule)	Financial year: 1st April, 2026 to 31st March, 2027 First Quarter Results within 44 days from the end of quarter. Half yearly Quarter Results within 44 days from the end of quarter. Third Quarter Results within 44 days from the end of quarter. Results for the year ending 31st March, 2027. Within 60 days of the end of Financial Year. Annual general meeting for the year 2026-27: 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 – 400041
4.	Stock Code	BSE: Equity - 413228; 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 24th 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 - 400084, 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 - 400032, India, Hyderabad - 400032, 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 2024-24, 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, 2026 was as under:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1-5000	75,037	90.568611	1,25,64,663	6,28,23,315	9.310866
5001- 10000	3,588	4.330666	53,58,376	2,67,91,880	3.970749
10001- 20000	2,167	2.615539	63,42,733	3,17,13,665	4.700193
20001- 30000	776	0.936621	38,43,510	1,92,17,550	2.848179
30001- 40000	314	0.378994	22,06,868	1,10,34,340	1.635368
40001- 50000	236	0.284849	22,12,503	1,10,62,515	1.639544
50001- 100000	370	0.446585	52,85,303	2,64,26,515	3.916599
100001& Above	363	0.438136	9,71,32,275	48,56,61,375	71.978502
Total	82,851	100.00	13,49,46,231	67,47,31,155	100.00

Shareholding Pattern as on 31st March, 2026 was as under:

Sl. No.	Description	Total Shares	% Equity
1	RESIDENT INDIVIDUALS	5,30,94,002	39.34
2	PROMOTERS	5,12,44,346	37.97
3	BODIES CORPORATES	92,21,540	6.83
4	MUTUAL FUNDS	60,70,601	4.50
5	FOREIGN PORTFOLIO - CORP	54,52,560	4.04
6	H U F	25,93,927	1.92
7	PROMOTER GROUP	22,88,154	1.70
8	NON-RESIDENT INDIAN REPATRIABLE	18,80,111	1.39
9	NON-RESIDENT INDIAN NON REPATRIABLE	11,48,438	0.85
10	ALTERNATIVE INVESTMENT FUND	9,87,838	0.73
11	IEPF AUTHORITY	8,86,841	0.66
12	NBFC	67,000	0.05
13	DIRECTORS	6,860	0.01
14	KEY MANAGEMENT PERSONNEL	2,238	0.00
15	BANKS	1,290	0.00
16	NATIONALISED BANKS	285	0.00
17	OTHER BANKS	200	0.00
	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. 99.55% of equity shares are held in dematerialised form as on 31st March, 2026.

(b) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: During the financial year 2025-26, 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, 402319 Telangana

2) Isnapur plant: Isnapur Village, IDA Pashamailaram, Patancheru (M) Sanagareddy District, 402307 Telangana

3) Velchal plant: Survey 24, 27 to 38, Velchal (V) Mominpet (M), Vikarabad District, 401202 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, 401406 Maharashtra

6) Sadashivpet plant: Survey 144 & 144 Chandapur Village, Sadasivpet Mandal, Sangareddy District, 402291 Telangana

7) Mallapur plant: 186/A & 188/A, IDA Mallapur, Medchal District, Hyderabad, 400076 Telangana

8) Tiruchirappalli plant: 49/23, 49/10, 49/3, 49/2, 49/4, 49/7, 40/19, 40/4, 40/11, 40, 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 : 214 Fountainhead Road Portland TN 37148 United States of America

11) Ascent Structural: Scottsboro, AL 35769, United States of America

12) Cadnum SARL: Villebret, Allier, 03310, France

21. Unclaimed Dividend Amounts:

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend which remains unclaimed for seven years, will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 124 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

The Board has authorised Managing Director/Chief Financial Officer/Company Secretary to approve transfer/ transmission in addition to the Committee of the Board constituted for the purpose.

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 L27109TG1974PLC001919.

25. Managing Director Certification:

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014, 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, 2026.

for **Pennar Industries Limited**

Aditya Rao
Vice-Chairman and Managing Director
DIN 01307343

Date: 12th August, 2026
Place: Hyderabad

Annexure - D

Ref: RK/150/2026-27

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 2026, 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: 26221908HKAXQL1166

Place: Hyderabad
Date: 23/07/2026

Annexure - E

Annual Report on Corporate Social Responsibility activities

for the Financial Year 2025-26

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)	1	1
2.	Mr. Aditya Rao	Member (Vice-Chairman and Managing Director)	1	1
3.	Mr. K Lavanya Kumar Rao	Member (Executive Director)	1	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-of-mandatory-committees-in-PIL-w.e.f-14022026.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. 8,667.33 lakhs

   (b) Two percent of average net profit of the company as per sub-section (5) of section 135 - Rs.174 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. 174 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects) : Rs 48 Lakhs

   (b) Amount spent in Administrative Overheads: Rs. 2.00 lakhs

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

   (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 50.00 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
50.00	124.33	30th April 2026	-	-	-

(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.174
(ii)	Total amount spent for the Financial Year	Rs.50.00
(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.	2024-25	103.88	102	102	Nil	Nil	1.88	-
2.	2023-24	Nil	Nil	Nil	Nil	Nil	Nil	-
3.	2022-23	Nil	Nil	Nil	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, 2026

[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, 2025 and ended 31st March, 2026, 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, 2026 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, 2025 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 2025-2026***.

(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 2025-2026.***

(ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. ***Not Applicable for the financial year 2025-2026.***

(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 2025-2026.***

(iv) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; ***Not Applicable for the financial year 2025-2026***

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: 10/06/2026

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743H000609297

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: 10/06/2026

CS. Subhash Kishan Kandrapu
ACS: 32743, CP: 17545
UDIN: A032743H000609297

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 112 No's 200w led fittings in places of 400w metal halide fittings 2025-26 PTC Plant- 50 No's Isnapur plant- 62 No's
2. The steps taken by the company for utilizing alternate sources of energy	•	From the year 2025-26 PTC roof top solar generate: 9,60,123 units.
3. The capital investment on energy conservation equipment;	•	Nil
(B) Technology absorption: 1. The efforts made towards technology absorption	•	Press Brake Existing two tandem operation was there now we modify two tandems at a time to operate the lengthy jobs and time savings.
2. The benefits derived like product improvement, cost reduction, product development or import substitution.	• •	For Mill No 11 Forming line existing Lenze Drive was too high cost so, we replaced for same operation lesser cost way control techniques and saved 3 to 4 lakhs. Forming Mill No 4 to achieve higher production for speed increasing purpose we added gear box in between main motor drive and machine load After absorption twenty percentage production was increased then existing.
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.7173.97Lakhs Total foreign Exchange Outgo Rs.9852.33 Lakhs

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

Place : Hyderabad
Date : 12.08.2026

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

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

Annexure - H

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2026

[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

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	51.71%
2.	Custom designed building solutions & auxiliaries	28112	48.29%

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.	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)
5.	ZAP91 Solar India Private Limited Registered Office: 84/1, Ground and First Floor, Vaishnavi Sovereign, Green Glen Layout, Bellandur, Bangalore, 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	77,409	0	NIL	77,409
ii. Interest due but not paid	0	0	NA	0
iii. Interest accrued but not due	292	0	NA	292
Total (i+ii+iii)	77,701	0	-	77,701
Change in Indebtedness during the financial year	-	-	-	-
* Additions	14,420	-	NIL	14,420
* Reductions	38,221	0	NIL	38,221
Net Change	-23,801	0	0	-23,801
Indebtedness at the end of the financial year				
i. Principal amount	1,01,210	0	NIL	1,01,210
ii. Interest due but not paid	0	0	NA	0
iii. Interest accrued but not due	254	0	NA	254
Total (i+ii+iii)	1,01,464	0	0	1,01,464

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	110	184
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	13	6	19
	(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	30	29	59
	- others, specify	-	-	-
5.	Others	46	1	47
	Total	**163**	**146**	**309**

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	4	5	-	4	17
	* Commission	-	-	-	-	-	-
	* Others, please specify: Remuneration	24	24	24	-	24	96
	Total (1)	28	28	29	-	28	113
2.	Others Non-Executive Directors						
	* Fee for attending board meetings	-	-	-	4	-	4
	* Commission	-	-	-	-	-	-
	* Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	4	-	4
	Total (1+2)	28	28	29	4	28	117

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	118	16	134
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21	-	21
	(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	139	16	155

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 31/03/2025			% OF TOTAL SHARES	NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2026				% 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	3,25,16,320	0	32,5,16,320	24.10	3,25,27,045	0	3,25,27,045	24.10	0.01
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	2,10,05,455	0	2,10,05,455	15.57	2,10,05,455	0	2,10,05,455	15.57	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**5,35,21,775**	**-**	**5,35,21,775**	**39.66**	**5,35,32,500**	**-**	**5,35,32,500**	**39.67**	**0.01**
(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)	**5,35,21,775**	**-**	**5,35,21,775**	**39.66**	**5,35,32,500**	**-**	**5,35,32,500**	**39.67**	**0.01**
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	22,77,913	-	22,77,913	1.69	70,58,439	-	70,58,439	5.23	3.54
(b)	Financial Institutions /Banks	425	1,350.00	1,775	0.00	425	1,350.00	1,775	0.00	-0.00
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	51,41,723	-	51,41,723	3.81	54,52,560	-	54,52,560	4.04	0.23
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

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

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2025			% OF TOTAL SHARES	NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2026				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(i)	Others	-	-	-	-	67,000	-	67,000	0.05	0.05
	Sub-Total B(1) :	**74,20,061**	**1,350**	**74,21,411**	**5.50**	**1,25,78,424**	**1,350**	**1,25,79,774**	**9.32**	**3.82**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	91,14,920	2,855	91,17,775	6.76	92,18,685	2,855	92,21,540	6.83	0.08
(b)	Individuals									
	(i) Individuals holding nominal share capital upto Rs.1 lakh	3,74,60,806	5,61,161	3,80,21,967	28.18	3,38,59,934	5,46,317	3,44,06,251	25.50	-2.68
	(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	2,23,23,258	44,000	2,23,67,258	16.58	2,12,37,678	44,000	2,12,81,678	15.77	-0.80
(c)	Others								0.00	
	CLEARING MEMBERS	298	0	298	0.00	-	0	-	0.00	0.00
	DIRECTORS	33,360	0	33,360	0.02	6,860	0	6,860	0.01	-0.02
	I E P F	8,93,453	0	8,93,453	0.66	8,86,841	0	8,86,841	0.66	0.00
	NON RESIDENT INDIANS	22,95,937	12,215	23,08,152	1.71	18,67,896	12,215	18,80,111	1.39	-0.32
	NRI NON-REPATRIATION	12,58,544	0	12,58,544	0.93	11,48,438	0	11,48,438	0.85	-0.08
	KEY MANAGERIAL PERSONNEL	2,238		2,238	0.00	2,238	0	2,238	0.00	0.00
(d)	Qualified Foreign Investor	**-**	**0**	**-**	**0.00**	**-**	**0**	**-**	**0.00**	**0.00**
	Sub-Total B(2) :	**7,33,82,814**	**6,20,231**	**7,40,03,045**	**54.84**	**6,82,28,570**	**6,05,387**	**6,88,33,957**	**51.01**	**-3.83**
	Total B=B(1)+B(2) :	8,08,02,875	6,21,581	8,14,24,456	60.34	8,08,06,994	6,06,737	8,14,13,731	60.33	-0.01
	Total (A+B) :	13,43,24,650	6,21,581	13,49,46,231	100.00	13,43,39,494	6,06,737	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) :	**13,43,24,650**	**6,21,581**	**13,49,46,231**	**100.00**	**13,43,39,494**	**6,06,737**	**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 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	31/03/2025	Opening Balance	PENNAR HOLDINGS PRIVATE LIMITED	2,10,05,455	15.57	2,10,05,455	15.57
	31/03/2026	Closing Balance				2,10,05,455	15.57
2	31/03/2025	Opening Balance	ADITYA NARSING RAO	89,90,408	6.66	89,90,408	6.66
	14/11/2025	Purchase		6,375	0.00	89,96,783	6.67
	21/11/2025	Purchase		4,350	0.00	90,01,133	6.67
	31/03/2026	Closing Balance				90,01,133	6.67
3	31/03/2025	Opening Balance	J. RAJYALAKSHMI	69,33,038	5.14	69,33,038	5.14
	31/03/2026	Closing Balance				69,33,038	5.14
4	31/03/2025	Opening Balance	JOGINAPALLY VENKATA NRUPENDER RAO	60,10,786	4.45	60,10,786	4.45
	31/03/2026	Closing Balance				60,10,786	4.45
5	31/03/2025	Opening Balance	J. AVANTI RAO	23,97,951	1.78	23,97,951	1.78
	31/03/2026	Closing Balance				23,97,951	1.78
6	31/03/2025	Opening Balance	DANAPUNENI SUDEEPTA RAO	18,61,054	1.38	18,61,054	1.38
	31/03/2026	Closing Balance				18,61,054	1.38
7	31/03/2025	Opening Balance	JAYANTHI PULJAL	17,91,751	1.33	17,91,751	1.33
	31/03/2026	Closing Balance				17,91,751	1.33
8	31/03/2025	Opening Balance	KALPANA PULJAL	17,50,091	1.30	17,50,091	1.30
	31/03/2026	Closing Balance				17,50,091	1.30
9	31/03/2025	Opening Balance	BHAVANA PULJAL	16,94,027	1.26	16,94,027	1.26
	31/03/2026	Closing Balance				16,94,027	1.26
10	31/03/2025	Opening Balance	JOGINAPALLY NRUPENDER RAO HUF	6,60,114	0.49	6,60,114	0.49
	31/03/2026	Closing Balance				6,60,114	0.49
11	31/03/2025	Opening Balance	LAVANYAKUMAR RAO KONDAPALLY	1,80,100	0.13	1,80,100	0.13
	31/03/2026	Closing Balance				1,80,100	0.13
12	31/03/2025	Opening Balance	KONDAPALLY LAKSHMAN RAO HUF	95,200	0.07	95,200	0.07
	31/03/2026	Closing Balance				95,200	0.07
13	31/03/2025	Opening Balance	KONDAPALLY LAVANYA KUMAR RAO HUF	82,200	0.06	82,200	0.06
	31/03/2026	Closing Balance				82,200	0.06
14	31/03/2025	Opening Balance	KONDAPALLY SANDHYA	69,600	0.05	69,600	0.05
	31/03/2026	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 - 31/03/2025	ADITYA NARSING RAO	89,90,408	6.66				89,90,408	6.66
			6,375	0.00	14/11/2025	Increase	Purchase	89,96,783	6.67
			4,350	0.00	21/11/2025	Increase	Purchase	90,01,133	6.67
	Closing Balance - 31/03/2026							90,01,133	6.67

(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 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	31/03/2025	MUT	Opening Balance	BANDHAN SMALL CAP FUND	-	0.00	-	0.00
	17/10/2025		Purchase		2,37,345	0.18	2,37,345	0.18
	24/10/2025		Purchase		70,384	0.05	3,07,729	0.23
	31/10/2025		Sale		55,056	0.04	2,52,673	0.19
	14/11/2025		Purchase		6,72,129	0.50	9,24,802	0.69
	28/11/2025		Purchase		1,50,000	0.11	10,74,802	0.80
	05/12/2025		Purchase		1,41,000	0.10	12,15,802	0.90
	12/12/2025		Purchase		3,93,877	0.29	16,09,679	1.19
	19/12/2025		Purchase		16,457	0.01	16,26,136	1.21
	02/01/2026		Purchase		1,50,000	0.11	17,76,136	1.32
	09/01/2026		Purchase		7,42,998	0.55	25,19,134	1.87
	16/01/2026		Purchase		5,01,724	0.37	30,20,858	2.24
	30/01/2026		Purchase		3,51,552	0.26	33,72,410	2.50
	06/02/2026		Purchase		60,000	0.04	34,32,410	2.54
	20/02/2026		Purchase		10,50,000	0.78	44,82,410	3.32
	27/02/2026		Purchase		1,92,124	0.14	46,74,534	3.46
	06/03/2026		Purchase		2,25,117	0.17	48,99,651	3.63
	13/03/2026		Purchase		3,60,000	0.27	52,59,651	3.90
	20/03/2026		Purchase		3,90,000	0.29	56,49,651	4.19
	27/03/2026		Purchase		3,00,000	0.22	59,49,651	4.41
	31/03/2026		Purchase		1,20,000	0.09	60,69,651	4.50
	31/03/2026		Closing Balance				60,69,651	4.50

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

Sl. No.	Date	Category	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
2	31/03/2025	LTD	Opening Balance	SOUTHEND SECURITIES PRIVATE LIMITED	20,94,730	1.55	20,94,730	1.55
	06/03/2026		Sale		50,000	0.04	20,44,730	1.52
	13/03/2026		Sale		2,05,000	0.15	18,39,730	1.36
	31/03/2026		Closing Balance				18,39,730	1.36
3	31/03/2025	PUB	Opening Balance	AJAY KUMAR AGGARWAL	13,15,000	0.97	13,15,000	0.97
	27/06/2025		Purchase		50,000	0.04	13,65,000	1.01
	31/03/2026		Closing Balance				13,65,000	1.01
4	31/03/2025	LTD	Opening Balance	ZEN SECURITIES LTD	13,60,099	1.01	13,60,099	1.01
	31/03/2026		Closing Balance				13,60,099	1.01
5	31/03/2025	PUB	Opening Balance	K.SWAPNA	13,45,000	1.00	13,45,000	1.00
	31/03/2026		Closing Balance				13,45,000	1.00
6	31/03/2025	PUB	Opening Balance	LEKHYA KANTHETI	13,40,000	0.99	13,40,000	0.99
	31/03/2026		Closing Balance				13,40,000	0.99
7	31/03/2025	FPC	Opening Balance	ACADIAN EMERGING MARKETS MICRO-CAP EQUITY MASTER F	12,54,597	0.93	12,54,597	0.93
	31/03/2026		Closing Balance				12,54,597	0.93
8	31/03/2025	LTD	Opening Balance	ARUNA FINECAP PVT LTD	11,94,053	0.88	11,94,053	0.88
	28/11/2025		Purchase		31,903	0.02	12,25,956	0.91
	31/03/2026		Closing Balance				12,25,956	0.91
9	31/03/2025	PUB	Opening Balance	NITIN TANDON	10,70,000	0.79	10,70,000	0.79
	31/03/2026		Closing Balance				10,70,000	0.79
10	31/03/2025	IEP	Opening Balance	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	8,93,453	0.66	8,93,453	0.66
	04/07/2025		Sale		100	0.00	8,93,353	0.66
	11/07/2025		Sale		200	0.00	8,93,153	0.66
	18/07/2025		Sale		150	0.00	8,93,003	0.66
	01/08/2025		Sale		400	0.00	8,92,603	0.66
	12/09/2025		Sale		146	0.00	8,92,457	0.66
	07/11/2025		Sale		100	0.00	8,92,357	0.66
	21/11/2025		Sale		110	0.00	8,92,247	0.66
	28/11/2025		Sale		225	0.00	8,92,022	0.66
	05/12/2025		Sale		150	0.00	8,91,872	0.66
	12/12/2025		Sale		150	0.00	8,91,722	0.66

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
	09/01/2026		Sale		740	0.00	8,90,982	0.66
	16/01/2026		Sale		700	0.00	8,90,282	0.66
	23/01/2026		Sale		500	0.00	8,89,782	0.66
	30/01/2026		Sale		200	0.00	8,89,582	0.66
	06/02/2026		Sale		170	0.00	8,89,412	0.66
	13/02/2026		Sale		500	0.00	8,88,912	0.66
	20/02/2026		Sale		506	0.00	8,88,406	0.66
	27/02/2026		Sale		325	0.00	8,88,081	0.66
	06/03/2026		Sale		240	0.00	8,87,841	0.66
	13/03/2026		Sale		50	0.00	8,87,791	0.66
	20/03/2026		Sale		450	0.00	8,87,341	0.66
	27/03/2026		Sale		500	0.00	8,86,841	0.66
	31/03/2026		Closing Balance				8,86,841	0.66

(v) Shareholding of Directors and Key Management Personnel

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
1	Opening Balance - 31/03/2025	ADITYA NARSING RAO	89,90,408	6.66				89,90,408	6.66
			6,375	0.00	14/11/2025	Increase	Purchase	89,96,783	6.67
			4,350	0.00	21/11/2025	Increase	Purchase	90,01,133	6.67
	Closing Balance - 31/03/2026							90,01,133	6.67
2	Opening Balance - 31/03/2025	LAVANYAKUMAR RAO KONDAPALLY	1,80,100	0.13				1,80,100	0.13
	Closing Balance - 31/03/2026							1,80,100	0.13
3	Opening Balance - 31/03/2025	KONDAPALLY LAVANYA KUMAR RAO HUF	82,200	0.06				82,200	0.06
	Closing Balance - 31/03/2026							82,200	0.06

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

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
4	Opening Balance - 31/03/2025	VENKATESWARA RAO POTLURI	33,360	0.02				33,360	0.02
			10,000		04/04/2025	Decrease	Sale	23,360	0.02
			5,000		27/06/2025	Decrease	Sale	18,360	0.01
			5,000		22/08/2025	Decrease	Sale	13,360	0.01
			8,500		12/09/2025	Decrease	Sale	4,860	0.00
			2,000		21/11/2025	Decrease	Sale	2,860	0.00
			4,000		20/03/2026	Increase	Purchase	6,860	0.01
	Closing Balance - 31/03/2026							6,860	0.01
5	Opening Balance - 31/03/2025	CHANDRASEKHAR SRIPADA	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	0.00
6	Opening Balance - 31/03/2025	RVS RAMAKRISHNA	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	0.00
7	Opening Balance - 31/03/2025	V S PARTHASARTHY	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	0.00
8	Opening Balance - 31/03/2025	VIRGINIA SHARMA	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	0.00
9	Opening Balance - 31/03/2025	ERIC JAMES BROWN	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	0.00
10	Opening Balance - 31/03/2025	SHRIKANT BHAKKAD	2,238	0.00				2,238	0.00
	Closing Balance - 31/03/2026							2,238	0.00
11	Opening Balance - 31/03/2025	MIRZA MOHAMMED ALI BAIG	-	0.00				-	0.00
	Closing Balance - 31/03/2026							-	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 2025-26	Remuneration paid in 2024-25	Increase in remuneration from previous year	Ratio/median of employee remuneration (2025-26)
1.	Mr. Aditya Rao	Vice-Chairman & Managing Director	163	106	57	30.56
2.	Mr. K Lavanya Kumar Rao	Executive Director	146	129	17	27.38
3.	Mr. Shrikant Bhakkad	Chief Financial Officer	139	119	20	26.06
4.	Mr. Mirza Mohammed Ali Baig	Company Secretary & Compliance Officer	16	16	-	3.00
Non-Executive Directors						
1.	Mr. Chandrasekhar Sripada	Non-Executive Independent Director	28	28	-	5.25
2.	Mr. V S Parthasarathy	Non-Executive Independent Director	28	28	-	5.25
3.	Mr. Ravi Venkata Siva Ramakrishna	Non-Executive Independent Director	29	30	-1	5.44
4.	Ms. Virginia Sharma	Non-Executive Independent Director	28	29	-1	5.25
5.	Mr. Potluri Venkateswara Rao *	Non-Executive Non-Independent Director	4	5	-1	0.75

* Mr. Potluri Venkateswara Rao was paid remuneration by way of sitting fee only.

(iii) The percentage increase in the median remuneration of employees in the financial year: 3.51%

(iv) The number of permanent employees on the rolls of company as on 31st March, 2026: 2,286

(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 9.57%. This is arrived basis the fulltime equivalent (FTE) for FY 25 & FY 26.

