

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF PENNAR INDUSTRIES LIMITED

1. We have reviewed the accompanying Consolidated Unaudited Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2021 ("Consolidated Results") included in the accompanying Statement of Unaudited Consolidated and Standalone Financial Results for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Consolidated Results included in the Statement, which are the responsibility of the Parent's Management and approved by the Parent's Board of Directors, have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Consolidated Results included in the Statement based on our review.
3. We conducted our review of the Consolidated Results included in the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", Issued by the Institute of Chartered Accountants of India (ICAI). A review of Interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular Issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Consolidated Results includes the results of the following entities:
 - i) Pennar Industries Limited, India (Parent Company)
 - ii) Pennar Global Inc., USA (Wholly-Owned Subsidiary)
 - iii) Enertech Pennar Defense and Engineering Systems Private Limited, India (Subsidiary)
 - iv) Pennar GmbH, Germany (Wholly-Owned Subsidiary)
 - v) Oneworks BIM Technologies Private Limited, India (Wholly-Owned Subsidiary)
 - vi) Pennar Global Metals Inc. USA (w.e.f. August 12, 2020) (Subsidiary of ii above)
 - vii) Ascent Buildings LLC., USA (w.e.f. September 4, 2020) (Subsidiary of ii above)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the Consolidated Results included in the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw your attention to Note 6 of the Statement, which describes that certain estimates and judgements were made related to COVID-19 pandemic, wherein, the eventual outcome of the impact of its global health pandemic may be different from those estimated by the management.

Our conclusion is not modified in respect of this matter.

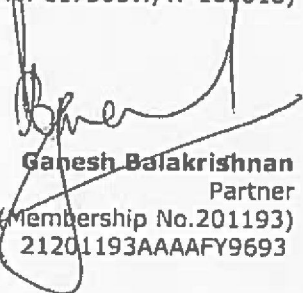
7. We did not review the interim financial information / financial results of three subsidiaries included in the Consolidated Results, whose interim financial information / financial results reflect total revenue of ₹ 5,542 lakhs, total net profit after tax of ₹ 68 lakhs and total comprehensive income of ₹ 68 lakhs for the quarter ended June 30, 2021, as considered in the Consolidated Results included in the Statement. These interim financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Consolidated Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Consolidated Results included in the Statement is not modified in respect of this matter.

8. The Consolidated Results includes the interim financial information / financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial information / financial results reflect total revenue of ₹ 367 lakhs, total loss after tax of ₹ 12 lakhs, and total comprehensive loss of ₹ 12 lakhs for the quarter ended June 30, 2021, as considered in the Consolidated Results included in the Statement. According to the information and explanations given to us by the Management, these interim financial information / financial results are not material to the Group.

Our conclusion on the Consolidated Results included in the Statement is not modified in respect of our reliance on the interim financial information / financial results certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)


Ganesh Balakrishnan
Partner
(Membership No. 201193)
UDIN: 21201193AAAAFY9693

Hyderabad, August 11, 2021

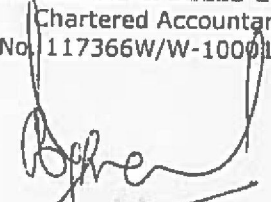
**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF
INTERIM STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
PENNAR INDUSTRIES LIMITED**

1. We have reviewed the accompanying Standalone Unaudited Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Company"), for the quarter ended June 30, 2021 ("Results") included in the accompanying Statement of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. The Results included in the Statement, which are the responsibility of the Company's Management and approved by the Company's Board of Directors, have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Results included in the Statement, based on our review.
3. We conducted our review of the Results included in the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Results included in the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 6 of the Statement, which describes that certain estimates and judgements were made related to COVID-19 pandemic, wherein, the eventual outcome of the impact of its global health pandemic may be different from those estimated by the management.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)


Ganesh Balakrishnan
Partner
(Membership No. 201193)
UDIN: 21201193AAAAFX2343

Hyderabad, August 11, 2021

PENMAR INDUSTRIES LIMITED
(CIN: L27109TG1975PL0001919)

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Statement of Consolidated and Standalone Financial Results for the Quarter Ended June 30, 2021