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, 2026.

for **Pennar Industries Limited**

Aditya Rao
Vice-Chairman & Managing Director
DIN 01307343

Date: 12.08.2026
Place: Hyderabad

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, 2026 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: 12.08.2026
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, 7th Floor, 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, 7th Floor, 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, 2026.

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 31st March 2026 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: A032743H000032591

Date: 07/04/2026
Place: Hyderabad

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2025-26

SECTION A

I. General Disclosures

I. Details of the listed entity

1.	**Corporate Identity Number (CIN) of the Listed Entity:**	L27109TG1975PLC001919
2.	**Name of the Listed Entity:**	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.	**E-mail:**	corporatecommunications@pennarindia.com
7.	**Telephone:**	+91 40 41923108
8.	**Website:**	https://www.pennarindia.com/index.php
9.	**Financial year for which reporting is being done:**	**1st April, 2025 to 31st March, 2026**
10.	**Name of the Stock Exchange(s) 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):**	**No**
14.	**Name of the assurance provider:**	**NA**
15.	**Type of assurance obtained**	**NA**

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, precision tubes, BIW, hydraulics and auto components.	51.71%
2	Custom designed building solutions & auxiliaries	Pre-engineered Buildings, construction equipments and Engineering Services	48.29%

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	51.71%
2	Custom designed building solutions & auxiliaries	28112	48.29%

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	9	42	51
International	3	5	8

19. Markets served by the entity:

a. Number of Locations

Locations	Locations
National (No of States)	4
International (No of Countries)	2
b. What is the contribution of exports as a percentage of the total turnover of the entity?	1.43%
c. A brief on types of customers	The Company engages with both B2B and B2C customers. Within the B2B sector, The Company provides supplies to automotive and industrial Original Equipment Manufacturers (OEMs). As for the B2C sector, The Company's supplies reach dealers, sub-dealers, and retailers.

IV. Employees

20. Details at the end of the financial year

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)	2117	1925	90.93%	192	9.07%
2	Other than Permanent (E)	175	157	89.71%	18	10.29%
3	Total Employees	2292	2082	90.84%	210	9.16%
Workers						
4	Permanent (F)	721	675	93.62%	46	6.38%
5	Other than Permanent (G)	2847	2537	89.11%	310	10.89%
6	Total (F+G)	3568	3212	90.02%	356	9.98%

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)	0	0	0%	0	0%
2	Other than Permanent (E)	0	0	0%	0	0%
3	Total Employees (D+E)	0				
Differently Abled Workers						
4	Permanent (F)	7	7	100%	0	0%
5	Other than Permanent (G)	0	0	0%	0	0%
6	Total (F+G)	7				

21. Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	14.29%
Key Management Personnel	2	0	0%

22. Turnover rate for permanent employees and workers.

(Disclose trends for the past 3 years)

	FY 2025-26 (Turnover Rate in current FY)			FY 2024-25 (Turnover Rate in previous FY)			FY 2023-24 (Turnover Rate in year prior to previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	29.90%	3.83%	33.73%	25.47%	1.80%	27.27%	18.00%	1.00%	19.00%
Permanent Workers	4.58%	0.14%	4.72%	3.61%	0%	3.61%	2.00%	0.00%	2.00%

b. What is the contribution of exports as a percentage of the total turnover of the entity ?

c. A brief on types of customers

The Company engages with both B2B and B2C customers. Within the B2B sector, The Company provides supplies to automotive and industrial Original Equipment Manufacturers (OEMs). As for the B2C sector, The Company's supplies reach dealers, sub-dealers, and retailers.

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	Wholly Owned Subsidiary	100%	No
2	Pennar GmbH, Germany	Wholly Owned Subsidiary	100%	No
3	Pennar Metals Private Limited	Wholly Owned Subsidiary	100%	No
4	Pennar FZCO	Wholly Owned Subsidiary	100%	No
5	ZAP91 Solar India Private Limited	Joint Venture	45%	No

VI. CSR Details

24	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) :	Yes
	(ii) Turnover (in Rs.)	INR 3,62,009 Lakhs
	(iii) Net worth (in Rs.)	INR 1,16,315 Lakhs

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 2025-26 Current Financial Year			FY 2024-25 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	64	0	-	81	0	-
Employees & Workers	Yes	1687	0	1,662 on working conditions and 25 on health and safety (Principle 3); nil under Principle 5. All resolved during the year.	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	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). 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

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, the 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. Physical threats to the industry are significant, including extreme weather events and water scarcity.	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.	Negative
2	Water Risk	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
3	Waste Management	Risk and Opportunity	Waste management poses both risks and opportunities for companies. Primary risks include potential environmental damage, regulatory noncompliance, and reputational harm.	The Company's approach to waste management embodies the principles of a circular economy: Reduce, Reuse, and Recycle. Waste at all units is segregated into hazardous and non-hazardous categories and disposed of appropriately.	Negative
4	Product Stewardship	Opportunity	By taking responsibility for the environmental and social impacts of products throughout their lifecycle, companies can differentiate themselves in the market and appeal to increasingly conscious consumers.	Not applicable (opportunity identified; no specific mitigation required)	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/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.php	https://www.pennarindia.com/policies.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	No	No	No	No	No	No	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.	ISO 9001:2015 QMS; ISO 14001:2015 EMS; ISO 45001:2018 OHSMS (Steel, Railways, ECD, Tubes, BIW Bus); ISO 3834-2:2021 WQMS (Railway BU); IATF 16949:2016 AQMS (ECD, BIW Bus, Tubes BU); EN15085-2:2020 RWQMS (PTC Plant and CHN Plant, Railway BU); AS9100:2016 ASQMS (Railway BU); ISO 22163:2023 RBMS (IRIS, Railway BU); 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	NIL	Encourage employees to participate in 10K Challenge. Improve employee volunteering by 5% Year on Year. Achieve 100% increase in training and development to all employees from the baseline by 2025. Sustain 100% operations compliant with ISO 45001.	NIL	Zero non-compliance to human rights principles and policies	NIL	NIL	Achieve 10% gender balance by 2027. Implement high impact CSR programs in Education, Health and Community Development	Achieve and 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	NIL	NIL	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).	NO								
If yes, details.									

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																		

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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No.								

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 indutries has policies covering every BRSR principle								
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 WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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	FY 2024-25 (Reference)
Board of Directors	1	The Board is updated on ESG/BRSR development.	100%	Board updated on ESG/BRSR at regular intervals
Key Managerial Personnel	1	Business ethics, ESG and BRSR reporting	100%	2 programmes, 100%
Employees other than BoD and KMPs	492	Basic & Advanced MS Excel Training Statutory Compliance Training Artificial Intelligence (AI) Tools Training for Leaders POSH Policy Training Financial Acumen Training Sales Skills Training Negotiation Skills Training Goal Setting Training 5S Awareness Training Safety Training Business Leadership Programme Basic MS Excel Training Advanced MS Excel Training Technical SOP Training Productivity Enhancement Training Working with Teams / Teamwork Training	86%	474 programmes, 86%
Workers	583	"1.POSH Training 2.First Aid Training / OHS Certification 3.Toolbox Training 4.Safety & Health Awareness 5.5S Awareness 6.Lean & Kaizen 7.TÜV, ISO & Other Certification Awareness"	92%	583 programmess, 92%

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 /enforcement agencies/judicial institutions
NIL	NIL

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

The Company's governance policies are firmly rooted in the principles of ethics, transparency, and timely disclosure. These policies permeate every level of the organisation. The Company encourages all stakeholders to align their actions with its core values and beliefs. The Code of Conduct, applicable to Directors and Senior Management personnel, underscores the importance of acting in the Company's legitimate interest. In its dealings with vendors and contractors, the Company is committed to engaging with those who uphold and adhere to ethical standards.

Web link: https://www.pennarindia.com/corporate-governance.php

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 2025-26 (Current Financial Year)	FY 2024-25 (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 2025-26 (Current Financial Year)		FY 2024-25 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	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 2024-25 (Current Financial Year)	FY2024-25 (Current Financial Year)
Number of days of account payables	186	156 days

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Concentration of purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total pruchases from trading houses	NA	NA
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)	0.56%	0.84%
	b. Sales (Sales to related parties/Total Sales)	2.85%	2.64%
	c. Loans and advances (Loans and advances given to related parties/Total loans and advances)	17.95%	7.69%
	d. Investments (Investments in related parties/Total investments made)	91.33%	93.70%

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	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

2. **Sustainable Sourcing**

a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes	Pennar is actively working to create a sustainable supply chain program that will formalise environmental and social assessments for suppliers.
b. If yes, what percentage of inputs were sourced sustainably? 100% of our products are manufactured as per customer specifications and designs, thereby eliminating the use of hazardous chemicals in the production process.	

3. **Describe the processes in place to reclaim products for reusing, recycling, and disposing at the end of life for**

   a. Plastics (Including Packaging): Pennar factories have environmental management system with operational control procedures to generate, handle, store and dispose hazardous and non-hazardous wastes. Reclamation of product is not applicable due to the nature of business.

   b. E-Waste: Pennar factories have environmental management system with operational control procedures to generate, handle, store and dispose hazardous and non-hazardous wastes. Reclamation of product is not applicable due to the nature of business.

   c. Hazardous waste: Pennar factories have environmental management system with operational control procedures to generate, handle, store and dispose hazardous and non-hazardous wastes. Reclamation of product is not applicable due to the nature of business.

   d. Other waste: Pennar factories have environmental management system with operational control procedures to generate, handle, store and dispose hazardous and non-hazardous wastes. Reclamation of product is not applicable due to the nature of business.

4. **Extended Producer Responsibility (EPR)**

   Extended Producer Responsibility (EPR) is not applicable to the entity's activities / products.

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	1925	1925	100%	1925	100%	0	0%	0	0%	0	0%
Female	192	192	100%	192	100%	5	2.60%	0	0%	0	0%
Total	2117	2117	100%	2117	100%	5	0.24%	0	0%	0	0%
Other than permanent employees											
Male	157	157	100%	157	100%	0	0%	0	0%	0	0%
Female	18	18	100%	18	100%	0	0%	0	0%	0	0%
Total	175	175	100%	175	100%	5	2.86%	0	0%	0	0%

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

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	675	675	100%	675	100%	0	0%	0	0%	0	0%
Female	46	46	100%	46	100%	0	0%	0	0%	0	0%
Total	721	721	100%	721	100%	0	0%	0	0%	0	0%
Other than permanent workers											
Male	2537	2537	100%	2537	100%	0	0%	0	0%	0	0%
Female	310	310	100%	310	100%	0	0%	0	0%	0	0%
Total	2847	2847	100%	2847	100%	0	0%	0	0%	0	0%

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

C. Spending of measures towrads well-being of employees and workers(including permanent and other than permanent) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.001%	0.00100%

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	98.02%	100%	Y	98.75%	100%	Y
Gratuity	98.02%	100%	Y	98.75%	100%	Y
ESI	17.43%	28.57%	Y	22.91%	11%	Y
Others – specify	0%	0%	N.A.			

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. The premises and offices of the Company are accessible to differently abled employees and workers. Web link: https://www.pennarindia.com/corporate-governance.php

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. The Company has an equal opportunity policy. Web link: https://www.pennarindia.com/corporate-governance.php

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	100% (5 employees returned to work)	100%	0	0
Total	100% (5 employees)	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 the Welfare Officer.
Other than Permanent Workers	Yes. Workers can submit their grievances to the Welfare Officer.
Permanent Employees	Yes. SLA based Help Desk on HRMS system is in place to receive grievances from employees.
Other than permanent Employees	Yes. Workers can submit their grievances to the Welfare Officer.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26 Current Financial Year			FY 2024-25 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	1925	0	0%	0	0	0%
Female	192	0	0%	0	0	0%
Total Permanent Workers	747	723	96.79%	782	742	95%
Male	675	675	100%	701	677	96.58%
Female	46	46	100%	46	46	100%

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY 2025-26 Current Financial Year					FY 2024-25 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	2082	1736	83.38%	0	0%	1746	1476	84.54%	0	NA
Female	210	132	62.86%	0	0%	151	89	58.94%	0	NA
Total	2292	1868	81.50%	0	0%	1897	1565	82.50%	0	NA
Workers										
Male	3212	2990	93.09%	0	0%	736	736	100%	0	NA
Female	356	305	85.67%	0	0%	46	46	100%	0	NA
Total	3568	3295	92.35%	0	0%	782	782	100%	0	NA

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Employees						
Male	2082	1752	84.15%	1746	1180	67.58%
Female	210	169	80.48%	151	96	63.58%
Total	2292	1921	83.81%	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). If yes, the coverage such system?

Yes. An occupational health and safety management system has been implemented and is certified to ISO 45001:2018 at all manufacturing locations (Steel, Railways, ECD, Tubes and BIW Bus).

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard Identification and Risk Assessment (HIRA) is used to identify work related hazards and assess risks, applied on both a routine and a non-routine basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. Workers have processes to report work related hazards and to remove themselves from such situations.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

No. Employees and workers do not have access to non-occupational medical and healthcare services. All employees and workers are, however, covered by health insurance and personal accident insurance, as disclosed at Question 1 above.

11. Details of safety related incidents

Safety Incident / Number	Category	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked	Employees	0	0.61
	Workers	0.164	2.01
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	1	0

12. Describe the measures taken by the entity to ensure a safe and healthy work-place.

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 2025-26 Current Financial Year			FY 2024-25 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	All complaints were resolved during the year and nil were pending at the close of the year.	14	0	0
Health & Safety	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	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company undertakes the following safety measures: Identify and issue suitable safety gear (PPE) to employees based on their work. Carry out risk assessment studies. Conduct EHS training on various topics. Implement work permit systems. Identify unsafe conditions and unsafe acts. Conduct safety committee meetings periodically. Organise safety awareness campaigns to educate employees and implement a reward system. Implement statutory requirements.

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. Pennar Industries Limited gives precedence to stakeholder concerns in its decision-making processes.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

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 6. Safety
Investors	No	Investor calls/presentations, Press releases, publications, Statutory reports, AGM 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 3. Inclusive growth
Employees	No	Formal induction at joining, Technical and non-technical training programs, Town hall meetings, Operations review meetings, Intranet portal, Grievance redressal mechanism, Mailers on Safety, Health	Regular Interval	1. Workplace safety 2. Employee welfare 3. Professional growth 4. Employee benefits 5. Diversity at workplace 6. Equal opportunities 7. Wages and benefits 8. Work-life balance

Principle 5. Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	2117	2117	100%	1897	1897	100%
Other than Permanent	175	175	100%	39	39	100%
Total Employees	2292	2292	100%	1936	1936	100%
Workers						
Permanent	721	721	100%	782	782	100%
Other than permanent	2847	2847	100%	2815	2815	100%
Total Workers	3568	3568	100%	3597	3597	100%

2. **Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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	2117	0	NA	2117	100%	1897	0	NA	1897	100%
Male	1925	0	NA	1925	100%	1746	0	NA	1746	100%
Female	192	0	NA	192	100%	151	0	NA	151	100%
Other than Permanent	175	0	NA	175	100%	782	0	NA	782	100%
Male	157	0	NA	157	100%					
Female	18	0	NA	18	100%					
Workers										
Permanent	721	0	NA	721	100%	782	0	NA	782	100%
Male	675	0	NA	675	100%	736	0	NA	736	100%
Female	46	0	NA	46	100%	46	0	NA	46	100%
Other than Permanent	2847	2847	100%	0	0%	2815	2815	100%		
Male	2537	2537	100%	0	0%	2449	2449	100%		
Female	310	310	100%	0	0%	366	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**	**INR 29 LPA**	**1**	**INR 28 LPA**
Key Managerial Personal	**2**	**INR 77.5 LPA**	0	NA
Employees other than BoD and KMP	**2074**	**INR 5.4 LPA**	**209**	**INR 4.7 LPA**
Workers	**674**	**INR 5.5 LPA**	**46**	**INR 4.92 LPA**

4. **Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	5.63%	4.97%

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)**

   Yes. The respective human resources departments are responsible for addressing human rights issues caused or contributed to by the business.

6. **Describe the internal mechanisms in place to redress grievances related to human rights issues**

   The Company has implemented a POSH policy, serving as a comprehensive solution for addressing grievances pertaining to human rights issues. Additionally, PIL's Whistle Blower Policy and Code of Conduct provide guidelines for the establishment and operation of a committee in the event of an investigation. Also, The Company has implemented rigorous policies and routinely organises awareness sessions on human rights.

7. **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 2025-26 (Current Financial Year)			FY 2024-25 (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
Discrimination at workplace	0	0	-	0	0	0
Forced Labour/Involuntary Labour	0	0	-	0	0	0
Wages	0	0	-	0	0	0
Other human right related issues	0	0	-	0	0	0

8. Complaints failed under Sexual Harrasment of Women at workplace (prevention, prohibition and Redressal) Act,2013, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (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

9. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has established an internal committee in accordance with the POSH policy to address grievances related to discrimination and harassment. The Whistle-blower Policy offers a platform for Directors, Employees, customers, and vendors to voice concerns, reflecting PIL's commitment to the highest standards of ethical, moral, and legal business conduct, as well as open communication. The Code of Conduct addresses grievances related to conduct at work.

10. Do human rights requirements form part of your business agreements and contracts? (Yes/No) :

Yes. Human rights requirements form an integral part of the Company's business agreements and contracts.

11. 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	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

12. Provide the details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total electricity consumption (A)	9,855.32	17,887.00
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable resources (A+B+C)	9,855.32	17,887.00
From non-renewable resources		
Total electricity consumption (D)	72,307.33	99,077.00
Total fuel consumption (E)	838.14	1,490.63
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable resources (A+B+C)	73,145.47	100,567.63
Total energy consumed (A+B+C+D+E+F)	83,000.79	118,454.63
Energy intensity per rupee of turnover	22.93 GJ per INR crore	45.95 GJ per INR crore
(Total energy consumption/ turnover in rupees)		
Energy intensity per rupee of turnover adjusted for Purchasing power parity(PPP)	46.64 GJ per million international $	93.73 GJ per million international $
(Total energy consumed/ Revenue from operations adjusted for PPE)		
Energy Intensity in terms of physical output	Not applicable	Not applicable
Energy intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable

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? (Y/N). If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, the remedial action taken, if any.

NA

3. Details of the following disclosures related to water

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water	48,929	55,531
(ii) Groundwater	61,747	45,882
(iii) Third party water		
(iv) Seawater / desalinated water	NA	NA
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	114,863	101,827
Total volume of water consumption (in kilolitres)	114,863	101,413
Water intensity per rupee of turnover (Water consumed / revenue from operations)	31.73 KL per INR crore	39.33 KL per INR crore
Water intensity per rupee of turnover adjusted for Purchasing power parity(PPP)	64.54 KL per million international $	80.24 KL per million international $
(Total water consumption / Revenue from operations adjusted for PPE)		
Water Intensity in terms of physical output	Not applicable	Not applicable
Water intensity (optional) – the relevant metric may be selected by the entity	Not applicable	Not applicable

Yes. Independent third party assessment is carried out by Lawn Enviro Private Limited.

4. Please provide the following details related to water discharge:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment(in kilolitres)		
(i) To Surface Water	Nil	Nil
-No Treatment	Nil	Nil
-With Treatment - please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
-No Treatment	Nil	Nil
-With Treatment - please specify level of treatment	Nil	Nil
(iii) To Sea Water	Nil	Nil
-No Treatment	Nil	Nil
-With Treatment - please specify level of treatment	Nil	Nil
(iv) Sent to third parties	13,116	18,338
-No Treatment	Nil	Nil
-With Treatment - please specify level of treatment	13,116	18,338
(v) Others	Nil	Nil
-No Treatment	Nil	Nil
-With Treatment - please specify level of treatment	Nil	Nil
Total water discharged (in Kilolitres)	13,116	18,338

Yes. Independent third party assessment is carried out by Lawn Enviro Private Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. 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. The high TDS water is treated in the MEE system. The MEE condensate water is treated through RO and reused. 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	(µg /m3)	27	13
Sox	(µg /m3)	14	25
Particulate Mater	(µg /m3)	67	74
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

Yes. Third party monitoring of environmental pollutants is carried out by Lawn Enviro Private Limited.

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	62.31	110.82
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	14,260.61	19,540.19
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions /Revenue from operations)	tCO2e per INR crore	3.96 tCO2e per INR crore	7.62 tCO2e per INR crore
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)	tCO2e per million international $	8.05 tCO2e per million international $	15.55 tCO2e per million international $
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	Not applicable	Not applicable
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	Not applicable	Not applicable

No independent assessment, evaluation or assurance has been carried out by an external agency (N). Total Scope 1 and Scope 2 emissions for FY 2025-26 are 14,322.92 tCO2e (FY 2024-25: 19,651.01 tCO2e). Scope 1 has been computed from fuel consumption applying IPCC 2006 default emission factors for gas and diesel oil with AR5 global warming potentials. Scope 2 has been computed from grid electricity applying the Central Electricity Authority weighted average grid emission factor of 0.710 tCO2 per MWh (CO2 Baseline Database Version 21.0). Electricity drawn from renewable sources has been accounted at zero emissions. Purchasing power parity conversion has been applied at the India PPP conversion rate of 20.34 for FY 2025-26 and 20.40 for FY 2024-25 (IMF World Economic Outlook).

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide the details.

NA

9. Provide details related to waste management by entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	0.31	0.16
Bio-medical waste (C)	0.04	0.03
Construction and demolition waste (D)	NA	NA
Battery waste (E)	4.56	0.84
Radioactive waste (F)	NA	NA
Other Hazardous waste (G)	1,506.73	1,480.00
Other Non-hazardous waste generated (H)	457.74	423.46
(Break-up by composition i.e by materials relevant to the sector		
Total (A+B+C+D+E+F+Gg+H)	**1,969.38**	**1,904.49**
Waste intensity per rupee of turnover (Total waste generated /Revenue from operations)	0.544 MT per INR crore	0.739 MT per INR crore
Waste intensity per rupee of turnover adjusted for Purchasing power parity(PPP) (Total waste generated /Revenue from operations adjusted for PPP)	1.11 MT per million international $	1.51 MT per million international $
Waste intensity in terms of phsyical output	Not applicable	Not applicable
Waste intensity(optional) - the relevant metric may be selected by the entity	Not applicable	Not applicable
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	1,506.73	1,480.00
ii.Re-used	Nil	Nil
iii.Other recovery operations	Nil	Nil
Total	**1,506.73**	**1,480.00**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of Waste		
i.Incineration	Nil	Nil
ii.Landfilling	295.16	184.00
iii.Other disposal operations	162.58	239.46
Total	**457.74**	**423.46**

No independent assessment, evaluation or assurance has been carried out by an external agency (N).

10. Briefly describe the details of waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Hazardous waste is disposed of through TSDF certified operators such as Re-Sustainability Limited. E-waste is handed over to authorised e-waste management vendors. Scrap metal generated during manufacturing is recycled through authorised vendors. Non-hazardous waste is sent to landfill through authorised handlers. The Company works to reduce the use of hazardous and toxic chemicals through material substitution and improved process control.

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. **Is the entity compliant 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, provide 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 complies with all applicable environmental laws and regulations including the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and the Environment Protection Act and rules thereunder.				

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. a. Number of affiliations with trade and industry chambers/associations.

2 (Confederation of Indian Industry and Federation of Indian Chambers of Commerce and Industry)

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

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.		

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
NIL					

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)
Not applicable						

3. **Describe the mechanisms to receive and redress grievances of the community**

   The Company engages with local communities surrounding its operations on a regular basis. Community grievances are received through designated plant-level community engagement officers and are escalated to management for appropriate action. The Company also has an investor grievance mechanism available on its website.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers**

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	INR 0	0
Semi-Urban	INR 78,51,83,453	INR 26,90,05,253
Urban	INR 67,40,98,814	INR 47,68,50,550
Metropolitan	INR 22,83,40,566	INR 91,62,67,537

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators:

1. **Describe the mechanism in place to receive and respond to consumer complaints and feedback**

   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. Complaints can be registered through the Company's website, email, and direct contact with the Quality team. All complaints are tracked and resolved within defined service level timelines.

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	NA
Safe and responsible usage	**NA**
Recycling and/or safe disposal	**NA**

3. **Number of consumer complaints in respect of the following**

Particulars	FY 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (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	0	0	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 (PII), Financial Performance Indicators (FPIs), and other sensitive information of key importance.	0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair Trade Practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	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 OEMs.
Forced recalls	Nil	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).

5. Does the entity have Framework/ policy on cyber security and risks related to data privacy?

Yes. The Company has an IT policy that encompasses data privacy and cyber security for all employees and stakeholders. The Company is in the process of further strengthening its cyber security framework. Web link: https://www.pennarindia.com/corporate-governance.php

6. Provide Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective actions were pending or undertaken during FY 2025-26 with respect to issues relating to consumer data privacy, advertising, cyber security, delivery of essential services, or unfair trade practices.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: NA

b. Percentage of data breaches involving personally identifiable information of customers: NA

c. Impact, if any, of the data breaches: NA

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, 2026, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the 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, 2026, and it's 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 SAs 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 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 we have obtained 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, 2026. 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 Management and Board of Directors are 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 Ind AS. 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 Board of Directors of the Company 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 is 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 of the aforesaid standalone financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone financial statements have been kept by the Company so far as it appears from our examination of those books, except for the mattes stated in 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 Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone financial statements.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS.

    (e) On the basis of the written representations received from the directors as on March 31, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, 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 are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.

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, 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 include test checks, the Company has used three 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 enable at the database level in two of the accounting software's to log any direct data changes. Further the audit trail (edit log) facility was not enabled at application and database, both the levels for another accounting software.

Further, were enabled, audit trail feature has been operated for all the relevant transactions recorded in accounting software. Also during the course of our audit, we did not come across any instance of audit trial 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 or provided by the Company to its directors is within the limits laid prescribed under Section 197 of the Act.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621VCNKML9788

Place: Hyderabad, India
Date: May 26, 2026

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 of current period, 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621VCNKML9788

Place: Hyderabad, India
Date: May 26, 2026

ANNEXURE B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF PENNAR INDUSTRIES LIMITED FOR THE YEAR ENDED March 31, 2026

[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.

B The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, plant and equipment, investment property and right-of-use assets were physically verified by the management 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.

The original title deeds of immovable properties aggregating to Rs. 11,587 lakhs as at March 31, 2026, 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 requirements under paragraph 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 in paragraph 3(i) (e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties and stocks-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. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect of such confirmations. 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 the year the Company has been sanctioned working capital limits in excess of Rs. 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, 2025, September 30, 2025 and December 31, 2025. The Company is yet to submit the return/statement for the quarter ended March 2026, with the Banks and/ financial institutions. Refer Note 17 to the standalone financial statements.

iii (a) According to the information explanation 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	1,587
Balance Outstanding as at balance sheet date in respect of above Cases -Subsidiaries	1,798

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 conditions in relates to those loans and investments made 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 payment of the interest and repayment of principal is not due during the year.

(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 explanation 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 explanation 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 Act, either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, guarantees, and security in respect of which provisions of sections 185 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order to that extent is not applicable to the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Act in respect of investments have been complied with by the Company.

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 Sections 73 to 76 of the Act, 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 of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, service tax, duty of customs, duty of excise, 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 few cases. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records examined by us, dues relating to income tax, goods and service tax and service tax, which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs. in lakhs	Amount Paid Rs. 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	543	-	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	47	-	2020-21 to 2023-24	Assistant Commissionerate
	GST	73	3	2018-19 and 2020-21	Commissioner
	GST	73	4	2020-2021 to 2021-22	State Tax Officer
	GST	13	-	2018-19	Deputy Commissioner (ST) Appeal
	GST	69	-	2017-18	Tribunal
	GST	1,037	-	2017-18 to 2023-24	Deputy Commissioner
	GST	1,264	-	2017-18 to 2020-21	Joint commissioner
	GST	1,431	319	2017-18 to 2023-24	Commissioner Appeal
	GST	2,470	-	2018-19 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	9	2	2018-19	CIT(A)
		1,863	-	2020-21	CIT(A)
		860	-	2018-19	High Court

There are no dues relating to 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 accounted 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 explanation 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.

(e) According to the information and 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. Further, the Company do not have any associate or joint ventures.

(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. Further, the Company do not have any associate or joint ventures. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information and 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 convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements 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 no fraud 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 the 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 in paragraph 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 Act, 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 internal audit reports of the Company issued till date, for the period under audit.

xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the requirement to report on 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 and accordingly, the requirements 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.

vii. 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. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the as disclosed in Note 31 to the standalone financial statements.

(b) In respect of ongoing projects, the Company has transferred unspent amount to a special account within a period of thirty days from the end of the financial year in compliance with Section 135(6) of the 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621VCNKML9788

Place: Hyderabad, India
Date: May 26, 2026

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 Auditor's Report of even date to the Members of Pennar Industries Limited on the Financial Statements for the year ended March 31, 2026]

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Pennar Industries Limited ("the Company") as of March 31, 2026, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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, 2026, based on the internal financial control with reference to 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Managements' and Board of Director's Responsibilities 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 financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. 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.

Auditor's 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 issued by 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 with reference to standalone financial statements. 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 Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621VCNKML9788

Place: Hyderabad, India
Date: May 26, 2026

Standalone Balance Sheet

as at March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
I	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	3	71,417	75,198
	Capital work-in-progress	3A	12,289	3,557
	Investment property	4	8,754	2,410
	Right-of-use assets	5	4,010	4,581
	Other intangible assets	6	608	707
	Financial assets			
	(a) Investments	7	12,994	9,561
	(b) Trade receivables	12	-	41
	(c) Other financial assets	9	1,367	1,285
	Income-tax assets (net)	19 (f)	377	236
	Other non-current assets	10	1,295	1,598
	Total Non-current assets		**1,13,111**	**99,174**
2	**Current assets**			
	Inventories	11	95,841	90,770
	Financial assets			
	(a) Investments	7	153	149
	(b) Trade receivables	12	61,386	52,721
	(c) Cash and cash equivalents	13	7,233	1,661
	(d) Other bank balances	14	6,436	4,817
	(e) Loans	8	1,798	193
	(f) Other financial assets	9	8,306	9,378
	Other current assets	10	13,013	10,837
	Total Current assets		**1,94,166**	**1,70,526**
	Total assets (1+2)		**3,07,277**	**2,69,700**
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	Equity share capital	15	6,747	6,747
	Other equity	16	91,173	81,002
	Total Equity		**97,920**	**87,749**
2	**LIABILITIES**			
	Non-current liabilities			
	Financial liabilities			
	(a) Borrowings	17	26,754	20,538
	(a.i) Lease liabilities	5(b)	1,109	1,912
	(b) Other financial liabilities	22	292	282
	Provisions	18	3,687	3,164
	Deferred tax liabilities (net)	19 (d)	203	785
	Other non-current liabilities	20	28	36
	Total Non-current liabilities		**32,073**	**26,717**
3	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	17	74,456	56,871
	(a.i) Lease liabilities	5(b)	922	1,144
	(b) Trade payables	21		
	Total outstanding dues to micro and small enterprises		1,858	1,261
	Total outstanding dues of other than micro and small enterprises		81,098	82,057
	(c) Other financial liabilities	22	1,936	2,974
	Other current liabilities	20	14,249	8,541
	Provisions	18	477	841
	Current tax liabilities (net)	19 (f)	2,288	1,545
	Total Current liabilities		**1,77,284**	**1,55,234**
	Total Liabilities (2+3)		**2,09,357**	**1,81,951**
	Total Equity and Liabilities (1+2+3)		**3,07,277**	**2,69,700**
	See accompanying notes forming part of the Standalone financial statements	1-47		

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

Standalone Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	**INCOME**			
	Revenue from operations	23	2,74,775	2,57,817
	Other income	24	4,167	2,868
	Total income		**2,78,942**	**2,60,685**
II.	**EXPENSES**			
	Cost of materials consumed	25	1,61,778	1,59,091
	Purchase of traded goods		11,310	1,744
	Changes in inventories of finished goods, work-in-progress and scrap	25 A	(10,457)	(5,847)
	Employee benefits expense	26	18,406	17,710
	Finance costs	27	13,228	11,696
	Depreciation and amortisation expense	28	6,344	5,570
	Other expenses	29	65,374	58,587
	Total expenses		**2,65,983**	**2,48,551**
III.	**Profit before tax (I - II)**		**12,959**	**12,134**
IV.	**Tax expense:**	19 (a)		
	Current tax		3,908	2,514
	Deferred tax charge / (credit)		(593)	576
	Tax adjustments relating to earlier years		(495)	(136)
			2,820	**2,954**
V.	**Profit for the Year (III-IV)**		**10,139**	**9,180**
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)	43	(332)
	- Income tax relating to above items	19 (b)	(11)	84
	Total other comprehensive income / (loss)		**32**	**(248)**
VII.	**Total comprehensive income for the year (V + VI)**		**10,171**	**8,932**
VIII.	**Earning per equity share (Face value of ₹ 5 each)**			
	Basic and Diluted earning per share(₹)	32	7.51	6.80
	See accompanying notes forming part of the Standalone financial statements	1-47		

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Shrikant Bhakkad
Chief Financial Officer

Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 26, 2026

Standalone Statement of Cash Flow

for the year ended March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities:		
Profit before tax	**12,959**	**12,134**
Adjustments for:		
Depreciation and amortisation expense	6,344	5,570
Gain on disposal of subsidiary	(119)	-
Loss on sale/scrap of property, plant and equipment (net)	41	5
Profit on sale of investments (net)	(423)	(223)
Net gain arising from financial instruments designated as FVTPL	(6)	(10)
Unrealized exchange differences (net)	(936)	(276)
Liabilities no longer required written back	(1,397)	(567)
Provision for/(Write back of provision for) credit impaired trade receivables	1,762	(1,013)
Credit impaired trade receivables written off	30	231
Provision for credit impaired advances, deposits and contract assets	1,488	320
Finance costs	13,228	11,696
Interest income	(608)	(423)
Operating profit before working capital changes:	32,363	27,444
Changes in working capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	8,010	10,045
Other liabilities	(1,926)	3,406
Provisions	202	642
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(9,401)	(5,330)
Inventories	(5,071)	(11,396)
Other assets	(2,799)	(4,672)
Cash generated from operations	**21,378**	**20,139**
Direct tax paid (net of refunds)	(2,811)	(3,196)
Net cash flow from operating activities (A)	**18,567**	**16,943**
B. Cash flows from investing activities:		
Purchase of property, plant and equipment, including capital work-in-progress and capital advances	(17,137)	(10,746)
Proceeds from sale of property, plant and equipment	22	1
Purchase of long-term investments	(523)	(178)
Investment in subsidiary	(1,904)	(670)
Investment in joint venture	(1,006)	(644)
Proceeds from disposal of subsidiary	120	-
Purchase of current investments	(36,864)	(6,904)
Proceeds from sale of current Investments	37,289	8,861
Inter-corporate deposits / loans (net)	(1,587)	2,725
Movement in other bank balances (net)	(1,619)	439
Interest received	483	496
Net cash used in investing activities (B)	**(22,726)**	**(6,620)**
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	14,420	14,575
Repayment of long-term borrowings	(7,440)	(7,095)
Proceeds from / (repayment of) short-term borrowings (net)	16,821	(3,406)
Finance costs paid	(12,860)	(11,229)
Interest on lease liabilities	(284)	(384)
Repayment of lease liability	(926)	(1,663)
Net cash flow from /(used in) financing activities (C)	**9,731**	**(9,202)**
Net increase in cash and cash equivalents (A+B+C)	**5,572**	**1,121**
Cash and cash equivalents at the beginning of the year	1,661	540
Cash and cash equivalents at the end of the year (Refer Note 13)	**7,233**	**1,661**

Note: Refer note 40 for borrowings and lease liabilities movements disclousure.
See accompanying notes forming part of the Standalone financial statements 1-47

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

For and on behalf of the Board of Directors
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Place: Hyderabad
Date: May 26, 2026

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Date: May 26, 2026

Statement of changes in Equity

for the year ended March 31, 2026

(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, 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**
Add: Equity shares issued during the year	-	-
Balance as at March 31, 2026	**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, 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**
Profit for the year	-	-	-	-	-	10,139	-	10,139
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	32	32
Balance as at March 31, 2026	**386**	**7,013**	**401**	**6**	**2,056**	**81,675**	**(364)**	**91,173**

See accompanying notes forming part of the Standalone financial statements 1-47

In terms of our report attached
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Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

For and on behalf of the Board of Directors
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Mirza Mohammed Ali Baig
Company Secretary
(M No: A29058)

Place: Hyderabad
Date: May 26, 2026

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, galvanized products, Solar panels. Design, manufacture, supply, service and installation of pre-engineered steel buildings, building components and erection for industries, warehouses, commercial centers, multi storied buildings, aircraft hangars, defense 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 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 assets 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 assets 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 realisability 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 Rs. 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 costless 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 utilise 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**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost. 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

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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.

Supplier finance arrangements

The Group also classifies financial liabilities from supplier finance arrangements as trade payables if they are of the same nature and has terms comparable to regular trade payables. This applies when the arrangement is part of the normal operating cycle and has similar security levels. The related cash flows are included in operating activities in the consolidated statement of cash flows.

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 in Statement of Profit and loss. The carrying amount of investments in joint ventures adjusted by share of net profits / losses in the Balance Sheet.

2.20 Critical accounting judgements and key sources of estimation uncertainty

In the appplication 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

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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 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

Information 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

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Company does not expect this amendment to have an impact on its operations or financial statements.

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, 2026	As at March 31, 2025
Carrying amount of:		
Land (Refer Note 36)	8,285	8,285
Buildings	34,703	35,431
Plant and equipment	20,890	23,371
Electrical equipment	5,086	5,485
Computers	19	39
Office equipment	98	104
Furniture and fixtures	1,805	1,983
Vehicles	531	500
Total [Refer note (a), (b) and (c) below]	**71,417**	**75,198**

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, 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**
Additions	-	-	818	268	654	6	13	40	210	2,009
Disposals/adjustments/write offs	-	-	-	-	-	(117)	(10)	-	(124)	(251)
Balance as at March 31, 2026	**8,285**	**-**	**46,373**	**52,991**	**10,455**	**481**	**361**	**2,512**	**960**	**1,22,418**
Accumulated depreciation as at April 01, 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**
Depreciation for the year	-	-	1,546	2,749	1,053	26	19	218	115	5,726
Disposals/adjustments/write offs	-	-	-	-	-	(117)	(10)	-	(60)	(187)
Accumulated depreciation as at March 31, 2026	**-**	**-**	**11,670**	**32,101**	**5,369**	**462**	**263**	**707**	**429**	**51,001**
Net carrying amount as at March 31, 2026	**8,285**	**-**	**34,703**	**20,890**	**5,086**	**19**	**98**	**1,805**	**531**	**71,417**
Net carrying amount as at March 31, 2025	**8,285**	**-**	**35,431**	**23,371**	**5,485**	**39**	**104**	**1,983**	**500**	**75,198**

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, 2026 amounted to ₹ 78 Lakhs (March 31, 2025: 451 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 9.6% (March 31, 2025: 9.85%). 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, 2026	As at March 31, 2025
Capital work-in-progress	12,289	3,557
Total [Refer note (d) below]	**12,289**	**3,557**

Movement of Capital work-in-progress

Particulars	Opening as at April 01, 2025	Expenditure during the year	Capitalised during the year [Refer Note (d) below]	Closing as at March 31, 2026
Capital work-in-progress	3,557	17,125	8,393	12,289

Particulars	Opening as at April 01, 2024	Expenditure during the year	Capitalised during the year [Refer Note (d) below]	Closing as at March 31, 2025
Capital work-in-progress	18,068	12,618	27,129	3,557

Notes:

a) Capital work-in-progress includes borrowing cost of ₹ 265 Lakhs (March 31, 2025: ₹ 145 Lakhs) (Refer Note 27).

b) The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.6% (March 31, 2025: 9.85%). 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 capitalisation of ₹ 6,384 Lakhs (March 31, 2025: ₹ 2,447 Lakhs).

4. Investment property

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of:		
Buildings	**8,754**	2,410
Total	**8,754**	**2,410**

Notes:

(a) Movement in the carrying amounts of Buildings is as below:

Particulars	Buildings
I. Gross Carrying Value	
Cost as at April 01, 2024	-
Additions	2,447
Disposal	-
Balance as at March 31, 2025	**2,447**
Additions	6,384
Disposal	-
Balance as at March 31, 2026	**8,831**
II. Accumulated depreciation	
Accumulated depreciation as at April 01, 2024	-
Depreciation	37
Disposal	-
Accumulated depreciation as at March 31, 2025	**37**
Depreciation	40
Disposal	-
Accumulated depreciation as at March 31, 2026	**77**
Net carrying amount as at March 31, 2026	**8,754**
Net carrying amount as at March 31, 2025	**2,410**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) Information regarding income and expenditure of Investment Property:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property	209	63
Less: Depreciation	40	37
Profit arising from investment properties before indirect expenses	**169**	**26**

(c) The minimum rentals receivable on lease of investment property is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
With in 1 year	957	192
Between 1 and 2 years	1,256	202
Between 2 and 3 years	1,319	212
Between 3 and 4 years	1,295	223
Between 4 and 5 years	1,209	144
Later than 5 years	7,275	-

(d) Fair value of the investment property is not determined as on March 31, 2026.

5. Right-of-use assets

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of:		
Land	167	457
Buildings	384	542
Plant and equipment	3,459	3,582
Total	**4,010**	**4,581**

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, 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**
Additions	-	44	171	215
Disposals	(299)	(38)	-	(337)
Balance as at March 31, 2026	**185**	**1,510**	**5,032**	**6,727**
II. Accumulated depreciation				
Accumulated depreciation as at April 01, 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**
Depreciation	7	171	294	472
Disposals	(16)	(7)	-	(23)
Balance as at March 31, 2026	**18**	**1,126**	**1,573**	**2,717**
Net Carrying amount as at March 31, 2026	**167**	**384**	**3,459**	**4,010**
Net Carrying amount as at March 31, 2025	**457**	**542**	**3,582**	**4,581**

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, 2026	As at March 31, 2025
Current	922	1,144
Non-current	1,109	1,912
Total (Refer Note 40)	**2,031**	**3,056**

(c) Maturity analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	1,093	1,458
One to five years	1,219	2,266
More than five years	-	-

6. Other intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of acquired other intangible assets:		
Computer software	100	132
Software license	23	37
Other intangible assets	485	538
Total Other intangible assets	**608**	**707**

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, 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**
Additions	7	-	-	7
Disposals/adjustments/write offs	-	-	-	-
Balance as at March 31, 2026	**760**	**263**	**1,126**	**2,149**
II. Accumulated amortisation				
Balance as at April 01, 2024	**552**	**225**	**535**	**1,312**
Amortisation for the year	69	17	53	139
Disposals/adjustments/write offs	-	(16)	-	(16)
Balance as at March 31, 2025	**621**	**226**	**588**	**1,435**
Amortisation for the year	39	14	53	106
Disposals/adjustments/write offs	-	-	-	-
Accumulated amortisation as at March 31, 2026	**660**	**240**	**641**	**1,541**
Net Carrying amount as at March 31, 2026	**100**	**23**	**485**	**608**
Net Carrying amount as at March 31, 2025	**132**	**37**	**538**	**707**

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, 2026		As at March 31, 2025	
		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	5,216	9,365	5,095	8,429
Pennar GmbH., Germany	Euro 1 each	9,37,500	988	25,000	20
Pennar Metals Private Limited, India	₹ 10 each	10,000	1	10,000	1
Pennar FZCO, UAE [Refer note (c)]	Dhs 1 each	10,000	3	10,000	3
			10,357		**8,453**
(B) Investments in equity shares of Joint Venture at cost					
ZAP91 Solar India Private Limited, India [Refer note (d)]	₹ 10 each	1,65,00,000	1,650	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	5,47,000	547	4,61,500	462
Investment in non convertible debentures [Refer note (f)]	₹ 8,76,700 each	50	438	-	-
Aggregate value of Unquoted Non-current investments (A+B+C)			**12,994**		**9,561**
II. Investments - Current					
Unquoted Investment carried at fair value through profit and loss (FVTPL)					
Investments in mutual funds [Refer note (a)]			153		148
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			**153**		**149**

Notes:

a) Details of current-investments (unquoted)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units	Amount	No. of units	Amount
Investments in Mutual Funds				
ICICI Prudential Opportunities Fund	96,511	153	96,511	148
Total current investment		**153**		**148**

(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.

(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.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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) On September 26, 2025, Pennar Industries Limited executed a Share Purchase Agreement (SPA) with M/S Chennamallu Media Works Private Limited (""Purchaser"") for the sale of its entire equity holding (i.e 51% of the share capital) in one of the subsidiaries Enertech Pennar Defence and Engineering Systems Private Limited (Subsidiary Company). The sale of shares comprising 5,100 shares of ₹10 each, was concluded on September 26, 2025 for a total consideration of ₹120 Lakhs and all rights and ownership were deemed transferred to the purchaser. Accordingly, the Company derecognised the investment and recorded a net profit of ₹119 Lakhs in the standalone financial statements.

(f) The Company has invested in secured, unlisted, and unrated redeemable Non-Convertible Debentures (NCDs) issued by JV Holding Private Limited ("JVHPL"). Each debenture has a face value of ₹10,00,000 and carries a coupon interest rate of 15.50% per annum, payable on a quarterly basis.

8. Loans (Unsecured, considered good)

Particulars	As at March 31, 2026	As at March 31, 2025
Current:		
Loan to related parties [Refer Note 35(iii)]	1,798	193
Total	**1,798**	**193**

Note: The Company has extended Inter-Corporate Deposits to its wholly owned subsidiaries Pennar Metals Private Limited ₹ 1,587 Lakhs (2024-25 ₹ Nil) and to Pennar FZCO ₹ 211 Lakhs (2024-25 ₹193 Lakhs). The deposits carry interest rates 12% and 6.98 % respectively per annum and are repayable as per agreed terms. Maximum amount outstanding during the year was ₹ 1,830 Lakhs (2024-25: ₹ 199 Lakhs).

9. Other financial assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current:		
Deposits	1,343	1,278
Deferred lease rent receivable	24	7
Total	**1,367**	**1,285**
Current:		
Interest accrued on deposits with banks	141	16
Interest accrued on loan*	32	922
Contract assets	7,623	6,776
Incentive receivable	8	8
Security deposits	2,024	1,652
Other	56	94
Less: Provision for credit impaired contract assets	(1,260)	-
Less: Provision for credit impaired deposits	(318)	(90)
Total	**8,306**	**9,378**

*Includes interest receivable from related parties [Refer Note 35 (iii)]

Notes forming part of the standalone 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, 2026	As at March 31, 2025
Non-current		
Capital advances	492	1,045
Balance with Statutory/Government Authorities	803	553
Total	**1,295**	**1,598**
Current:		
Advances recoverable in kind or for value to be received	9,974	8,521
Prepaid expenses	1,311	1,291
Employee advance	212	154
Balance with Statutory/Government Authorities	2,361	1,716
Less: Provision for credit impaired advances	(845)	(845)
Total	**13,013**	**10,837**

11. Inventories (At lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	12,285	18,438
Work-in-progress	51,766	45,193
Finished goods	12,684	6,927
Finished goods in- transit	6,047	7,816
Stores and spares and packing material	12,553	11,786
Scrap	506	610
Total	**95,841**	**90,770**

Note: Refer Note 17(a) & 17 (c) for details of charge created on assets.

12. Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Unsecured, considered good	-	41
	-	**41**
Current		
Unsecured, considered good*	61,386	52,721
Credit impaired	10,202	8,470
	71,588	**61,191**
Less: Allowance for credit impaired [Refer note (ii) Below]	10,202	8,470
Total	**61,386**	**52,721**
Total	**61,386**	**52,762**

* Includes dues from related parties [Refer Note 35 (iii)]

Notes:

i. Trade receivables includes retention money aggregating to ₹ 8,150 lakhs (March 31, 2025 : ₹ 8,617 lakhs).

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	8,470	9,714
Impairment losses/(reversed) recognised on trade receivables	1,762	(1,013)
Amounts written off during the year as uncollectible, provision released	(30)	(231)
Balance at the end of the year	**10,202**	**8,470**

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, 2026, ₹ 10,035 Lakhs (As at March 31, 2025 : ₹ 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, 2026	As at March 31, 2025
Balances with banks		
in current accounts	2,802	387
in cash credit accounts	4,431	571
in deposits with original maturity of less than three months	-	703
Total	**7,233**	**1,661**

Note: 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, 2026	As at March 31, 2025
Earmarked balances with banks		
- in Corporate social responsibility unspent account (Refer Note 31)	2	1
- in margin money deposits*	2,929	4,816
- in deposit accounts (maturity greater than 3 months, up to 12 months)	3,505	-
Total	**6,436**	**4,817**

*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.

Note: Refer Note 34 for information about the Company exposure to financial risks.

Notes forming part of the standalone 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, 2026	As at March 31, 2025
Authorised share capital:		
Equity shares		
25,20,00,000 (March 31, 2025: 25,20,00,000) equity shares of ₹ 5 each	12,600	12,600
Preference Shares:		
Series - A: 5,00,000 (March 31, 2025: 5,00,000) cumulative redeemable preference shares of ₹ 100 each	500	500
Series - B: 4,00,00,000 (March 31, 2025: 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 31,2025: 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, 2026		Year ended March 31, 2025	
	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, 2026		As at March 31, 2025	
	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	90,01,133	6.67%	89,90,408	6.66%
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.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

d. Refer Note 17 (b) for details of shares pledged.

e. Shareholding of Promoters as at:

Particulars	Shares held by Promoters				% change during the year
	As at March 31, 2026		As at March 31, 2025		
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	90,01,133	6.67%	89,90,408	6.66%	0.01%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	-
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	-
Joginpally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	-
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	-
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	-
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	-
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	-
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	-

Particulars	Shares held by Promoters				% change during the year
	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%	-
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	-
Joginpally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	-
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	-
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	-
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	-
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	-
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	-

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

16. Other equity

Particulars	As at / For the year ended March 31, 2026	As at / For the year ended March 31, 2025
(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	71,536	62,356
Add: Profit for the year	10,139	9,180
Closing Balance	**81,675**	**71,536**
(g) Remeasurement of defined benefit plan, net of taxes		
Opening balance	(396)	(148)
(Add)/ Less: Defined benefit plan, net of taxes	32	(248)
Closing Balance	**(364)**	**(396)**
Total	**91,173**	**81,002**

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.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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, 2026	As at March 31, 2025
Non-Current		
Term Loans - Secured - at amortised cost [Refer note (a) below]		
- From banks	14,102	6,475
- From non banking financial companies (NBFC's)	12,652	14,063
Total	**26,754**	**20,538**
Current		
Loans repayable on demand from banks - Secured - at amortised cost [Refer note (c) below]		
(i) Cash credits	10,903	6,404
(ii) Working capital demand loans	29,661	28,494
(iii) Credit cards and bills discounting	24,343	16,201
(iv) Customer bills discounting	3,013	-
Current maturities from long term borrowings		
Term Loans-Secured [Refer note (a) below]		
- From banks	3,863	3,032
- From non banking financial companies (NBFC's)	2,673	2,740
Total current borrowing	**74,456**	**56,871**
Total Borrowings	**1,01,210**	**77,409**

Notes:

(a) Summary of borrowings arrangements

Particulars	Term of Repayments	Security	Borrowings availed	Outstanding as at		Rate of Interest
				March 31, 2026	March 31, 2025	
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).	5,117	175	1,453	7.00% to 8.55% p.a

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, 2026	Outstanding as at March 31, 2025	Rate of Interest
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	7.95% to 8.50% p.a.
Yes Bank Limited	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	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	10	25	8.79%
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 Sadashivapet 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	6,117	7,406	9.25%

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, 2026	March 31, 2025	
Bhandan Bank Limited	78 equal monthly instalments of ₹ 53.84 lakhs each commencing from March 2026	Exclusive first charge on Factory Building constructed over land admeasuring Ac 38-5.5 Gts situated at Ankepalli and Chandapur village in Telangana in the Name of the Company. Collateral First charge on industrial land admeasuring Ac 38-5.5 Gts situated at Ankepalli and Chandapur village in Telangana in the Name of the Company. Personal Guarantee given by Aditya Rao.	4,200	4,145	-	9.50%
Axis Bank Limited	72 equal monthly instalments of ₹ 62.5 lakhs each commencing from January 2026	First pari passu charge on land and building pertain to PEBS unit of the Company situated at Ankepally & Chandapur villages Sadashiv pet mandal, Medak district, Telangana.	3,192	2,998	-	9.25%
Kotak Mahindra Bank Limited	60 equal monthly instalments of ₹ 75 lakhs each commencing from November 2025	First charge on Factory Building constructed over land admeasuring Ac 44-28 Gts situated at Ankepalli and Chandapur village in Telangana in the Name of the Company. First charge by way of hypothecation of all immovable assets funded by Axis finance. Personal Guarantee given by Aditya Rao.	4,500	4,150	-	8.80%
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	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	93	119	7.20%
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	50	63	7.35%
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	20	25	7.55%
Indian Bank Limited	59 equal monthly instalments of 0.52 Lakhs commencing from May 2025	First charge by way of hypothecation of the vehicle for which the loan was taken.	190	160	-	7.55%

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, 2026	Outstanding as at March 31, 2025	Rate of Interest
Indian Bank Limited	48 equal monthly instalments of 0.52 Lakhs commencing from April 2026	First charge by way of hypothecation of the vehicle for which the loan was taken.	47	47	-	7.55%
Total			**26,909**	**17,965**	**9,507**	
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	10.85% to 13.00% p.a
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 Sadashivapet plant owned by the Borrower. First charge by way of hypothecation of all the movable assets both present and future pertaining to Sadashivapet 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	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	325	551	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, 2026	March 31, 2025	
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 Rs.90 Cr) First charge by way of hypothecation of all the movable assets both present and future pertaining located at Serilingampally Mandal, Hyderabad (MV Rs.20 Cr) Personal guarantee of Mr. Adiya Rao (NW - Rs.23 Cr)	4,800	3,720	4,248	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	3,100	3,540	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.	9,460	8,138	7,021	8.50%
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	42	55	6.21%
Total			**24,630**	**15,325**	**16,803**	

(b) 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, 2025: 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 9.05% to 9.85% (March 31, 2025: 9.50% to 10.95%)

(c) Details of borrowings guaranteed by Directors :

Particulars	As at March 31, 2026	As at March 31, 2025
Aditya Narsing Rao (Vice Chairman and Managing Director)	1,75,775	1,63,538

(d) The Company has used the borrowings for the purposes for which it was taken. The Company has access to financing facilities of which ₹ 15,308 Lakhs (March 31, 2025 ₹ 26,302 Lakhs) were unused at the end of the reporting period.

(e) The returns of current assets for the quarter ended March 2025, June 2025, September 2025 and December 2025, 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 2026.

The Fixed Assets Coverage Ratio must not less than 1.25 times, the Debt to Equity ration must remain greater than or equal to 2.33 times, the Debt Service Coverage ratio must not less than 1.20 times, the Term Debt to EBITDA must not exceed 2 times, the Net Debt to Total Net Worth must not exceed 1.0 times, The Company has complied with these covenants as at reporting date.

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 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. (March 31, 2025 ₹ 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, 2026	As at March 31, 2025
Non-Current		
Provision for gratuity [Refer note c (iii) below]	2,550	1,717
Provision for compensated absences	684	994
Asset retirement obligation	453	453
Total	**3,687**	**3,164**
Current		
Provision for gratuity [Refer note c (iii) below]	168	510
Provision for compensated absences	309	331
Total	**477**	**841**
Total Provisions	**4,164**	**4,005**

Notes:

Post Retirement Employee Benefits

(a) Post retirement benefit - Defined contribution

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance 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 ₹ 768 lakhs (2024-25: ₹ 796 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	2025-26	2024-25
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value of DBO at the beginning of the year	3,524	3,003
Interest cost	222	214
Current service cost	304	278
Past service cost	89	-
Actuarial loss on obligation	(39)	329
Benefits paid	(331)	(300)
Present value of DBO at the end of the year	**3,769**	**3,524**
ii) Changes in the Fair Value of Plan Asset during the year		
Fair value of plan assets at the beginning of the year	1,297	1,494
Return on plan assets	5	(3)
Interest income	80	106
Benefits paid	(331)	(300)
Fair value of plan assets at the end of the year	**1,051**	**1,297**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	2025-26	2024-25
iii) Amount recognized in Balance Sheet		
Present Value of DBO of the year	(3,769)	(3,524)
Fair value of plan assets at the end of the year	1,051	1,297
Net Liability recognized in the balance sheet	**(2,718)**	**(2,227)**
- Non Current	(2,550)	(1,717)
- Current	(168)	(510)
iv) Components of employer expense		
Current service cost	304	278
Past service cost	89	-
Interest income on net defined benefit obligation	142	108
Expense recognised in Statement of Profit and Loss	**535**	**386**
v) Remeasurement on the net defined benefit obligation		
Actuarial (gain)/loss due to demographic assumptions change in defined benefit obligation	(93)	19
Actuarial loss due to experience and financials assumptions on Defined Benefit Obligation	54	310
Return on plan assets excluding Interest income	(4)	3
Remeasurements recognised in other comprehensive income	**(43)**	**332**
Total defined benefit cost recognised	**492**	**718**

The principal assumptions used for the purposes of the actuarial valuations were as follows:	Valuation as at March 31, 2026	Valuation as at March 31, 2025
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	6.50%
Rate of increase in compensation	9%	9%
Expected average remaining service	19.41	20.4
Employee Attrition rate	26%	20%

Sensitivity Analysis

Particulars	Change in assumption	Effect in Gratuity Obligation
Discount rate	1%	3,653
	(-1%)	(3,894)
Salary Escalation rate	1%	3,887
	(-1%)	(3,657)
Attrition rate	1%	3,657
	(-1%)	(3,997)
Mortality rate	1%	3,769
	(-1%)	(3,769)

Estimate of expected benefit payout (in absolute terms i.e. undiscounted)

Particulars	2025-26	2024-25
Within 1 year	1,219	825
2 to 5 Years	2,353	2,193
6 to 10 Years	886	1,140
> 10 years	275	581

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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, 2026	Valuation as at March 31, 2025
Mortality	100% Of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	6.50%
Rate of increase in compensation	9%	9%
Expected average remaining service	19.41	20.4
Employee Attrition rate	26%	20%

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, 2026	For the year ended March 31, 2025
Current tax	3,908	2,514
Deferred tax	(593)	576
Tax adjustments relating to earlier years	(495)	(136)
Total	**2,820**	**2,954**

b. Income tax expense recognized directly in other comprehensive income:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax effect on actuarial losses on defined benefit obligations (Items that will not be reclassified to profit or loss)	(11)	84
Total	**(11)**	**84**

c. Reconciliation of effective tax rate:

The following is the reconciliation of the Company's effective tax rates for the year ended March 31, 2026 and March 31, 2025.

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Accounting Profit before tax	12,959	12,134
Enacted rate in India	25.17%	25.17%
Tax expense at statutory tax rate of 25.17% (2025: 25.17%)	3,261	3,054
Add: Effect of disallowed expenses such that CSR, Interest on Income tax etc.	54	36
Tax adjustments relating to earlier years	(495)	(136)
Reported in statement of profit and loss	**2,820**	**2,954**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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, 2026	March 31, 2025
Deferred tax assets	(1,739)	(4,549)
Deferred tax liabilities	1,942	5,334
Total	**203**	**785**

e. Movement in deferred tax assets and liabilities:

2025-26	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	5,334	133	-	5,467
Assets				
Provision for employee benefits	(1,182)	(39)	11	(1,209)
Provision for credit impaired trade receivables	(3,031)	(864)	-	(3,894)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(102)	-	-	(102)
Provision for ROU and lease liability (Net)	152	177	-	329
Others	(281)	-	-	(281)
Total	**785**	**(593)**	**11**	**203**

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**

f. Income-tax assets and liabilities

Particulars	As at	
	March 31, 2026	March 31, 2025
Income-tax assets [net of provisions]	377	236
Current tax liabilities [net of advance tax]	(2,288)	(1,545)
Total	**(1,911)**	**(1,309)**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

20. Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Deferred lease liability	28	36
	28	**36**
Current		
Advances from customers	7,085	7,987
Unearned revenue	117	554
CSR payable	126	-
Others*	6,921	-
Total	**14,249**	**8,541**
Total other liabilities	**14,277**	**8,577**

* Others include provision for expenses and employee related payables, etc.,

21. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Acceptances	39,480	42,171
Other than acceptances	43,476	41,147
Total	**82,956**	**83,318**
Of the above:		
i) Dues to micro and small enterprises (MSME)	1,858	1,261
ii) Outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	81,098	82,057

Notes:

a) Supplier financing arrangements

The Company has implemented as supplier financing program and settles the full invoice amount directly with the financial institution based on the original payment terms. This arrangement does not alter the existing payment terms with suppliers. The trade payables subject to the supplier financing program described above are included in trade payables in the standalone balance sheet:

Key terms and conditions of the arrangement are:

- The Company decides which invoices will be financed.
- The Company pays the financier on the 90th day from the date of the invoice.
- The financing terms are negotiated by the Company, and it bears interest in the range of 6–7% on the credit availed.

Carrying amount of financial liabilities that are part of supplier finance arrangement presented in trade payables:

Particulars	As at March 31, 2026	As at March 31, 2025
Presented in trade payables	26,445	NA*
-of which suppliers have received payment from the finance provider	26,445	NA*
Range of payment due dates		
Liabilities that are part of the arrangements	60- 90 days after invoice date	NA*
Comparable trade payables that are not part of the arrangements	60- 90 days after invoice date	NA*

* The Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows companies not to present comparative disclosure for prior periods.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

b) 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).

c) Includes amount payable to related parties - Refer Note 35 (iii).

d) Refer Note 37 (i) for ageing of trade payables.

22. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Retention money payable	99	224
Security Deposits	193	58
Total	**292**	**282**
Current		
Interest accrued on		
-Borrowings	254	292
- MSMED Parties (Refer Note 33)	123	62
Statutory liabilities	483	817
Payables on purchase of property, plant and equipment	419	978
Other payables	657	825
Total	**1,936**	**2,974**

23. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations (Refer notes below)		
- Sale of products	2,43,463	2,30,540
- Revenue from contracts	10,590	8,129
- Sale of services	9,610	8,582
- Scrap sales	10,931	10,303
Other operating revenue		
-Export incentive	181	263
Total	**2,74,775**	**2,57,817**

Notes:

A. Disaggregate revenue information:

Geographic revenue	For the year ended March 31, 2026	For the year ended March 31, 2025
India	2,58,643	2,42,411
United States of America	11,851	12,017
Germany	894	1,446
Dubai	284	-
Others	3,103	1,943
Total	**2,74,775**	**2,57,817**

Notes forming part of the standalone 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, 2026	For the year ended March 31, 2025
Point in time (delivery to customer)	1,20,693	1,26,215
Point in time (Ex-works)	73,991	55,189
Point in time (delivery to port of arrival)	9,014	6,488
Over the period of time	71,077	69,925
Total	**2,74,775**	**2,57,817**

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, 2026	For the year ended March 31, 2025
Revenue as per contract price	2,77,052	2,60,180
Adjustments:		
-Discounts	2,277	2,363
Revenue from contracts with customers	**2,74,775**	**2,57,817**

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, 2026:

Particulars	Products	Contracts	Services
Within 1 year	36,647	52,154	14,608
More than 1 year and less than 2 years	-	-	-
More than 2 years	-	-	-
Total	**36,647**	**52,154**	**14,608**

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	-	-	-
More than 2 years	-	-	-
Total	**72,603**	**38,574**	**6,807**

Notes forming part of the standalone 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, 2026	For the year ended March 31, 2025
Opening balance	6,776	5,459
Add: Revenue recognised during the year	6,997	4,077
Less: Invoices raised during the year	6,150	2,760
Less: Provision for credit impaired contract assets	1,260	-
Balance at the end of the year	**6,363**	**6,776**

E. Changes in unearned revenue is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	554	811
Add: Invoices raised during the year	111	279
Less: Revenue recognised during the year	548	536
Balance at the end of the year	**117**	**554**

F. There are no single customer contributing 10% or more to the Company's revenue (2024-25: Nil).

24. Other income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income earned on financial assets		
- Bank deposits	320	326
- Other interest income	256	97
- Other interest income (loan to subsidiary)	32	-
Net gain arising from financial instruments designated as fair value through Profit and Loss	6	10
Gain on sale of current investments (net)	423	223
Net gain on foreign currency transactions and translation	1,363	341
Liabilities no longer required written back	1,397	567
Rental Income	209	63
Reversal of Provision for credit impaired trade receivables	-	1,013
Profit on sale of subsidiaries	119	-
Others	42	228
Total	**4,167**	**2,868**

25. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material at the beginning of the year	18,438	14,244
Add:- Purchases during the year	1,55,625	1,63,285
Less:- Raw material at the end of the year	12,285	18,438
Total	**1,61,778**	**1,59,091**

Notes forming part of the standalone 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, 2026	For the year ended March 31, 2025
Opening stock of inventories		
Work-in-progress	45,193	44,208
Finished goods	14,743	9,528
Scrap	610	963
Total	**60,546**	**54,699**
Closing stock of inventories		
Work-in-progress	51,766	45,193
Finished goods	18,731	14,743
Scrap	506	610
Total	**71,003**	**60,546**
Increase in inventories of finished goods, work-in-progress and stock-in-trade	**(10,457)**	**(5,847)**

26. Employee benefits expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	16,561	15,967
Contribution to provident and other funds	1,241	1,181
Staff welfare expenses	1,083	935
	18,885	**18,083**
Less: Capitalisation of salaries	479	373
Total	**18,406**	**17,710**

27. Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest:		
Term loans	2,367	2,003
Working capital demand loans	5,375	4,874
On leases	284	384
On others	1,174	207
Bill discounting charges	1,900	2,266
Other bank charges	2,471	2,558
	13,571	**12,292**
Less: Capitalisation of interest [Refer Note 3 (c), 3A(a) and (b)]	343	596
Total	**13,228**	**11,696**

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 3)	5,726	4,883
Depreciation on Investment property (Refer note 4)	40	37
Depreciation on right-of-use assets (Refer note 5)	472	511
Amortisation of intangible assets (Refer note 6)	106	139
Total	**6,344**	**5,570**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

29. Other expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Job work and processing charges	14,579	10,419
Sub-contract expenses	4,716	3,820
Erection expenses	7,193	6,980
Stores and spares consumed	16,293	17,612
Power and fuel	3,489	2,923
Repairs and maintenance		
- Plant and equipment	362	382
- Buildings	9	20
- Others	311	454
Rent	656	651
Travel and conveyance	1,134	1,083
Printing and stationery	71	76
Communication and internet expenses	96	98
Carriage and freight	7,047	6,674
Office expenses	577	688
Legal and professional	1,504	2,394
Auditors remuneration (Refer note below)	74	68
Rates and taxes	372	214
Marketing and selling expenses	490	536
Commission	495	879
Loss on sale of property, plant and equipment	41	5
Corporate social responsibility (Refer Note 31)	174	123
Credit impaired trade and other receivables written off	30	231
Provision for credit impaired trade receivables	1,762	-
Provision for unbilled revenue	1,260	-
Provision for credit impaired advances and deposits	228	320
Miscellaneous expenses	2,411	1,937
Total	**65,374**	**58,587**

Note: Auditors remuneration (excluding applicable taxes)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit fee	45	45
Limited review	15	15
Certificates	8	4
Out of pocket expenses	6	4
Total	**74**	**68**

Notes forming part of the standalone 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, 2026	As at March 31, 2025
a) Claims against the company not acknowledged on debt:		
i) Sales Tax	5,445	6,029
ii) Excise duty and service tax	312	312
iii) Goods and service tax#	6,477	4,902
iv) Entry tax	250	250
v) Income-tax	2,731	979
vi) Others	413	35
Total	**15,628**	**12,507**

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.

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.

(b) The Company has provided Corporate and Performance Guarantee to Several Companies with regards to contractual liabilities under applicable agreements/contracts entered by company with those Companies.

Particulars	As at March 31, 2026	As at March 31, 2025
Corporate guarantee	11,000	-
Performance guarantee	8,326	14,058

(c) Capital and other commitments:

Particulars	As at March 31, 2026	As at March 31, 2025
Capital commitment-Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)	1,684	2,641
Other commitment-Investments	1,478	1,955

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 ₹ 174 lakhs (2024-25 - ₹ 123 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 ₹ 174 lakhs (2024-25 : ₹ 123 lakhs)

b) Amount spent during the year on: Details of expenditure on corporate social responsibility expenditure

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(i) Construction / acquisition of any asset	113	61
(ii) On purposes other than (i) above	40	10

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

c) Details of amount unspent:

Opening Balance		Amount required to be spent during the year	Amount Spent during the year		Closing Balance	
With Company	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#
1	104	174	50	103	#124	2

#The Company has transferred unspent ₹ 124 lakhs into CSR account on April 30, 2026. (In FY 2024-25 ₹104 Lakhs)

d) Contribution to Related Parties/ CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	2025-26	2024-25
Pennar Foundation	Trust in which KMP's are trustees	144	71

32. Earnings per Share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax	10,139	9,180
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	7.51	6.80

Note: No potential equity shares are outstanding as on March 31, 2026 / 2025, and there are no items giving rise to dilutive equity shares. Hence basic EPS is considered diluted EPS.

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, 2026	For the year ended March 31, 2025
(a) Principal amount remaining unpaid to suppliers at the end of the year	1,858	1,261
(b) Interest due there on remaining unpaid to suppliers at the end of the year	123	62
(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	-	-
(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)].	123	62

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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, 2026	As at March 31, 2025
Equity share capital	6,747	6,747
Other equity	91,173	81,002
Total Equity (A)	**97,920**	**87,749**
Non-current borrowings	26,754	20,538
Short-term borrowings	67,920	51,099
Current maturities of long-term borrowings	6,536	5,772
Gross Debt	**1,01,210**	**77,409**
Less: Current investments	(153)	(149)
Less: Cash and cash equivalents	(7,233)	(1,661)
Less: Other bank balances	(6,436)	(4,817)
Net debt (B)	**87,388**	**70,782**
Net debt to equity (B/A)	**0.89**	**0.81**

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, 2026	March 31, 2025
Financial assets		
Measured at amortised cost		
Other financial assets	9,673	10,663
Loans	1,798	193
Trade receivables	61,386	52,762
Cash and cash equivalents	7,233	1,661
Other bank balances	6,436	4,817
Investment in subsidiaries and joint venture	12,007	9,098
Total financial assets measured at amortised cost (A)	**98,533**	**79,194**
Measured at fair value through profit and loss		
Investments in mutual funds	153	148
Total financial assets at fair value through profit and Loss (B)	**153**	**148**
Measured at fair value through Other comprehensive Income		
Investment in Invest trust	987	464
Total financial assets at fair value through profit OCI (C)	**987**	**464**
Total Financial Assets (A+B+C)	**99,673**	**79,806**
Financial Liabilities		
Measured at amortised cost		
Long-term borrowings	26,754	20,538
Short-term borrowings including current maturities of long-term borrowings	74,456	56,871
Trade payables	82,956	83,318
Other financial liabilities	2,228	3,256
Total financial liabilities carried at amortised cost (A)	**1,86,394**	**1,63,983**
Measured at fair value through Profit and Loss		
Lease liabilities	2,031	3,056
Financial liabilities at fair value through Profit and Loss (B)	**2,031**	**3,056**
Total Financial Liabilities (A+B)	**1,88,425**	**1,67,039**

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, 2026

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	AED (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	6,595	2,782	272	272	9,921
Loans	-	-	211	-	211
Interest receivable	-	-	16	-	16
Trade payables	1,124	22	-	-	1,146
Advances	2,190	318	85	-	2,593
Total	**9,909**	**3,122**	**584**	**272**	**13,887**

*Others include currencies such as Qatari Rial, Malaysian Ringgit, Saudi riyal and Oman rial.

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, Saudi Riyal etc

Unhedged foreign currency exposure

Amounts receivable/(payable) in foreign currency

Particulars	As at March 31, 2026			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	69.67	25.52	10.56	12.00
Loans	-	-	8.30	-
Interest receivable	-	-	0.61	-
Trade payables	11.87	0.20	-	-
Advances	23.14	2.92	3.30	-

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	-

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, 2026	March 31, 2025
Strengthening	104.69	93.33
Weakening	(104.69)	(93.33)

The Company enters into forward foreign exchange contracts to hedge its risks associated with foreign currency fluctuations. The use of such contracts is approved by the Board of Directors. The information on derivative is as follows:

The details of forward exchange contracts entered into by the Company on account of highly probable forecast sale transactions, and outstanding as at March 31, 2026 are given below:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts - USD	Buy	1	7,25,500	687

The details of forward exchange contracts entered into by the Company on account of highly probable forecast sale transactions, and outstanding as at March 31,2025 are given below:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts - USD	-	-	-	-

In respect of the company's forward and option contracts a 10% increase /decrease in the respective exchange rates of each of the currencies underlying such contracts would have resulted in :

Particulars	March 31, 2026	March 31, 2025
Impact of INR 10% weakening against USD	(69)	-
Impact of INR 10% strengthening against USD	69	-

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.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Working Capital position

Particulars	As at March 31, 2026	As at March 31, 2025
Current assets	1,94,166	1,70,526
Current liabilities	(1,77,284)	(1,55,234)
Working capital	**16,882**	**15,292**

Sensitivity analysis:

Particulars	Impact on profit and loss	
	March 31, 2026	March 31, 2025
1% increase in interest rate	(169)	(153)
1% decrease in interest rate	169	153

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.

(i) Liquidity exposure as at March 31, 2026

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	24,774	1,980	26,754
Short-term Borrowings including current maturity of long term borrowings	74,456	-	-	74,456
Trade payables	82,956	-	-	82,956
Lease liabilities	922	1,109	-	2,031
Other financial liabilities	1,936	292	-	2,228
	1,60,270	**26,175**	**1,980**	**1,88,425**

(ii) 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**

Refer Note 17 for the details of collateral security against the above mentioned banking facilities.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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, 2026.

(i) Level wise disclosure of Financial instruments as at March 31, 2026 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	987	-	-	987
Current Investments	153	153	-	-
Financial liabilities				
Lease liabilities	2,031	-	2,031	-

(ii) 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	149	149	-	-
Financial liabilities				
Lease liabilities	3,056	-	3,056	-

(iii) Financial instruments as at March 31, 2026 that are measured at amortised cost

Particulars	Carrying Amount
Financial assets	
Non current Investments	12,007
Trade receivables	61,386
Cash and cash equivalents	7,233
Other bank balances	6,436
Loans	1,798
Other financial assets	9,673
Financial liabilities	
Borrowings	1,01,210
Trade payables	82,956
Other financial liabilities	2,228

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(iv) Financial instruments as at March 31, 2025 that are measured at amortised cost

Particulars	Carrying Amount
Financial assets	
Non current Investments	9,098
Trade receivables	52,762
Cash and cash equivalents	1,661
Other bank balances	4,817
Loans	193
Other financial assets	10,663
Financial liabilities	
Borrowings	77,409
Trade payables	83,318
Other financial liabilities	3,256

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 3R1, 2026	March 31, 2025
Enertech Pennar Defense and Engineering Systems Private Limited (Till September 26, 2025)	Subsidiary Company	India	-	51%
Pennar Global Inc.	Subsidiary Company	USA	100%	100%
Pennar GmbH	Subsidiary Company	Germany	100%	100%
Pennar Metals Private Limited	Subsidiary Company	India	100%	100%
Pennar FZCO, UAE	Subsidiary Company	Dubai	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%	100%
Pennar Americas Hydraulics LLC (Formerly Pennar Global Hydralics LLC)	Step-down Subsidiary	USA	100%	100%
Ascent Structural, LLC (w.e.f. June 03, 2025)	Step-down Subsidiary	USA	100%	-
Pennar Global Investments Alabama, LLC (w.e.f. June 16, 2025)	Step-down Subsidiary	USA	100%	-
Agile traders - FZCO (Dubai) (w.e.f. September 23, 2025)	Step-down Subsidiary	Dubai	100%	-
ZAP91 Solar India Private Limited	Joint Venture (Non controlling interest)	India	45%	45%

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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 (Resigned w.e.f. April 10, 2026)
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 & Relative of KMP
Shrikant Bhakkad	Chief Financial Officer
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, 2026	For the year ended March 31, 2025
Sale of goods and services		
Pennar Global Inc.	2,813	5,383
Enertech Pennar Defense and Engineering Systems Private Limited	-	315
Pennar GmbH	892	1,096
Pennar Metals Private Limited	594	-
Pennar FZCO	128	-
Pennar Americas Engineering LLC	2,703	-
Pennar Americas Hydraulics LLC	628	-
Cadnum SARL	74	9
ZAP91 Solar India Private Limited	12	-
Total	**7,844**	**6,803**
Purchase of goods and services		
Pennar Global Inc.	164	405
Enertech Pennar Defense and Engineering Systems Private Limited	-	601
Pennar Metals Private Limited	177	109
Pennar Americas Engineering LLC	478	-
VP Synergic weld solution private Limited	57	257
Total	**876**	**1,372**
Professional charges		
Kondapalli Siddharth Rao	14	8
Intercorporate deposits / Loans given to:		
Pennar FZCO, UAE	-	193
Pennar Metals Private Limited	1,587	-

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, 2026	For the year ended March 31, 2025
Intercorporate deposits / Loans repayment:		
Pennar Global Inc.	-	2,918
Interest income on intercorporate deposits / Loans given:		
Pennar Global Inc.	-	19
Pennar FZCO, UAE	15	-
Pennar Metals Private Limited	16	-
Investment in Subsidiaries		
Pennar Global Inc.	936	666
Pennar GmbH	967	-
Pennar FZCO, UAE	-	3
Investment in Joint Venture		
ZAP91 Solar India Private Limited	1,006	644
Corporate guarantee given to ZAP91 Solar Private Limited	11,000	-
CSR contribution		
Pennar Foundation	144	71
Director's remuneration (Including Perquisites, Contribution to Funds and Commission)		
Joginapally Venkata Nrupender Rao Chairman Emeritus (w.e.f. August 10, 2023)		
-Salary, wages and bonus	138	138
-Perks	56	17
Aditya Narsing Rao		
-Remuneration	74	74
-Perks	1	-
-Other long-term employee benefits - compensated absences	12	12
-Commission	30	20
-Reimbursement of expenses	46	-
Lavanya Kumar Rao Kondapalli		
-Remuneration	110	92
-Perks	1	-
-Other long-term employee benefits - compensated absences	5	5
-Leave travel allowance	-	12
-Commission	29	20
-Reimbursement of expenses	1	-
Chandrasekhar Sripada		
-Remuneration	24	24
-Sitting fee	4	4
Ravi Venkata Siva Ramakrishna		
-Remuneration	24	24
-Sitting fee	5	6
Virginia Sharma		
-Remuneration	24	24
-Sitting fee	4	5

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, 2026	For the year ended March 31, 2025
Vankipuram Srinivasa Parthasarathy		
-Remuneration	24	24
-Sitting fee	4	4
Potluri Venkateswara Rao		
-Sitting fee	4	5
Shrikant Bhakkad(Chief Financial Officer)		
-Salary, wages and bonus	118	103
-Post-employment gratuity and medical benefits	21	16
Mirza Mohammed Ali Baig (Company Secretary)		
-Salary, wages and bonus	15	15
-Other long-term employee benefits - compensated absences	1	1

(iii) Balances with related parties:

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
Pennar Global Inc.	279	391
Pennar Americas Engineering LLC	554	-
VP Synergic weld solution private Limited	-	28
Ascent Buildings, LLC	40	40
Pennar Metals Private Limited	2	126
Managerial Remuneration Payable		
Managerial Commission payable	8	71
Trade receivables		
Enertech Pennar Defense and Engineering Systems Private Limited	-	638
Pennar Global Inc.	356	2,214
Pennar Global Metals, LLC	-	1,438
Pennar GmbH	2,537	2,039
Cadnum SARL	123	81
Pennar FZCO, UAE	112	-
Pennar Americas Engineering LLC	2,123	-
Pennar Americas Hydraulics LLC	353	-
ZAP91 Solar India Private Limited	14	-
Advances to suppliers and others		
Cadnum SARL	23	46
Pennar GmbH	295	426
Pennar FZCO, UAE	85	85
Investment in subsidiary companies		
Enertech Pennar Defense and Engineering Systems Private Limited		1
Pennar Global Inc.	9,365	8,429
Pennar GmbH	988	20

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Pennar Metals Private Limited	1	1
Pennar FZCO, UAE	3	3
Investment in Joint Ventures		
ZAP91 Solar India Private Limited.	1,650	644
Corporate guarantee given to ZAP91 Solar Private Limited	11,000	-
Loans / Inter corporate deposits receivable		
Pennar Global Inc	1,587	-
Pennar FZCO, UAE	211	193
Interest on Inter corporate deposits receivable		
Pennar Global Inc	-	922

Note: Refer note 17 (c) for details of borrowings guaranteed by Directors.

Note 36:

Title Deeds of Immovable property not held in Company's name

<table>
<tr><th>Relevant line item in the Balance sheet</th><th>Description of item of property</th><th>Gross carrying value as at March 31, 2026 (₹ lakhs)</th><th>Title deeds held in the name of</th><th>Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director</th><th>Property held since which date</th><th>Reason for not being held in the name of the Company</th></tr>
<tr><td>Property, plant and equipment</td><td rowspan="2">Land</td><td>195</td><td>Pennar Engineered Building Systems Limited</td><td>No</td><td rowspan="2">May 2019 till Balance sheet date</td><td>The said Land was transferred vide scheme of Amalgamation approved by NCLT, Hyderabad.</td></tr>
<tr><td>Property, plant and equipment</td><td>27</td><td>Pennar Enviro Limited</td><td>No</td><td></td></tr>
<tr><td>Property, plant and equipment</td><td>Land</td><td>74</td><td>Pennar Steels Limited</td><td>No</td><td>April 1986 till Balance sheet date</td><td>The said Land is in the erstwhile name of the Company.</td></tr>
</table>

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

37. Ageing schedules

(i) Trade Payables

As at March 31, 2026	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	-	-	1,858	-	-	-	1,858
(ii) Others	42,140	-	35,674	1,468	1,249	433	80,964
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	106	-	28	134
Total	**42,140**	**-**	**37,532**	**1,574**	**1,249**	**461**	**82,956**

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**

(ii) Trade Receivables (Current & Non-current)

As at March 31, 2026	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	26,124	30,669	4,593	-	-	-	61,386
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	1,679	2,618	989	4,056	9,342
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	860	860
Less: Provision for credit impaired receivable		-	(1,679)	(2,618)	(989)	(4,916)	(10,202)
Total	**26,124**	**30,669**	**4,593**	**-**	**-**	**-**	**61,386**

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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**

(iii) Capital-Work-in progress (CWIP)

(a) For Capital-work-in progress as at March 31, 2026, following is the ageing schedule :

As at March 31, 2026	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	10,338	1,087	864	-	12,289
Total	**10,338**	**1,087**	**864**	**-**	**12,289**

(b) 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**

Note: 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 or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(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.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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 it's property plant and equipment including right of use assets and intangible assets during the year.

39. Financial Ratios

Sl no	Particulars	As at March 31, 2026	As at March 31, 2025	Absolute Change	Variation	Reasoning > 25%
a	Current Ratio (in times)	1.10	1.10	-	0%	No Major change
b	Debt-Equity Ratio (in times)	1.05	0.92	0.13	14%	No Major change
c	Debt Service Coverage Ratio (in times)	1.42	1.24	0.18	15%	No Major change
d	Return on Equity Ratio (in %)	11%	11%	0%	0%	No Major change
e	Inventory turnover ratio (in times)	3.39	3.49	(0.10)	(3%)	No Major change
f	Trade Receivables turnover ratio (in times)	4.81	5.20	(0.39)	(8%)	No Major change
g	Trade payables turnover ratio (in times)	2.21	2.45	(0.24)	(10%)	No Major change
h	Net capital turnover ratio (in times)	16.28	16.86	(0.58)	(3%)	No Major change
i	Net profit ratio (in %)	4%	4%	-	0%	No Major change
j	Return on Capital employed (in %)	13%	14%	-1%	(7%)	No Major change
k	Return on investment (in %)	6%	23%	-17%	(73%)	Investing activities were higher compared to previous year which has resulted in overall decrease in ratio.

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	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

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, 2026					
Short-term borrowings*	56,871	17,585	-	-	74,456
Long-term borrowings	20,538	13,656	-	(7,440)	26,754
Lease liabilities	3,056	148	284	(1,457)	2,031
Total	**80,465**	**31,389**	**284**	**(8,897)**	**1,03,241**
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**

*** Net of payment / receipt disclosed for short-term borrowings.**

41 Subsequent Events

a) Subsequent to the quarter ended March 31, 2026, the Board of directors of the Company, at its meeting held on April 10, 2026, approved the proposal for the issue of 30,00,000 convertible equity warrants to one of the promoter of the Company on preferential basis at a price of ₹ 168 per warrant, aggregating to approximately ₹ 5,040 lakhs. This proposal was subsequently approved by the shareholders at the Extraordinary General Meeting held on May 08, 2026. The Company has applied for in principal approval from stock exchanges, which is currently awaited.

b) The Board of directors of the Company at its meeting held on May 26, 2026, approved the proposal for Investment of ₹ 580 Lakhs in single tranche in the Paid-up Equity share capital of ZAP91 Solar India Private Limited (Joint Venture Company).

Notes forming part of the standalone financial statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

42 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has considered the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

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, 2026 an amount of ₹ 360 lakhs(March 31, 2025: ₹ 374 Lakhs) are unutilized funds which have been temporarily invested in mutual funds and fixed deposits.

45 The Company has used three 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 enable at the database level in two of the accounting software's to log any direct data changes. Further the audit trail (edit log) facility was not enabled at application and database, both the levels for another accounting software.

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 The figures for the previous year have been regrouped / reclassified wherever necessary to confirm to current year presentation.

47 These financial statements were approved for issue by the Company's Board of Directors on May 26, 2026.

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

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") and its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2026, 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 subsidiary 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 its joint venture as at March 31, 2026, of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

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 its 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, 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 the audit evidence obtained by other auditors in terms of their reports 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, 2026. 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 Management and Board of Directors are 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 its joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS. The respective Board of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of each Company and 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 Board of Directors of the Companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its 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 Company 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 its 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 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 Thirteen (13) subsidiaries, whose financial statements reflect total assets of Rs. 68,059 lakhs as at March 31, 2026, total revenues of Rs. 95,962 lakhs and net cash inflow amounting to Rs. 817 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 Rs.28 Lakhs for the year ended March 31, 2026, 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 its 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 state in 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 Ind AS 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, 2026, taken on record by the Board of Directors of the Holding Company, the reports of the statutory auditors of its subsidiary and its joint venture incorporated in India, none of the directors of the Group Company and its joint venture incorporated in India are disqualified as on March 31, 2026, 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 Holding Company and its joint venture incorporate in India and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. The modification 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 1(h)(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 and based on the consideration of the reports of the other auditors on separate / consolidated financial statements of the subsidiaries and joint venture referred to in the Other Matters section above:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its join venture – Refer Note 30 to the consolidated financial statements.

ii. The Group 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 incorporate in India during the year ended March 31, 2026.

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 auditors of such subsidiary and joint venture, respectively that, to the best of their knowledge and belief, as disclosed in the Note 37(v) to the consolidated financial statements, 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 subsidiary and joint venture 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 Holding Company or any of such subsidiary 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 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 auditors of such subsidiary and joint venture respectively that, to the best of their knowledge and belief, as disclosed in the Note 37(vi) to consolidated financial statements, no funds have been

received by the Holding Company or any of such subsidiary and joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary 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 auditors of subsidiary and joint venture, which are companies incorporate 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 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, its subsidiary and joint venture, which are companies incorporate 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 during the year.

vi.(a) Based on our examination which include test checks, the Holding Company has used three 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 enable at the database level in two of the accounting software's to log any direct data changes. Further the audit trail (edit log) facility was not enabled at application and database, both the levels for another accounting software.

Further, were enabled, audit trail feature has been operated for all the relevant transactions recorded in accounting software. Also during the course of our audit, we did not come across any instance of audit trial 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 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, 2026, 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 subsidiary 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 or provided by the Holding company to its directors is within the limits laid prescribed under Section 197 to the Act.

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621EHSCUY2892

Place: Hyderabad, India
Date: May 26, 2026

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 and its joint venture 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 its joint venture 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 and its joint venture 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 or business activities 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 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 consolidated financial statements of the current period 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 LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621EHSCUY2892

Place: Hyderabad, India
Date: May 26, 2026

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, 2026]

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Opinion

In conjunction with our audit of the consolidated financial statements of the **Pennar Industries Limited** ("the Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and it's subsidiary (Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies, which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements referred to in the Other Matters section below, the Group and joint venture company, which are companies incorporated in India, have, 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, 2026, based on the internal financial controls with reference to 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management and Board of Director's Responsibilities for Internal Financial Controls

The Management and the Board of Directors of the Group and its joint venture, which are companies incorporate in India, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. 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 Group and its joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with 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 with reference to financial statements. 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, 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 Group and and joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
ICAI Firm Registration No. 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621
UDIN: 26404621EHSCUY2892

Place: Hyderabad, India
Date: May 26, 2026

Consolidated Balance Sheet

as at March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	Particulars	Note	As at March 31, 2026	As at March 31, 2025
I	**ASSETS**			
1	**Non-current assets**			
	Property, plant and equipment	3	93,753	83,307
	Capital work-in-progress	3A	13,552	5,314
	Investment property	4	8,754	2,410
	Right-of-use assets	5	7,852	8,181
	Goodwill	6A	116	-
	Other intangible assets	6	674	787
	Investments accounted for using the equity method	7	1,566	589
	Financial assets			
	(a) Investments	8	987	464
	(b) Trade receivables	12	-	41
	(c) Other financial assets	9	1,462	1,703
	Income-tax assets (net)	19(e)	470	331
	Deferred tax asset	19(c)	134	92
	Other non-current assets	10	1,295	1,598
	Total Non-current assets		**1,30,615**	**1,04,817**
2	**Current assets**			
	Inventories	11	1,01,041	93,533
	Financial assets			
	(a) Investments	8	153	148
	(b) Trade receivables	12	73,146	58,038
	(c) Cash and cash equivalents	13	20,557	14,137
	(d) Other bank balances	14	6,436	4,817
	(e) Other financial assets	9	7,236	8,482
	Other current assets	10	15,875	11,447
	Total Current assets		**2,24,444**	**1,90,602**
	Total assets (1+2)		**3,55,059**	**2,95,419**
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	Equity share capital	15	6,747	6,747
	Other equity	16	1,09,568	93,098
	Equity attributable to owners of the Parent		**1,16,315**	**99,845**
	Non-controlling interest		-	115
	Total Equity		**1,16,315**	**99,960**
2	**LIABILITIES**			
	Non-current liabilities			
	Financial liabilities			
	(a) Borrowings	17	32,699	20,586
	(a.i) Lease liabilities	5(b)	1,109	1,912
	(b) Other financial liabilities	22	1,712	282
	Provisions	18	3,687	3,164
	Deferred tax liabilities	19(c)	1,170	1,687
	Other non-current liabilities	20	28	36
	Total Non-current liabilities		**40,405**	**27,667**
3	**Current liabilities**			
	Financial liabilities			
	(a) Borrowings	17	81,453	56,926
	(a.i) Lease liabilities	5(b)	922	1,792
	(b) Trade payables	21		
	Total outstanding dues to micro and small enterprises		1,923	1,261
	Total outstanding dues of other than micro and small enterprises		87,989	86,482
	(c) Other financial liabilities	22	6,930	5,573
	Other current liabilities	20	15,358	13,069
	Provisions	18	477	841
	Current tax liabilities (net)	19(e)	3,287	1,848
	Total Current liabilities		**1,98,339**	**1,67,792**
	Total Liabilities (2+3)		**2,38,744**	**1,95,459**
	Total Equity and Liabilities (1+2+3)		**3,55,059**	**2,95,419**
	See accompanying notes forming part of the Consolidated financial statements	1 to 43		

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

Consolidated Statement of Profit and Loss

for the year ended March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

	Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025
I.	**INCOME**			
	Revenue from operations	23	3,62,009	3,22,658
	Other income	24	4,623	3,669
	Total income		**3,66,632**	**3,26,327**
II.	**EXPENSES**			
	Cost of materials consumed	25	2,10,022	1,93,985
	Purchase of traded goods		11,269	2,759
	Changes in inventories of finished goods, work-in-progress and scrap	25 A	(11,777)	(5,155)
	Employee benefits expense	26	39,211	33,654
	Finance costs	27	13,752	11,960
	Depreciation and amortisation expense	28	8,423	6,889
	Other expenses	29	77,775	66,340
	Total expenses		**3,48,675**	**3,10,432**
III.	**Profit before tax (I-II)**		**17,957**	**15,895**
IV.	**Tax expense:**	19 (a)		
	Current tax		5,187	2,618
	Deferred tax charge / (credit)		(646)	1,413
	Tax adjustments relating to earlier years		(495)	(136)
			4,046	**3,895**
V.	**Net Profit for the year before share in loss of joint venture (III-IV)**		**13,911**	**12,000**
	Share in loss after tax of Joint Venture		(28)	(55)
VI.	**Profit after tax**		**13,883**	**11,945**
	Profit for the year attributable to:			
	Shareholders of the Company		13,881	11,927
	Non-controlling Interest		2	18
VII.	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss:			
	- Remeasurements of the net defined benefit liability	18 (c)	43	(332)
	- Income tax relating to above items	19 (b)	(11)	84
	Items that will be reclassified subsequently to profit or loss:			
	Exchange difference in translating the financial statements of foreign operations		2,558	515
	Total other comprehensive Income		**2,590**	**267**
VIII	**Total comprehensive income for the year (VI + VII)**		**16,473**	**12,212**
	Total comprehensive income attributable to			
	Owners of the Parent		16,471	12,194
	Non-controlling Interest		2	18
IX	**Earning per equity share (Face value of ₹ 5 each)**			
	Basic and Diluted (₹) earning per share	31	10.29	8.84
	See accompanying notes forming part of the Consolidated financial statements	1 to 43		

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

Consolidated Statement of Cash Flow

for the year ended March 31, 2026

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Cash flow from operating activities:		
Profit before tax	**17,957**	**15,895**
Adjustments for:		
Share of loss of joint venture accounting using the equity method	(28)	(55)
Depreciation and amortisation expense	8,423	6,889
Loss on disposal of Subsidiary	2	-
Loss on sale/scrap of property, plant and equipment (net)	41	5
Profit on sale of investments(net)	(423)	(223)
Net gain arising from financial instruments designated as FVTPL	(6)	(10)
Unrealised exchange differences (net)	(936)	164
Liabilities no longer required written back	(1,397)	(567)
Provision for/ write back of provision for credit impaired trade receivables	1,762	(769)
Credit impaired trade receivables written off	73	522
Provision for credit impaired advances and deposits	1,488	320
Finance costs	13,752	11,960
Interest income	(821)	(419)
Operating profit before working capital changes:	39,887	33,712
Changes in working capital:		
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	3,663	9,187
Other liabilities	4,674	7,779
Provisions	159	650
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(12,199)	(6,507)
Inventories	(7,508)	(11,016)
Other assets	(4,577)	(4,380)
Cash generated from operations	**24,099**	**29,425**
Direct taxes paid (net of refunds)	(3,887)	(3,827)
Net cash flow from operating activities (A)	**20,212**	**25,598**
B. Cash flows from investing activities:		
Purchase of property, plant and equipment, including capital work-in-progress, capital advances	(32,827)	(12,615)
Acquisition of subsidiary	(116)	-
Proceeds from sale of property, plant and equipment	22	1
Proceeds from disposal of subsidiary	120	-
Purchase of Long-term investments	(643)	(123)
Investment in joint venture	(1,006)	(644)
Purchase of current investments	(36,864)	(6,904)
Proceeds from sale of current investments	37,284	8,862
Movement in other bank balances(net)	(1,619)	439
Interest received	719	487
Net cash used in investing activities (B)	**(34,930)**	**(10,497)**
C. Cash flow from financing activities:		
Proceeds from long-term borrowings	21,051	14,575
Repayment of long-term borrowings	(8,179)	(7,095)
Proceed from / (Repayment of) short-term borrowings (net)	23,768	(3,445)
Finance costs paid	(13,266)	(11,281)
Interest on lease liabilities	(321)	(456)
Repayment of lease liability	(1,946)	(2,337)
Net cash flow from/ (used in) financing activities (C)	**21,107**	**(10,039)**
Net increase in cash and cash equivalents (A+B+C)	**6,389**	**5,062**
Cash and cash equivalents at the beginning of the year	14,137	8,978
Effect of exchange differences on translation of foreign currency cash and cash equivalents	31	97
Cash and cash equivalents at the end of the year (Refer Note 13)	**20,557**	**14,137**

Note: Refer note 38 for borrowings and lease liabilities movements.

See accompanying notes forming part of the Consolidated financial statements 1 to 43

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

Consolidated of changes in Equity

for the year ended March 31, 2026

(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, 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**
Add: Equity shares issued during the year	-	-
Balance as at March 31, 2026	**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, 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**	**93,097**	**115**	**93,212**
Profit for the year	-	-	-	-	-	13,881	-	-	13,881	2	13,883
Remeasurement defined benefit liability net of tax	-	-	-	-	-	-	32	-	32	-	32
Exchange difference in translation of Foreign operations	-	-	-	-	-	-	-	2,558	2,558	(117)	2,441
Balance as at Mar 31, 2026	**386**	**7,014**	**401**	**6**	**2,056**	**96,455**	**(364)**	**3,614**	**1,09,568**	**-**	**1,09,568**

See accompanying notes forming part of the Consolidated financial statements 1 to 43

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

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.

Investments in joint ventures:

When the Group has with other entities joint control of the arrangement and rights to the net assets of the joint arrangement, it recognises its interest as joint ventures. Joint control exists when the decisions about the relevant activities (i.e. activities that significantly affects the investee's returns) require unanimous consent of the parties sharing the control.

The results, assets and liabilities of joint ventures are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever required.

An investment in joint ventures is initially recognised at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint ventures or associates. Gain or loss in respect of changes in Other Equity of joint ventures resulting from divestment or dilution of stake in the joint ventures is recognised in the Statement of Profit and Loss. On acquisition of investment in a joint venture, any excess of cost of investment over the fair value of the assets and liabilities of the joint venture, is recognised as goodwill and is included in the carrying value of the investment in the joint venture. The excess of fair value of assets and liabilities over the investment is recognised directly in equity as capital reserve.

The unrealised profits/losses on transactions with joint ventures are eliminated by reducing the carrying amount of investment.

The carrying amount of investment in joint ventures is reduced to recognise impairment, if any, when there is evidence of impairment.

When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), 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)

discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Upon classification of investment in joint ventures as held for sale, equity accounting is discontinued in respect to that interest.

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.

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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Pennar Metals Private Limited	India	Subsidiary	Subsidiary	100%	100%
Enertech Pennar Defense and Engineering systems Private Limited (Until 26-09-2025)	India	-	Subsidiary	-	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	Subsidiary	100%	100%
Pennar Americas Hydraulics LLC (Formerly Pennar Global Hydraulics LLC)	USA	Subsidiary	Subsidiary	100%	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	Subsidiary	100%	100%
Ascent Structural, LLC (w.e.f June 03, 2025)	USA	Subsidiary	-	100%	-
Pennar Global Investments Alabama, LLC (w.e.f June 16, 2025)	USA	Subsidiary	-	100%	-
Agile traders - FZCO (Dubai) (w.e.f September 23, 2025)	UAE	Subsidiary	-	100%	-
ZAP91 Solar India Private Limited	India	Joint Venture	Joint Venture	45%	45%

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.

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- 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.

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 and Office premises. 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

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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 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 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.

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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 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

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and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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:

Category	Useful Life (Years)
Buildings	30-60
Plant and Machinery	15-20
Factory Equipment (Electricals)	10-20
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 Rs. 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 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 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 (ER P 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.

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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.

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 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

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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.

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 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 recognized if the credit quality of the financial assts 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 Group 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;

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost. 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.

Supplier finance arrangements

The Group also classifies financial liabilities from supplier finance arrangements as trade payables if they are of the same nature and has terms comparable to regular trade payables. This applies when the arrangement is part of the normal operating cycle and has similar security levels. The related cash flows are included in operating activities in the consolidated statement of cash flows.

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 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 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.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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 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.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

2.22 Standards (including amendment) issued but not yet effective:

Amendment to Ind AS 1 'Presentation of Financial Statements'- Classification of Liabilities as current or non-current and non-current liabilities with covenants:

The amendment includes specific provisions that will take effect for reporting periods beginning on or after April 1, 2026, retrospectively, as outlined below:

a) Breach of material covenant for long-term loan arrangement on or before end of reporting period with effect that liability becomes payable on demand as on reporting date, then it shall be classified as current liability, if lender agreed after reporting period and before approval of financial statements to not demand payment as a consequence of breach.

b) Classify as non-current liability, if lender agreed by end of reporting period to provide grace period ending at least 12 months after reporting period within which entity can rectify the breach provided lender does not demand immediate repayment.

c) Disclose information about the timing of settlement to understand the impact of the liability on the financial statements.

The Group does not expect this amendment to have an impact on its operations or financial statements.

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, 2026	As at March 31, 2025
Carrying amount of:		
Land	8,800	8,491
Buildings	42,691	37,556
Plant and equipment	33,664	28,359
Electrical equipment	5,091	5,490
Computers	381	365
Office equipment	127	165
Furniture and fixtures	1,986	2,177
Vehicles	1,013	704
Total [Refer note (a) and (b) below]	**93,753**	**83,307**

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, 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)
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**
Additions	-	-	873	3,023	654	13	13	40	224	4,840
Disposals / adjustments / write offs	-	-	-	-	-	(118)	(10)	-	(124)	(252)
Assets purchase [Refer Note (c) below]	253	-	5,592	5,289	-	38	-	-	343	11,515
Translation adjustments	56	-	755	1,400	-	12	19	32	73	2,347
Balance as at March 31, 2026	**8,800**	**-**	**55,716**	**69,587**	**10,466**	**899**	**552**	**2,865**	**1,833**	**1,50,718**
Accumulated depreciation as at April 01, 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**	**48,959**
Depreciation for the year	-	-	1,963	4,059	1,053	37	53	247	236	7,648
Disposals/adjustments/write offs	-	-	-	-	-	(117)	(10)	-	(60)	(187)
Translation adjustments	-	-	122	348	-	9	17	16	31	544
Accumulated depreciation as at March 31, 2026	**-**	**-**	**13,025**	**35,923**	**5,375**	**518**	**425**	**879**	**820**	**56,964**
Net carrying amount as at March 31, 2026	**8,800**	**-**	**42,691**	**33,664**	**5,091**	**381**	**127**	**1,986**	**1,013**	**93,753**
Net carrying amount as at March 31, 2025	**8,491**	**-**	**37,556**	**28,359**	**5,490**	**365**	**165**	**2,177**	**704**	**83,308**

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, 2026 amounted to Rs. 78 Lakhs (March 31, 2025: 451 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 9.60% (March 31, 2025: 9.85%). 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) During the year, the Group completed the acquisition of certain identified properties, including land, buildings, machinery, office equipment, and vehicles of Telko Enterprises and Telko Properties, for a total consideration of USD 14 million. Management concluded the purchase price allocation based on the report of an external independent expert and finalised the accounting for the business combination in accordance with Ind AS 103 – Business Combinations.

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, 2026	As at March 31, 2025
Capital work-in-progress	13,552	5,314
Total [Refer notes below]	**13,552**	**5,314**

Movement of Capital work-in-progress

Particulars	Opening as at April 01, 2025	Expenditure during the year	Capitalised during the year (Refer notes below)	Closing as at March 31, 2026
Capital work-in-progress	5,314	19,462	11,224	13,552

Particulars	Opening as at April 01, 2024	Expenditure during the year	Capitalised during the year (Refer notes below)	Closing as at March 31, 2025
Capital work-in-progress	21,763	14,426	30,875	5,314

Notes:

a) Capital work-in-progress includes borrowing cost of ₹ 265 Lakhs (March 31, 2025: ₹ 145 Lakhs) (Refer Note 27).

b) The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.60% (March 31,2025: 9.85%). 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 capitalisation of ₹ 6,384 Lakhs (March 31, 2025: ₹ 2,447 Lakhs) during the year.

4. Investment property

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of:		
Buildings	8,754	2,410
Total	**8,754**	2,410

Notes:

(a) Movement in the carrying amounts of Buildings is as below:

Particulars	Buildings
I. Gross carrying value	
Cost as at April 01, 2024	-
Additions	2,447
Disposal	-
Balance as at March 31, 2025	**2,447**
Additions	6,384
Disposal	-
Balance as at March 31, 2026	**8,831**
II. Accumulated depreciation	
Accumulated depreciation as at April 01, 2024	-
Depreciation	37
Disposal	-
Accumulated depreciation as at March 31, 2025	**37**
Depreciation	40
Disposal	-
Accumulated depreciation as at March 31, 2026	**77**
Net carrying amount as at March 31, 2026	**8,754**
Net carrying amount as at March 31, 2025	**2,410**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(b) Information regarding income and expenditure of Investment Property

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rental income derived from investment property	209	63
Less: Depreciation	40	37
Profit arising from investment properties	**169**	**26**

(c) The minimum rentals receivable on lease of investment property is as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
With in 1 year	957	192
Between 1 and 2 years	1256	202
Between 2 and 3 years	1319	212
Between 3 and 4 years	1295	223
Between 4 and 5 years	1209	144
Later than 5 years	7275	-

(d) Fair value of the investment property is not determined as on March 31, 2026.

5. Right-of-use assets

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of:		
Land	412	672
Buildings	3,981	3,927
Plant and equipment	3,459	3,582
	7,852	**8,181**

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, 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**
Additions	-	44	171	215
Disposals	(299)	(38)	-	(337)
Translation adjustments	30	400	-	430
Balance as at March 31, 2026	**499**	**5,619**	**5,032**	**11,150**
II. Accumulated depreciation				
Accumulated depreciation as at April 01, 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**
Depreciation	7	301	294	602
Disposals	(16)	(7)	-	(23)
Translation adjustments	-	58	-	58
Balance as at March 31, 2026	**87**	**1,638**	**1,573**	**3,298**
Net carrying amount as at March 31, 2026	**412**	**3,981**	**3,459**	**7,852**
Net carrying amount as at March 31, 2025	**672**	**3,927**	**3,582**	**8,181**

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, 2026	As at March 31, 2025
Current	922	1,792
Non-current	1,109	1,912
	2,031	**3,704**

(c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	1,093	2,106
One to five years	1,219	2,266
More than five years	-	-

6. Other intangible assets

Particulars	As at March 31, 2026	As at March 31, 2025
Carrying amount of acquired other intangible assets:		
Computer software	87	119
Software license	102	131
Other intangible assets	485	537
Total other intangible assets	**674**	**787**

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, 2024	**754**	**484**	**1,126**	**2,364**
Additions	-	29	-	29
Disposals/adjustments/write offs	-	(41)	-	(41)
Translation adjustments	-	8	-	8
Balance as at March 31, 2025	**754**	**480**	**1,126**	**2,360**
Additions	7	-	-	7
Disposals/adjustments/write offs	-	-	-	-
Translation adjustments	-	36	-	36
Balance as at March 31, 2026	**761**	**516**	**1,126**	**2,403**
II. Accumulated amortisation				
Balance as at April 01, 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**
Amortisation for the year	39	42	52	133
Disposals/adjustments/write offs	-	-	-	-
Translation adjustments	-	23	-	23
Balance as at March 31, 2026	**674**	**414**	**641**	**1,729**
Net carrying amount as at March 31, 2026	**87**	**102**	**485**	**674**
Net carrying amount as at March 31, 2025	**119**	**131**	**537**	**787**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

6A. Goodwill

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Add: Additions (Refer note below)	110	-
Add: Foreign exchange fluctuations	6	-
Less: Impairment/Write off	-	-
Total	**116**	**-**

Note: Pursuant to the acquisition of Agile Traders FZCO by the Group on December 17, 2025, the transaction has been accounted on provisional basis, for as a business combination in accordance with Indian Accounting Standards (Ind AS - 103). The purchase consideration of ₹115 lakhs has been discharged by way of cash payment. The net assets taken over pursuant to the transaction amounted to ₹5 lakhs. Based on the provisional assessment performed by the management, the excess of consideration paid over the net assets acquired amounting to ₹110 lakhs has been recognized as Goodwill in the books of accounts.

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, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Unquoted							
ZAP91 Solar India Private Limited	**India**	Manufacturing	₹ 10 each	45%	45%		
- Cost of acquisition						589	644
-Additions						1,005	-
-(Less) : Group Share of Loss						(28)	(55)
Total						1,566	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, 2026	As at March 31, 2025
Non Current Assets	13,414	1,406
Current Assets	2,866	31
Non current liabilities	13	-
Current liabilities	12,787	129
Net Assets (100%)	**3,480**	**1,308**
Group Share of net assets (45%)	1,566	589
Carrying Amount of Interest in Joint Venture	**1,566**	**589**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

Summarised Statement of Profit and loss of ZAP91 Solar India Private Limited	Year ended March 31,2026	Year ended March 31,2025
Revenue from Operations	-	-
Interest Income	24	-
Cost of Materials consumed	-	-
Depreciation and amortisation expense	6	-
Finance costs	9	1
Employee benefits expense	-	-
Other expenses	72	122
Loss before tax	(63)	(123)
Income tax expense	-	-
Loss for the year	(63)	(123)
Other comprehensive income for the year	-	-
Total comprehensive income for the year (100%)		
Group's share of profit (45%)	(28)	(55)
Group's share of other comprehensive income (45%)	-	-
Group's share of total comprehensive income (45%)	**(28)**	**(55)**

8. Investments

Particulars	Face Value per share	As at March 31, 2026		As at March 31, 2025	
		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	5,47,000	547	4,61,500	462
Investment in non convertible debentures	₹ 8,76,700 each	50	438	-	-
Aggregate value of Unquoted Non-current investment			**987**		**464**
B. Investments - Current					
Unquoted Investment carried at fair value through profit and loss (FVTPL)					
Investments in mutual funds (Refer note below)			153		148
Aggregate value of unquoted current investments			**153**		**148**

Note: Details of current-investments (unquoted)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of units	Amount	No. of units	Amount
Investments in Mutual Funds				
ICICI Prudential Opportunities Fund	96,511	153	96,511	148
Total current investment		**153**		**148**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

9. Other financial assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current:		
Deposits	1,438	1,696
Deferred lease rent receivable	24	7
Total	**1,462**	**1,703**
Current:		
Interest accrued on deposits with banks	141	39
Contract assets	6,585	6,776
Incentive receivable	8	8
Security deposits	2,024	1,655
Other	56	94
Less: Provision for credit impaired contract assets	(1,260)	-
Less: Provision for credit impaired deposits	(318)	(90)
Total	**7,236**	**8,482**

10. Other assets (Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
Capital advances	492	1,045
Balance with Statutory/Government Authorities	803	553
Total	**1,295**	**1,598**
Current:		
Advances recoverable in kind or for value to be received	12,344	8,915
Prepaid expenses	1,574	1,421
Employee advance	212	39
Balance with Statutory/Government Authorities	2,362	1,718
Others	228	199
Less: Provision for credit impaired advances	(845)	(845)
Total	**15,875**	**11,447**

11. Inventories (At lower of cost or net realisable value)

Particulars	As at March 31, 2026	As at March 31, 2025
Raw materials	14,904	19,761
Work-in-progress	52,899	45,746
Finished goods	14,132	7,814
Finished goods-in-transit	6,047	7,816
Stores and spares	12,553	11,786
Scrap	506	610
Total	**1,01,041**	**93,533**

Note: Refer Note 17 (a) and 17 (d) for details of charge created on assets.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

12. Trade receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Non Current		
Unsecured, considered good	-	41
	-	**41**
Current		
Unsecured, considered good	73,146	58,038
Credit impaired	10,488	8,714
	83,634	66,752
Less: Allowance for credit impaired [Refer note (ii) Below]	(10,488)	(8,714)
Total	**73,146**	**58,038**
Total	**73,146**	**58,079**

Notes:

i. Trade receivables includes retention money aggregating to ₹ 8,150 lakhs (March 31, 2025 : ₹ 8,617 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.

The movement in the allowance for Credit impaired:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Balance at the beginning of the year	8,714	9,714
Impairment losses/(reversed) recognised on trade receivables	1,804	(769)
Amounts written off during the year as uncollectible, provision released	(30)	(231)
Balance at the end of the year	**10,488**	**8,714**

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, 2026, ₹ 10,035 Lakhs (As at March 31, 2025 : ₹ 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, 2026	As at March 31, 2025
Cash on hand	-	1
Balances with banks		
in current accounts	16,126	12,743
in cash credit accounts	4,431	571
in deposits with original maturity of less than three months	-	822
Total	**20,557**	**14,137**

Note: 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)

14. Other bank balances

Particulars	As at March 31, 2026	As at March 31, 2025
Earmarked balances with banks		
- in Corporate social responsibility unspent account	2	1
- in margin money deposits*	2,929	4,816
- in deposit accounts (maturity greater than 3 months, up to 12 months)	3,505	#
Total	**6,436**	**4,817**

*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.

Note: Refer note 32 for information about the Company exposure to financial risks.

15. Equity share capital

Particulars	As at March 31, 2026	As at March 31, 2025
Authorised share capital:		
Equity shares		
25,20,00,000 (March 31, 2025: 25,20,00,000) equity shares of ₹ 5 each	12,600	12,600
Preference Shares:		
Series - A: 5,00,000 (March 31, 2025: 5,00,000) cumulative redeemable preference shares of ₹ 100 each	500	500
Series - B: 4,00,00,000 (March 31, 2025: 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, 2025: 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, 2026		Year ended March 31, 2025	
	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, 2026		As at March 31, 2025	
	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	90,01,133	6.67%	89,90,408	6.66%
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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.

e. Details of shareholding of Promoters:

Particulars	As at March 31, 2026		As at March 31, 2025		% change during the year
	No. of shares	% of total shares	No. of shares	% of total shares	
Aditya Narsing Rao	90,01,133	6.67%	89,90,408	6.66%	0.01%
Avanti Rao	23,97,951	1.78%	23,97,951	1.78%	-
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	-
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	-
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	-
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	-
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	-
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	-
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	-

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%	-
Bhavana Puljal	16,94,027	1.26%	16,94,027	1.26%	-
Joginapally Nrupender Rao HUF	6,60,114	0.49%	6,60,114	0.49%	-
J Rajyalakshmi	69,33,038	5.14%	69,33,038	5.14%	-
J N Rupender Rao	60,10,786	4.45%	60,10,786	4.45%	-
Jayanthi Puljal	17,91,751	1.33%	17,91,751	1.33%	-
Kalpana Puljal	17,50,091	1.30%	17,50,091	1.30%	-
Pennar Holdings Private Limited	2,10,05,455	15.57%	2,10,05,455	15.57%	-

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

16. Other equity

Particulars	As at / For the year ended March 31, 2026	As at / For the year ended March 31, 2025
(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**
(f) Retained earnings		
Opening balance	82,574	70,647
Add: Profit for the year	13,881	11,927
Closing Balance	**96,455**	**82,574**
(g) Remeasurement of defined benefit plan, net of taxes		
Opening balance	(396)	(148)
Add: Defined benefit plan, net of taxes	32	(248)
Closing Balance	**(364)**	**(396)**
(h) Foreign exchange translation reserve		
Opening balance	1,056	541
Add: Changes during the year	2,558	515
Closing Balance	**3,614**	**1,056**
Total	**1,09,568**	**93,098**

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.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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.

17. Borrowings

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Term Loans - Secured - at amortised cost [Refer note (a) below]		
- From banks	20,047	6,523
- From non banking financial companies (NBFC's)	12,652	14,063
Total	**32,699**	**20,586**
Current		
Loans repayable on demand from banks- Secured - at amortised cost [Refer note (c) below]		
(i) Cash credits	16,403	6,404
(ii) Working capital demand loans	29,661	28,494
(iii) Credit cards and bills discounting	24,402	16,240
(iv) Customer bills discounting	3,013	-
Current maturities from long-term borrowings		
Term Loans- Secured [Refer note (a) below]		
- From banks	5,301	3,048
- From non banking financial companies (NBFC's)	2,673	2,740
Total current borrowing	**81,453**	**56,926**
Total Borrowings	**1,14,152**	**77,512**

Notes:

(a) Summary of borrowings from banks-Secured

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	Bor-rowings availed	Outstanding as at		Rate of Interest
				March 31, 2026	March 31, 2025	
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	175	1,453	7.00% to 8.55% p.a
ICICI Bank Limited	48 equal monthly instalments of ₹ 13.95 lakhs 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	7.95% to 8.50% p.a
Yes Bank Limited	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	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	10	25	8.79%

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, 2026	March 31, 2025	
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 Sadashivapet 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	6,117	7,406	9.25%
Bhandan Bank Limited	78 equal monthly instalments of ₹ 53.84 lakhs each commencing from January 2026	Exclusive first charge on Factory Building constructed over land admeasuring Ac 38-5.5 Gts situated at Ankepalli and Chandapur village in Telangana in the Name of the Company. Personal Guarantee given by Aditya Rao.	4,200	4,145	-	9.50%
Axis Bank Limited	72 equal monthly instalments of ₹ 62.5 lakhs each commencing from November 2025	First pari passu charge on land and building pertain to PEBS unit of the Company situated at Ankepally & Chandapur villages Sadashiv pet mandal, Medak district, Telangana.	4,500	2,998	-	9.25%

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, 2026	Outstanding as at March 31, 2025	Rate of Interest
Kotak Mahindra Bank Limited	60 equal monthly instalments of ₹ 75 lakhs each commencing from November 2025	First charge on Factory Building constructed over land admeasuring Ac 44-28 Gts situated at Ankepalli and Chandapur village in Telangana in the Name of the Company. First charge by way of hypothecation of all immovable assets funded by Axis finance. Personal Guarantee given by Aditya Rao.	4,500	4,150	-	8.80%
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	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	93	119	7.20%
	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	50	63	7.35%
	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	20	25	7.55%
Indian Bank Limited	59 equal monthly instalments of 0.52 Lakhs commencing from May 2025	First charge by way of hypothecation of the vehicle for which the loan was taken.	190	160		7.55%
Indian Bank Limited	48 equal monthly instalments of 0.52 Lakhs commencing from April 2026	First charge by way of hypothecation of the vehicle for which the loan was taken.	47	47	-	7.55%
	Total		**28,216**	**17,965**	**9,507**	

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 March 31, 2026	Outstanding as at March 31, 2025	Rate of Interest
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	10.85% to 13.00% p.a
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 Sadashivapet plant owned by the Borrower. First charge by way of hypothecation of all the movable assets both present and future pertaining to Sadashivapet 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	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	325	551	13.00%
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 Rs.90 Cr) First charge by way of hypothecation of all the movable assets both present and future pertaining located at Serilingampally Mandal, Hyderabad (MV Rs.20 Cr) Personal guarantee of Mr. Adiya Rao (NW - Rs.23 Cr)	4,800	3,720	4,248	9.60%

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, 2026	March 31, 2025	
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	3,100	3,540	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	8,138	7,021	8.50%
Toyota Financial services Limited	60 equal monthly instalments Rs.1.35 Lakhs commencing from February 2024	First charge by way of hypothecation of the vehicle for which the loan was taken.	70	42	55	6.21%
	Total		**22,630**	**15,325**	**16,803**	

(b) Summary of borrowings from banks-Unsecured

Particulars	Term of Repayments	Borrowings availed	Outstanding as at		Rate of Interest
			March 31, 2026	March 31, 2025	
Credit Agricole	84 equal monthly instalments of € 637.49 Euros each commencing from July 2018	45	3	6	2%
Credit Agricole	84 equal monthly instalments of € 371.92 Euros each commencing from May 2020	27	5	8	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	3	6	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	18	33	0.73%.
Auvergne Rhône Alpes Region	Repayable advance as support companies affected by consequences of the covid 19 Pandemic	18	7	11	0.00%
First Horizon Bank	60 equal monthly instalments of $ 166,260 each commencing from October 15, 2025, total borrowings availed $ 85,00,000 and all company assets and is guaranteed by the company.	7,761	7,347	-	5.92%
	Total	**7,959**	**7,383**	**64**	

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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, 2025:15,00,000 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 9.75% (March 31, 2025: 9.50% to 10.95%).

During FY 2025-26, Pennar Global Inc entered into a line of credit agreement with a First Horizon bank that allows for borrowings up to a maximum of $10,000,000 and expires September 2026. Interest on outstanding advances is payable monthly and accrues at a rate equal to the one-month SOFR rate (5.92% as of March 31, 2026). Borrowings under this agreement are collateralized by substantially all assets of the Company. Outstanding borrowings under this agreement totalled $5,810,369 as of March 31, 2026.

(d) Details of borrowings guaranteed by Directors :

Particulars	As at March 31, 2026	As at March 31, 2025
Aditya Narsing Rao (Vice Chairman and Managing Director)	1,75,775	1,63,538

(e) The Company has used the borrowings for the purposes for which it was taken. The Company has access to financing facilities of which ₹ 19,273 Lakhs (March 31,2025 ₹ 26,302 Lakhs) were unused at the end of the reporting period.

(f) The returns of current assets for the quarter ended March 2025, June 2025, September 2025 and December 2025, 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 2026.

(g) 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, 2026	As at March 31, 2025
Non-Current		
Provision for gratuity [Refer note c (iii) below]	2,550	1,717
Provision for compensated absences	684	994
Asset retirement obligation	453	453
Total	**3,687**	**3,164**
Current		
Provision for gratuity [Refer note c (iii) below]	168	510
Provision for compensated absences	309	331
Total	**477**	**841**
Total Provisions	**4,164**	**4,005**

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 ₹ 768 lakhs (2024- 25: ₹ 796 lakhs) in respect of the defined contribution plans.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(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	2025-26	2024-25
i) Change in Defined Benefit Obligation (DBO) during the year:		
Present value of DBO at the beginning of the year	3,524	3,003
Interest cost	222	214
Current service cost	304	278
Past service cost	89	-
Actuarial loss on obligation	(39)	329
Benefits paid	(331)	(300)
Present value of DBO at the end of the year	**3,769**	**3,524**
ii) Changes in the Fair Value of Plan Asset during the year		
Fair value of plan assets at the beginning of the year	1,297	1,494
Return on plan assets	5	(3)
Interest income	80	106
Benefits paid	(331)	(300)
Fair value of plan assets at the end of the year	**1,051**	**1,297**
iii) Amount recognized in balance sheet		
Present value of DBO of the year	(3,769)	(3,524)
Fair value of plan assets at the end of the year	1,051	1,297
Net (Liability) recognized in the balance sheet	**(2,718)**	**(2,227)**
- Non Current	(2,550)	(1,717)
- Current	(168)	(510)
iv) Components of employer expense		
Current service cost	304	278
Past service cost	89	-
Interest income on net defined benefit obligation	142	108
Expense recognised in statement of Profit and Loss	**535**	**386**
v) Remeasurement on the net defined benefit obligation		
Actuarial (gain) / loss due to financial assumptions change in Defined Benefit Obligation	(93)	3
Actuarial loss due to experience on Defined Benefit Obligation	54	310
Return on Plan Assets excluding Interest Income	(4)	19
Remeasurements recognised in other comprehensive income	**(43)**	**332**
Total defined benefit cost recognised	**492**	**718**

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, 2026	Valuation as at March 31, 2025
Mortality	100% of IALM (2012-14) Ult	
Interest / Discount Rate	6.50%	6.50%
Rate of increase in compensation	9%	9%
Expected average remaining service	19.41	20.40
Employee Attrition rate	26%	20%

Sensitivity Analysis

Particulars	Change in assumption	Effect in Gratuity Obligation
Discount rate	1%	3,653
	(-1%)	(3,894)
Salary Escalation rate	1%	3,887
	(-1%)	(3,657)
Attrition rate	1%	3,657
	(-1%)	(3,997)
Mortality rate	1%	3,769
	(-1%)	(3,769)

Estimate of expected benefit payout (in absolute terms i.e. undiscounted)

Particulars	2025-26	2024-25
Within 1 year	1,219	825
2 to 5 Years	2,353	2,193
6 to 10 Years	886	1,140
> 10 years	275	581

(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, 2026	Valuation as at March 31, 2025
Mortality	100% of IALM (2012-14) Ult	
Interest/Discount Rate	6.50%	6.50%
Rate of increase in compensation	9%	9%
Expected average remaining service	19.41	20,4
Employee Attrition rate	26%	20%

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, 2026	For the year ended March 31, 2025
Current tax	5,187	2,618
Deferred tax	(646)	1,413
Tax adjustments relating to earlier years	(495)	(136)
Total	**4,046**	**3,895**

b. Income tax expense recognized directly in other comprehensive income

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Tax effect on actuarial losses on defined benefit obligations (Items that will not be reclassified to profit or loss)	(11)	84
Total	**(11)**	**84**

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, 2026	As at March 31, 2025
Deferred tax assets	(134)	(92)
Deferred tax liabilities	1,170	1,687

d. Movement in deferred tax liabilities:

2025-26	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income/ adjustments	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Liabilities				
Property, plant and equipment and intangible assets	6,317	133	-	6,450
Assets				
Provision for employee benefits	(1,183)	(39)	11	(1,211)
Provision for credit impaired trade receivables	(3,031)	(893)	-	(3,924)
Provision for loss on onerous contracts	(107)	-	-	(107)
Provision for dismantling cost	(102)	-	-	(102)
Provision for ROU and lease liability	152	177	-	329
Others	(359)	(66)	160	(265)
Total (A)	**1687**	**(688)**	**171**	**1,170**
Movement in deferred tax Assets:				
On account of losses	92	42	-	134
Total (B)	**92**	**42**	**-**	**134**
Net amount (A-B)	**1595**	**(646)**	**171**	**1036**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

2024-25	Opening Balance	Recognised in statement of profit or loss	Recognised in other comprehensive income/ adjustments	Closing balance
Deferred tax liabilities/(assets) in relation to:				
Liabilities				
Property, plant and equipment and Intangible assets	5,054	1263	-	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)	11	(359)
Total (A)	**311**	**1,450**	**(73)**	**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**	**(73)**	**1595**

e. Current tax assets and liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Income-tax assets [net of provisions]	470	331
Current tax liabilities [net of advance tax]	(3,287)	(1,848)
	(2,817)	**(1,517)**

20. Other liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Deferred Lease Liability	28	36
	28	**36**
Current		
Advances from customers	8,174	12,515
Unearned revenue	117	554
CSR Provision payable	126	-
Others*	6,941	-
Total	**15,358**	**13,069**
Total other liabilities	**15,386**	**13,105**

*Other current liabilities include accrued expenses and employee related payables, etc.,

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

21. Trade payables

Particulars	As at March 31, 2026	As at March 31, 2025
Acceptances	39,480	42,171
Other than acceptances	50,432	45,572
Total	**89,912**	**87,743**
Of the above:		
i) Dues to micro, small and medium enterprises (MSME)	1,923	1261
ii) Outstanding dues of creditors other than micro enterprises and small enterprises	87,989	86,482

Refer Note 35 (i) for ageing of Trade payables.

Supplier Finance arrangement

The Group has implemented as supplier financing program and settles the full invoice amount directly with the financial institution based on the original payment terms. This arrangement does not alter the existing payment terms with suppliers. The trade payables subject to the supplier financing program described above are included in trade payables in the consolidated balance sheet:

Key terms and conditions of the arrangement are:

- The Company decides which invoices will be financed.
- The Company pays the financier on the 90th day from the date of the invoice.
- The financing terms are negotiated by the Company, and it bears interest in the range of 6–7% on the credit availed.

Carrying amount of financial liabilities that are part of supplier finance arrangement presented in trade payables:

Particulars	As at March 31, 2026	As at March 31, 2025
Presented in trade payables	26,445	NA*
-of which suppliers have received payment from the finance provider	26,445	NA*
Range of payment due dates		
Liabilities that are part of the arrangements	60- 90 days after invoice date	NA*
Comparable trade payables that are not part of the arrangements	60- 90 days after invoice date	NA*

*The Company has not provided comparative information in respect of the amendments to Ind AS 7 and Ind AS 107 relating to supplier finance arrangements, as it has applied the transitional relief available on initial adoption of these amendments, which allows companies not to present comparative disclosure for prior periods.

22. Other financial liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non-Current		
Retention money payable	99	224
Security deposits	193	58
Promissory note payable*	1,420	-
Total	**1,712**	**282**
Current		
Promissory note payable*	1,242	-
Interest accrued on		
-Borrowings	334	292
- MSME Parties	123	62
Statutory liabilities	1,588	1,826
Payables on purchase of property, plant and equipment	419	978
Other payables	3,224	2,415
Total	**6,930**	**5,573**

*Company has promissory note payable to the seller of Telko Enterprises, Inc, due in annual instalments, including interest at a fixed rate of 5% of ₹ 2,661.57 lakhs through July 2027 The note is secured by certain assets of the Company. The promissory note has been recorded as present value.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

23. Revenue from operations

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from operations (Refer note below)		
- Sale of products	3,29,849	2,93,892
- Revenue from contracts	10,590	8,129
- Sale of services	10,458	10,071
- Scrap sales	10,931	10,303
Other operating revenue		
-Export incentive	181	263
Total	**3,62,009**	**3,22,658**

Notes:

A. Disaggregate revenue information:

Geographic revenue	For the year ended March 31, 2026	For the year ended March 31, 2025
India	2,50,922	2,36,019
United States of America	1,04,457	81,243
Germany	3,072	3,453
Dubai	455	-
Others	3,103	1,943
Total	**3,62,009**	**3,22,658**

Timing of revenue recognition	For the year ended March 31, 2026	For the year ended March 31, 2025
Point in time (delivery to customer)	1,15,211	1,20,413
Point in time (Ex works)	73,991	55,189
Point in time (delivery to port)	9,014	6,488
Over the period of time	1,63,793	1,40,568
Total	**3,62,009**	**3,22,658**

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.

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

B. Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue as per contract price	3,64,286	3,25,021
Adjustments:		
-Discounts	2,277	2,363
Revenue from contracts with customers	**3,62,009**	**3,22,658**

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, 2026:

Particulars	Products	Contracts	Services
Within 1 year	36,647	1,06,694	14,608
More than 1 year and less than 2 years	-	-	-
More than 2 years	-	-	-
Total	**36,647**	**1,06,694**	**14,608**

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**

D. Changes in contract assets are as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	6,776	5,459
Add: Revenue recognised during the year	5,959	4,077
Less: Invoices raised during the year	6,150	2,760
Less: Provision for credit impaired	1,260	-
Balance at the end of the year	**5,325**	**6,776**

E. Changes in unearned revenue is as follows:

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening balance	554	811
Add: Invoices raised during the year	111	279
Less: Revenue recognised during the year	548	536
Balance at the end of the year	**117**	**554**

F. There is no single customers contributing 10% or more to the Company's revenue (2024-25: Nil).

Notes forming part of these Consolidated 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, 2026	For the year ended March 31, 2025
Interest income earned on financial assets		
- Bank deposits	321	326
- Other interest income	500	93
Other non operating income		
-Net gain arising from financial instruments designated as fair value through Profit and Loss	6	10
-Gain on sale of current investments (net)	423	223
-Net gain on foreign currency transactions and translations	1,363	341
-Liabilities no longer required written back	1,397	567
-Rental income	209	63
-Reversal of provision of credit impaired trade receivables (Net)	-	769
-Profit on sale of subsidiaries	119	-
-Others	285	1,277
Total	**4,623**	**3,669**

25. Cost of materials consumed

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Raw material at the beginning of the year	19,761	15,418
Add:- Purchases during the year	2,05,165	1,98,220
Less:- Raw material at the end of the year	14,904	19,761
Cost of materials consumed	**2,10,022**	**1,93,985**

25 A. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Opening stock of inventories		
Work-in-progress	45,746	45,315
Finished goods	15,630	10,552
Scrap	610	855
Translation adjustments	155	108
Total	**62,141**	**56,830**
Closing stock of inventories		
Work-in-progress	52,274	45,746
Finished goods	21,138	15,630
Scrap	506	610
Total	**73,918**	**61,985**
Increase in inventories of finished goods, work-in-progress and stock-in-trade	**(11,777)**	**(5,155)**

Notes forming part of these Consolidated 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, 2026	For the year ended March 31, 2025
Salaries, wages and bonus	34,814	29,846
Contribution to provident and other funds	1,241	1,181
Staff welfare expenses	3,635	3,000
	39,690	**34,027**
Less: Capitalisation of salaries	(479)	(373)
Total	**39,211**	**33,654**

27. Finance costs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest:		
Term loans	2,383	2,003
Working capital demand loans	5,846	5,058
Interest on leases	321	456
Others	1,174	207
Bill discounting charges	1,900	2,266
Other bank charges	2,471	2,566
	14,095	**12,556**
Less: Capitalisation of Interest [Refer Note 3 (b), 3A(a) and (b)]	(343)	(596)
Total	**13,752**	**11,960**

28. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on property, plant and equipment (Refer note 3)	7,648	6,040
Depreciation on Investment property (Refer note 4)	40	37
Depreciation on right-of-use assets (Refer note 5)	602	635
Amortisation of intangible assets (Refer note 6)	133	177
Total	**8,423**	**6,889**

29. Other Expenses

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Job work and processing charges	15,547	10,162
Sub-contract expenses	4,716	3,219
Erection expenses	7,193	6,980
Stores and spares consumed	16,293	17,612
Power and fuel	3,489	2,923
Repairs and maintenance		
- Plant and equipment	1,084	828
- Buildings	9	20
- Others	311	454

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, 2026	For the year ended March 31, 2025
Rent	1,033	898
Travel and conveyance	1,740	1,557
Printing and Stationery	71	76
Communication and Internet expenses	218	194
Carriage and freight	7,047	6,674
Office expenses	3,142	2,516
Legal and professional	3,988	3,888
Auditors remuneration	74	72
Rates and taxes	527	310
Marketing and selling Expenses	2,747	2,345
Commission	495	879
Loss on sale of property, plant and equipment	41	5
Loss on sale of Subsidiary	2	-
Expenditure for Corporate social responsibility	174	123
Credit impaired trade and other receivables written off	73	522
Provision for Contract assets	1,260	-
Provision for credit impaired trade receivables	1,762	-
Provision for credit impaired advances and deposits	228	320
Miscellaneous expenses	4,511	3,763
Total	**77,775**	**66,340**

30 Contingent liabilities and commitments

Particulars	As at March 31, 2026	As at March 31, 2025
a) Claims against the company not acknowledged on debt:		
i) Sales Tax	5,445	6,029
ii) Excise duty and service tax	312	312
iii) Goods and Services Tax #	6,477	4,902
iv) Entry tax	250	250
v) Income-tax	2,731	979
vi) Others	413	35
Total	**15,628**	**12,507**

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 and Performance Guarantee to Several Companies with regards to contractual liabilities under applicable agreements/contracts entered by company with those Companies.

Particulars	As at March 31, 2026	As at March 31, 2025
Corporate guarantee	11,000	-
Performance guarantee	8,326	14,058

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

(c) Capital and other commitments:

Particulars	As at March 31, 2026	As at March 31, 2025
Capital commitment-Estimated Amount of contracts remaining to be executed on capital account (Net of Advances)	1,684	2,641
Other commitment-Investments	478	1,270

31 Earnings per Share

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit after tax	13,881	11,927
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	10,29	8,84

Note: No potential equity shares are outstanding as on March 31, 2026 /2025, 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.

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, 2026	As at March 31, 2025
Equity share capital	6,747	6,747
Other equity	1,09,568	93,098
Total Equity (A)	**1,16,315**	**99,845**
Non-current borrowings	32,699	20,586
Short term borrowings	73,479	51,138
Current maturities of long-term borrowings	7,974	5,788
Gross Debt	**1,14,152**	**77,512**
Less: Current investments	(153)	(148)
Less: Cash and cash equivalents	(20,557)	(14,137)
Less: Other bank balances	(6,436)	(4,817)
Net debt (B)	**87,006**	**58,410**
Net debt to equity (B/A)	**0.75**	**0.59**

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 instruments by category

Particulars	Carrying value as at	
	March 31, 2026	March 31, 2025
Financial assets		
Measured at amortised cost		
Other financial assets	8,698	10,185
Trade receivables	73,146	58,079
Cash and cash equivalents	20,557	14,137
Other bank balances	6,436	4,817
Total financial assets measured at amortised cost (A)	**1,08,837**	**87,218**
Measured at fair value through profit and loss		
Investments in mutual funds	153	148
Total financial assets at fair value through profit and Loss (B)	**153**	**148**
Financial assets at fair value through other comprehensive income		
Investments	987	464
Total Financial assets at fair value through other comprehensive income (C)	**987**	**464**
Total Financial Assets (A+B+C)	**1,09,977**	**87,830**
Financial Liabilities		
Measured at amortised cost		
Long-term borrowings	32,699	20,586
Short-term borrowings	81,453	56,926
Trade payables	89,912	87,744
Other financial liabilities	8,642	5,855
Total financial liabilities carried at amortised cost (A)	**2,12,706**	**1,71,111**
Measured at fair value through Profit and Loss		
Lease liabilities	2,031	3,704
Financial liabilities at fair value through Profit and Loss (B)	**2,031**	**3,704**
Total Financial Liabilities (A+B)	**2,14,737**	**1,74,815**

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

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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.

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, 2026

Particulars	USD (in equivalent INR)	EURO (in equivalent INR)	AED (in equivalent INR)	Other Currencies* (in equivalent INR)	Total (INR)
Trade receivables	3,763	122	160	272	4,317
Trade payables	251	22	-	-	273
Advances	2,190	-	-	-	2,190
Total	**6,204**	**144**	**160**	**272**	**6,780**

*Others include currencies such as Qatari Rial, Malaysian Ringgit, Saudi riyal and Oman rial.

Notes forming part of these Consolidated 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	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, Singapore Dollars etc

Unhedged foreign currency exposure

Amounts receivable/ (payable) in foreign currency

Particulars	As at March 31, 2026			
	USD (In Lakhs)	Euro (In Lakhs)	AED (In Lakhs)	Others (In Lakhs)
Trade receivables	39.76	1.12	6.21	12.01
Trade payables	2.65	0.20	-	-
Advances	23.14	-	-	-

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			

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 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, 2026	March 31, 2025
Strengthening	65.54	86.06
Weakening	(65.54)	(86.06)

The Company enters into forward foreign exchange contracts to hedge its risks associated with foreign currency fluctuations. The use of such contracts is approved by the Board of Directors. The information on derivative is as follows:

The details of forward exchange contracts entered into by the Company on account of highly probable forecast sale transactions, and outstanding as at March 31, 2026 are given below:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts - USD	Buy	1	7,25,500	687

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

The details of forward exchange contracts entered into by the Company on account of highly probable forecast sale transactions, and outstanding as at March 31, 2025 are given below:

Derivatives	Buy/Sell	No. of Contracts	Amount in Foreign Currency (USD)	Amount in INR Lakhs
Forward Contracts - USD	-	-	-	-

In respect of the company's forward and option contracts a 10% increase /decrease in the respective exchange rates of each of the currencies underlying such contracts would have resulted in :

Particulars	March 31, 2026	March 31, 2025
Impact of INR 10% weakening against USD	69	-
Impact of INR 10% strengthening against USD	(69)	-

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, 2026	As at March 31, 2025
Current assets	2,24,444	1,90,602
Current liabilities	(1,98,339)	(1,67,792)
Working capital	**26,105**	**22,810**

Sensitivity analysis:

Particulars	Impact on profit and loss	
	March 31, 2026	March 31, 2025
1% increase in interest rate	(261)	(228)
1% decrease in interest rate	261	228

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, 2026

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial liabilities				
Long-term Borrowings	-	30,719	1,980	32,699
Short-term Borrowings including current maturity of long term borrowings	81,453	-	-	81,453
Trade payables	89,912	-	-	89,912
Lease Liabilities	922	1,109	-	2,031
Other financial liabilities	6,930	1,712	-	8,642
	1,79,217	**33,540**	**1,980**	**2,14,737**

(ii) 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	56,926	-	-	56,926
Trade payables	87,743	-	-	87,743
Lease Liabilities	1,792	1,912	-	3,704
Other financial liabilities	5,573	282	-	5,855
	1,52,034	**19,832**	**2,948**	**1,74,814**

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, 2026

(i) Level wise disclosure of Financial instruments as at March 31, 2026 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	987	-	-	987
Current- Investments	153	153	-	-
Financial liabilities				
Lease liabilities	2,031	-	2,031	-

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, 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	-

(iii) Financial instruments as at March 31, 2026 that are measured at amortised cost

Particulars	Carrying Amount
Financial assets (Amortised cost)	
Trade receivables	73,146
Cash and cash equivalents	20,557
Other bank balances	6,436
Other financial assets	8,698
Financial liabilities (Amortised cost)	
Borrowings	1,14,152
Trade payables	89,912
Other financial liabilities	8,642

(iv) Financial instruments as at March 31, 2025 that are measured at amortised cost

Particulars	Carrying Amount
Financial assets (Amortised cost)	
Trade receivables	58,079
Cash and cash equivalents	14,137
Other bank balances	4,817
Other financial assets	10,185
Financial liabilities (Amortised cost)	
Borrowings	77,512
Trade payables	87,743
Other financial liabilities	5,855

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:

(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, 2026	March 31, 2025
ZAP91 Solar India Private Limited	Joint Venture (Non controlling interest)	India	45%	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(resigned w.e.f. April 10, 2026)
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
Shrikant Bhakkad	Chief Financial Officer
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, 2026	For the year ended March 31, 2025
Purchase of goods and services		
VP Synergic weld solution private Limited	57	257
Investment in Joint Ventures		
ZAP91 Solar India Private Limited	1,650	644
Professional charges		
Kondapalli Siddharth Rao	14	8
CSR contribution		
Pennar Foundation	144	71
Director's remuneration (Including Perquisites and Contribution to Funds)		
Joginapally Venkata Nrupender Rao Chairman Emeritus (w.e.f. August 10, 2023)		
-Salary, wages and bonus	138	138
-Perquisites	56	17
Aditya Narsing Rao		
-Remuneration	74	74
-Perks	1	-

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, 2026	For the year ended March 31, 2025
-Other long-term employee benefits - compensated absences	12	12
-Commission	30	20
Lavanya Kumar Rao Kondapalli		
-Remuneration	110	92
-Perks	1	-
-Other long-term employee benefits - compensated absences	5	5
-Leave Travel Allowance		12
-Commission	29	20
Eric James Brown		
-Remuneration	-	310
-Other long-term employee benefits - compensated absences	-	38
Chandra Sekhar Sripada		
-Remuneration	24	24
-Sitting fee	4	4
Ravi Venkata Siva Ramakrishna		
-Remuneration	24	24
-Sitting fee	5	6
Virginia Sharma		
-Remuneration	24	24
-Sitting fee	4	5
Vankipuram Srinivasa Parthasarathy		
-Remuneration	24	24
-Sitting fee	4	4
Potluri Venkateswara Rao		
-Sitting fee	5	5
Shrikant Bhakkad (Chief Financial Officer)		
-Salary, wages and bonus	118	103
-Other long-term employee benefits - compensated absences	21	16
Mirza Mohammed Ali Baig (Company Secretary)		
-Salary, wages and bonus	15	15
-Other long-term employee benefits - compensated absences	1	-

(iii) Balances with related parties:

Particulars	As at March 31, 2026	As at March 31, 2025
Trade payables		
VP Synergic weld solution private Limited	-	28
Managerial Remuneration Payable		
Managerial Commission payable	8	71

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

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, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025
Diversified engineering	1,87,177	1,72,132	22,304	19,431
Custom designed building solutions & auxiliaries	1,83,560	1,58,444	17,828	15,313
Less: Inter segment revenue	8,728	7,918	-	-
Total	**3,62,009**	**3,22,658**	**40,132**	**34,744**
Depreciation and amortisation expense			(8,423)	(6,889)
Finance costs			(13,752)	(11,960)
Profit before tax			**17,957**	**15,895**
Tax expense			(4,046)	(3,895)
Share in loss after tax of Joint Venture			(28)	(55)
Profit after tax			**13,883**	**11,945**
Share of non-controlling interest			2	18
Profit for the year attributable to the shareholders of the Company			**13,881**	**11,927**

B. Segment assets and liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Segment assets		
Diversified engineering	2,42,247	2,13,631
Custom designed building solutions and auxiliaries	1,12,812	81,788
Consolidated total assets	**3,55,059**	**2,95,419**
Segment liabilities		
Diversified engineering	1,47,949	1,30,136
Custom designed building solutions and auxiliaries	90,785	65,323
Consolidated total liabilities	**2,38,734**	**1,95,459**

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, 2026	For the year ended March 31, 2025
India	2,50,922	2,45,954
Other countries	1,11,087	76,704
	3,62,009	**3,22,658**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

35. Ageing schedules

(i) Trade Payables

As at March 31, 2026	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	-	-	1,923	-	-	-	1,923
(ii) Others	36,316	-	46,976	2,881	1,249	433	87,855
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	106	-	28	134
Total	**36,316**	**-**	**48,899**	**2,987**	**1,249**	**461**	**89,912**

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**

(ii) Trade Receivables (Current & Non-current)

As at March 31, 2026	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	26,740	38,525	7,018	863	-	-	73,146
(ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	1,565	2,952	1,055	4,056	9,628
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	860	860
Less: Provision for credit impaired trade receivables	-	-	(1,565)	(2,952)	(1,055)	(4,916)	(10,488)
Total	**26,740**	**38,525**	**7,018**	**863**	**-**	**-**	**73,146**

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, 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**

(iii) Capital-work-in progress (CWIP)

(a) For Capital-work-in progress as at March 31, 2026, following is the ageing schedule :

As at March 31, 2026	Amount in CWIP for a period of				Total
	<1 year	1-2 years	2-3 years	> 3 years	
Projects in progress	11,601	1,087	864	-	13,552
Total	**11,601**	**1,087**	**864**	**-**	**13,552**

(b) 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**

Note: 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, 2026		March 31, 2025		March 31, 2026		March 31, 2025		March 31, 2026		March 31, 2025		March 31, 2026		March 31, 2025	
A	**Parent**	84.20%	97,920	87.78%	87,749	73.01%	10,138	76.84%	9,180	1.24%	32	(93.20%)	(248)	61.74%	10,170	73.15%	8,932
B	**Subsidiary incorporated in India**																
	Enertech Pennar Defense and Engineering System Private Limited	-	-	0.25%	235	0.04%	5	0.30%	36	-	-	-	-	0.03%	5	0.29%	36
	Pennar Metals Private Limited	0.00%	4	**0.00%**	**2.00**	0.02%	3	0.00%	-	-	-	-	-	0.02%	3	-	-
C	**Subsidiary incorporated outside India**																
	Pennar GmbH	0.72%	833	(0.04%)	(40)	(0.77%)	(108)	(1.44%)	(173)	**0.27%**	**7**	-	-	(0.61%)	(101)	(1.42%)	(173)
	Pennar Global Inc.	24.06%	27,982	20.65%	20,638	27.80%	3,859	24.76%	2,957	98.49%	2,551	193.20%	515	38.91%	6,410	28.42%	3,472
	Pennar FZCO	0.01%	17	0.00%	2.00	0.10%	14.00	0.00%	-	0.00%	-	0.00%	-	0.08%	14	0.00%	-
D	**Joint venture (Investments as per the equity method) Incorporated in India**																
	ZAP91 Solar India Private Limited					(0.20%)	(28)	-0.46%	(55)					(0.17%)	(28)	(0.45%)	(55)
	Total	**108.99%**	**1,26,756**	**108.64%**	**1,08,586**	**100%**	**13,883**	**100.00%**	**11,945**	**100.00%**	**2,590**	**100.00%**	**267**	**100.00%**	**16,473**	**100.00%**	**12,212**
	Non-controlling interest	(0.07%)	(84)	(0.12%)	(115)	-	-	-	-	-	-	-	-	-	-	-	-
	Adjustments arising out of consolidation	(8.92%)	(10,357)	(8.52%)	(8,511)	-	-	-	-	-	-	-	-	-	-	-	-
	Net Amount	**100.00%**	**1,16,315**	**100.00%**	**99,960**	**100%**	**13,883**	**100.00%**	**11,945**	**100.00%**	**2590**	**100.00%**	**267**	**100.00%**	**16,473**	**100.00%**	**12,212**

*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, 2026					
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*	56,925	23,768	760	-	81,453
Long-term borrowings	20,586	20,292	-	(8,179)	32,699
Lease liabilities	3,704	(48)	321	(1,946)	2,031
Total	**81,215**	**44,012**	**1,081**	**(10,125)**	**1,16,183**
Year ended March 31, 2025					
Short-term borrowings*	59,913	457	-	(3,445)	56,925
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**

*** Net of payment / receipt disclosed for short-term borrowings.**

Notes forming part of these Consolidated Financial Statements

(All amounts in Indian ₹ lakhs, except share and per share data and where otherwise stated)

39 Subsequent Events

Subsequent to the year ended March 31, 2026:

a). The Board of directors of the Company, at its meeting held on April 10, 2026, approved the proposal for the issue of 30,00,000 convertible equity warrants to one of the promoter of the Company on preferential basis at a price of ₹ 168 per warrant, aggregating to approximately ₹ 5,040 lakhs. This proposal was subsequently approved by the shareholders at the Extraordinary General Meeting held on May 08, 2026. The Company has applied for in principal approval from stock exchanges, which is currently awaited.

b) The Board of directors of the Company at its meeting held on May 26, 2026, approved the proposal for Investment of Rs. 580 Lakhs in single tranche in the Paid-up Equity share capital of ZAP91 Solar India Private Limited (Joint Venture Company).

40 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group has considered the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. The Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

41 The Holding Company has used three 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 enable at the database level in two of the accounting software's to log any direct data changes. Further the audit trail (edit log) facility was not enabled at application and database, both the levels for another accounting software. 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 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 The figures for the previous year have been regrouped / reclassified wherever necessary to confirm to current year presentation.

43 These financial statements were approved for issue by the Company's Board of Directors on May 26, 2026.

In terms of our report attached
For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number : 105047W/W101187

Prakash Chandra Bhutada
Partner
Membership No. 404621

Place: Hyderabad
Date: May 26, 2026

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 26, 2026

NOTICE

NOTICE is hereby given that the 50^{th} Annual General Meeting (AGM) of members of M/s. Pennar Industries Limited will be held on Thursday, the 24^{th} September, 2026 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 31^{st} March, 2026 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 31^{st} March, 2026 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 31^{st} March, 2026 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. Eric James Brown (DIN: 07670880) 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. Eric James Brown (DIN: 07670880), 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 31^{st} March, 2027 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 31^{st} March, 2027, 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."

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

Mirza Mohammed Ali Baig
Company Secretary &
Compliance Officer
ACS 29058

Place : Hyderabad
Date : 12.08.2026

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 50th 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. Pursuant to the provisions of Section 108 of the Companies Act, 2013 ("Act") read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), MCA Circulars, SEBI Circulars and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India the Company is providing facility of remote e-voting to its shareholders in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with KFin Technologies Limited ("KFintech") for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a shareholder using remote e-voting as well as the e-voting system on the date of the AGM will be provided by KFin Technologies Limited. The attendance of shareholders (shareholders' login) attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Companies Act, 2013 and hence no attendance slip is attached to the notice.

5. Participation at the AGM through VC/OAVM will be made available to at least 1000 shareholders on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Compensation/Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

6. The Board of Directors of the Company has appointed Mr. Subhash Kishan Kandrapu, Practicing Company Secretary, (Membership No. 32743 and Practicing No. 17545) (a peer reviewed Practicing Company Secretary) as Scrutinizer, to scrutinize the voting and remote e-voting process in a fair and transparent manner. Post receiving the Scrutinizer's Report, the Company shall communicate the voting results within two working days from the conclusion of the meeting to the Stock Exchanges. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company https://www.pennarindia.com/ and on the website of https://evoting.kfintech.com.

7. In case of joint holders attending the meeting, the shareholders whose names appear as the first holder in the order of names as per the Register of Shareholders of the Company will be entitled to vote.

8. To support the 'Green Initiative', shareholders who have not yet registered their email addresses are requested to register the same with their Depository Participants (DPs) in case the shares are held by them in electronic form and with RTA in case the shares are held by them in the physical form.

9. Information with regard to the Directors proposed to be re-appointed, is annexed to this Notice in terms of the SEBI Listing Regulations and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.

10. SEBI has mandated furnishing of PAN, KYC details (i.e., postal address with pin code, e-mail address, mobile number, bank account details) and nomination details by holders of securities. Shareholders are requested to update the said details against folio/ demat account. The forms prescribed by SEBI in this regard are available on the website of the Company at https://www.pennarindia.com/standard-forms-and-annexures-as-per-sebi.php

11. 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.

12. Shareholders desirous of obtaining any information concerning the accounts and operations of the company are requested to send their queries to the registered mail ID of the company viz., corporatecommunications@pennarindia.com at least seven days before the date of the Annual General Meeting, so that the information requested may be made available.

13. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e., 24th September, 2026.

14. The recorded transcript of the proceedings of the AGM shall be available on the Company's website at https://www.pennarindia.com/

15. 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.

16. 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. 24th September, 2026. Members seeking to inspect such documents can send an email to corporatecommunications@pennarindia.com.

17. 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.

18. 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.

19. 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.

20. 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.

21. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2025-26 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 2025-26 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.

22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

23. 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.

24. Members are requested to keep their copy of the Annual Report during meeting.

25. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 17th September, 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

PROCEDURE FOR REMOTE E-VOTING

i. Any person, whose name is recorded in the Register of Shareholders or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the depositories as on the 17th September, 2026 ("cut-off date") only shall be entitled to avail the facility of remote e-voting.

ii. Pursuant to SEBI Master Circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026 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. 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.

iii. The remote e-voting period commences on Monday, 21st September, 2026 at 9:00 A.M. IST and ends on Wednesday, 23rd September, 2026 at 5:00 P.M. IST. The remote e-voting module shall be disabled by KFintech for voting thereafter.

iv. Once the vote on a resolution is cast by the shareholder, he/she/it shall not be allowed to change it subsequently.

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.

<table>
<tr><th>Type of shareholders</th><th>Login Method</th></tr>
<tr><td>Individual shareholders holding securities in demat mode with NSDL</td><td>1. User already registered for Existing Internet-based Demat Account Statement (“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.</td></tr>
</table>

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Electronic Access to Securities Information ("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 and 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.
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 CDSL	Shareholder facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33
Individual shareholders holding securities in Demat mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call on toll free no.: 022 - 4886 7000 and 022 - 2499 7000

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) Shareholders 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.

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. Shareholder will be provided with a facility to attend the AGM through **VC/OAVM** platform provided by KFintech. Shareholder 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 shareholder 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. Shareholder are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Shareholder will be required to grant access to the webcam to enable VC/OAVM. Further, shareholder 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. The shareholder 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 shareholder may click on the voting icon displayed on the screen to cast their votes.

vi. A shareholder can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a shareholder cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Institutional shareholder are encouraged to attend and vote at the AGM through VC/OAVM.

OTHER INSTRUCTIONS:

I. **Speaker Registration:** The shareholder 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 Monday 21st September, 2026 from 9:00 a.m. to Tuesday 22nd September, 2026 to 5:00 p.m.. Shareholder shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those shareholder who have registered themselves, depending on the availability of time for the AGM.

II. In case of any query and/or grievance, in respect of voting by electronic means, shareholder may refer to the Help and Frequently Asked Questions (FAQs) and e-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Mr. Rajeev Kumar at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

III. The shareholder, whose names appear in the Register of Shareholder/list of Beneficial Owners as 17th September, 2026, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a shareholder 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 shareholder, the shareholder shall not be allowed to change it subsequently.

IV. In case a person has become a shareholder of the Company after dispatch 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.

* Shareholder 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.

* If the mobile number of the shareholder is registered against Folio No. / DP ID Client ID, the shareholder may send SMS: MYEPWD <space> E-Voting Event number+ Folio No. (in case of physical shareholders) or DP ID Client ID (in case of Demat shareholders) to 9212993399.

Example for NSDL	MYEPWD <SPACE> IN12345612345678
Example for CDSL	MYEPWD <SPACE> 1402345612345678
Example for physical	MYEPWD <SPACE> XXX1234567890

V. 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.

Online application for Investor Query

Shareholders 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 > Investor Services > Investor Support.

Shareholders are requested to register / sign up, 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.

Name : KFin Technologies Limited

Registered Address : The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Mumbai, 400 070, Maharashtra.

CIN: L72400MH2017PLC444072

Address for Correspondence / Operations Centre: Selenium Building, Tower-B, Plot No 31 and 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
RTA Search	:	https://www.registrarsassociation.com/search

Senior Citizens- Investor Support

As part of the initiative, our RTA, in order to enhance 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.

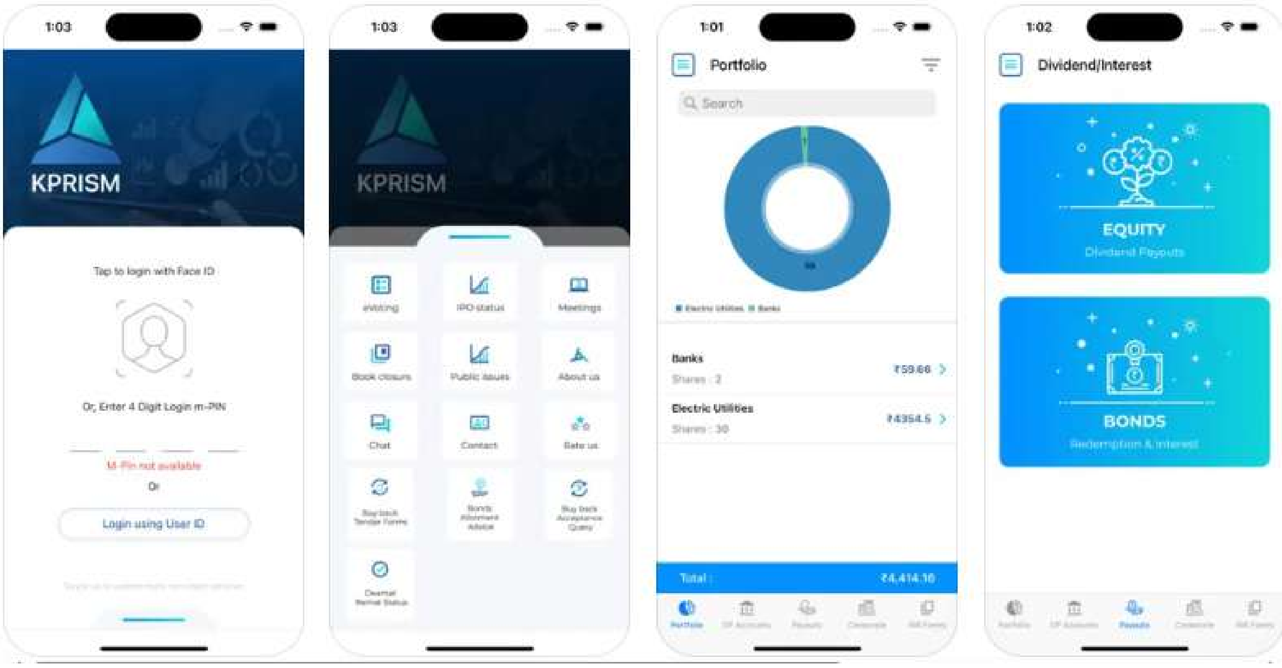
Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com . Senior Citizens (above 60 years of age) have to provide the following details:

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 applications 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.



Doing away with requirement of issuance of LOC and to effect direct credit of securities in demat account of the investor

On January 30, 2026, SEBI issued a circular eliminating the need for a "Letter of Confirmation (LOC)" and mandating that securities be directly credited to investors' demat accounts through depository-enabled workflows. This SEBI circular is a major investor-friendly reform. If you hold physical shares or need services like transmission or duplicate certificates, you will now see securities directly credited to your demat account without the LOC step. This reduces friction, speeds up processes, and enhances investor protection.

Key Highlights:

Circular Reference: HO/38/13/(3)2026-MIRSD-POD/I/3763/2026

Effective Date: April 02, 2026

Main Reform: Removal of the Letter of Confirmation (LOC) requirement.

Scope: Duplicate share certificates, Transmission/ transposition of shares, Claims from unclaimed suspense accounts, Certain corporate actions (e.g., bonus, rights issues)

New Process:

Registrars and Transfer Agents (RTAs) and issuer companies will directly credit securities into investors' demat accounts. This is done via a depository-enabled workflow after prescribed due diligence.

Upon receipt of the requisite documents (Client Master Copy and Demat Conversion/Request Form authorized by your DP), RTA will initiate the demat conversion and credit the shares into your account within 30 days of receipt of the aforesaid documents for enabling to send an intimation/ LINK to your mail id and through SMS to your mobile by your DP. You will be required to access your demat account and confirm the transaction displayed therein through a process of OTP generation and confirmation within 21 days of the receipt of the LINK.

Benefits for Investors:

Faster Access: Investors receive securities directly in their demat accounts without waiting for LOC issuance.

Reduced Paperwork: Eliminates physical documentation and manual confirmation steps.

Transparency and Security: Direct credit ensures fewer intermediaries, reducing risks of delays or errors.

Ease of Doing Investment: Aligns with SEBI's broader agenda to simplify and digitize securities of market processes.

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, 2027

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, 2027 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, 2027.

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.

ANNEXURE TO THE NOTICE DATED 12TH AUGUST, 2026

Details of Directors seeking appointment/re-appointment at the Annual General Meeting [Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India].

Name of the Director and DIN No.	Eric James Brown (DIN: 07670880)
Designation	Non-Executive Non-Independent Director
Date of Birth and age	21.11.1957 and 69 years
Date of first appointment	10.11.2017
Qualification	Graduate from University of Hawaii, Management Information System Department
Skill and Capabilities	• Leadership/ Operations • Business Management/ Strategic Planning • Sales & Marketing • Industry Experience, Technical, Research & Development and Innovation • Global Business Development • Finance Management • Risk Management
Experience /Expertise	30+ years' experience in the field of Management
List of Companies in which outside directorship held as on 31.03.2026	Pennar Industries Limited Pennar Global INC - USA Pennar Global Metals, LLC - USA Ascent Buildings, LLC - USA Ascent Structural, LLC - USA Pennar Americas Engineering, LLC - USA Pennar Americas Hydraulics, LLC - USA Pennar Global Investments Tennessee, LLC - USA Pennar Global Investments Alabama, LLC - USA Iradium Automobiles Private Limited

Chairman of the Committee of other companies on which he is a director as on 31.03.2026	Chairman of Risk Management Committee of Pennar Industries Limited
Member of the Committee of other companies on which he is a director as on 31.03.2026	Nil
No. of Board Meetings attended during the year 2025-26	4
No of Shares held by him in the Company as on 31.03.2026	Nil
Relationship between Directors inter-se	Not related to any other Director / Key Managerial Personnel
Terms and conditions of appointment	Non-Executive Non-Independent Director liable to retire by rotation and eligible for re-appointment.
Details of the remuneration last drawn by such person, if applicable	Nil
Remuneration proposed to be paid	Not Applicable
Listed entities from which the Director has resigned in the past three years	Nil

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

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058

Place : Hyderabad
Date : 12.08.2026

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