SL No	Particulars	Consolidated results				Standalone results			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-21
		Unaudited	(Refer Note 3)	Unaudited	Audited	Unaudited	(Refer Note 3)	Unaudited	Audited
1	Income								
	(a) Revenue from operations	48,831	55,679	16,619	1,52,535	45,805	54,986	16,243	1,51,654
	(b) Other income	253	899	276	1,866	299	867	258	1,781
	Total Income	49,084	56,578	16,895	1,54,401	46,104	55,853	16,501	1,53,435
2	Expenses								
	(a) Cost of materials consumed	29,410	34,961	8,757	92,754	29,211	34,336	8,722	90,928
	(b) Purchase of traded goods	3,522	1,167	257	3,669	787	1,167	257	3,669
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,751)	(2,057)	1,096	(4,432)	(2,304)	(2,141)	954	(2,775)
	(d) Employee benefits expense	4,040	3,341	3,114	13,638	3,525	3,191	2,929	13,050
	(e) Finance costs	1,829	1,810	1,977	7,967	1,826	1,807	1,968	7,946
	(f) Depreciation and amortisation expense	1,276	1,179	1,207	4,817	1,267	1,171	1,193	4,767
	(g) Other expenses	10,855	13,706	4,998	37,619	10,790	14,005	4,979	37,739
	Total expenses	48,181	54,107	21,406	1,56,032	45,102	53,536	21,002	1,55,324
3	Profit before exceptional item and tax (1-2)	903	2,471	(4,511)	(1,631)	1,002	2,317	(4,501)	(1,889)
4	Exceptional item (Refer note 8)	-	1,996	-	1,996	-	1,996	-	1,996
5	Profit before tax (3+4)	903	4,467	(4,511)	385	1,002	4,313	(4,501)	107
6	Tax expense								
	(a) Current tax	516	392	23	423	533	360	-	360
	(b) Deferred tax	(247)	717	(1,130)	(342)	(282)	717	(1,132)	(342)
	Total tax expense	269	1,109	(1,107)	81	251	1,077	(1,132)	18
7	Net Profit / (loss) for the period (5-6)	634	3,358	(3,404)	284	751	3,236	(3,369)	89
	Attributable to:								
	Shareholders of the Company	642	3,352	(3,411)	254	751	3,236	(3,369)	89
	Non-controlling interest	(8)	6	7	30	-	-	-	-
8	Other comprehensive income								
	Items that will not be reclassified subsequently to profit or loss								
	(a) Remeasurement of the net defined benefit liability	-	18	-	18	-	18	-	18
	(b) Income tax relating to above items	-	(4)	-	(4)	-	(4)	-	(4)
	Items that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	36	(34)	6	(41)	-	-	-	-
	(b) Income tax relating to above items	-	-	-	0	-	-	-	-
	Total Other comprehensive income / (loss), net of tax	36	(20)	6	(27)	-	14	-	14
	Attributable to:								
	Shareholders of the Company	-	-	-	-	-	-	-	-
	Non-controlling interests	36	(20)	6	(27)	-	14	-	14
9	Total comprehensive income / (loss) (7+8)	670	3,338	(3,398)	257	751	3,250	(3,369)	103
	Attributable to:								
	Shareholders of the Company	678	3,332	(3,405)	227	751	3,250	(3,369)	103
	Non-controlling interests	(8)	6	7	30	-	-	-	-
10	Paid up equity share capital (Face Value of ₹ 5 per share)	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108
11	Other equity								
12	Earnings Per Share (Face Value of ₹ 5 per share)								
	(for the quarterly periods - not annualised)								
	Basic and Diluted Earnings per share (in ₹)	0.45	2.35	(2.38)	0.18	0.53	2.27	(3.36)	0.06



NOTES:

1. The consolidated and standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") (also refer Note 6 below).

2. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on August 09, 2021 and approved by the Board of Directors at their meeting held on August 11, 2021. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2021.

3. The figures for the quarter ended March 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 2021 and year to date figures up to third quarter ended December 2020.

4. The consolidated financial results include the results of the following group companies:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Enertech Pennar Defense and Engineering Systems Private Limited	India	Subsidiary	51%
Pennar GmbH	Germany	Subsidiary	100%
Oneworks BIM Technologies Private Limited	India	Subsidiary	100%
Pennar Global Inc.	USA	Subsidiary	100%
Pennar Global Metals, LLC (w.e.f August 12, 2020)	USA	Subsidiary	100%
Ascent Buildings, LLC (from September 4, 2020)	USA	Step-down Subsidiary	100%

5. During the quarter ended September 30, 2020, Pennar Global Inc (Subsidiary of the Company), has acquired Pennar Global Metals, LLC and incorporated Ascent Buildings, LLC as its subsidiaries. Accordingly the results for the corresponding periods are not comparable.

6. Due to outbreak of Corona virus Disease 2019 (COVID-19) which has been declared as a pandemic by the World Health Organization and subsequent lock down ordered by the Central and State Government(s) in India, the manufacturing facilities of the Company remained suspended from March 23 2020 till May 04 2020.

Further, the recent second wave of COVID-19 has resulted in partial lockdown restriction in various states affecting certain operations during the quarter. The Company/Group has considered internal and certain external sources of information up to the date of approval of the financial results in assessing the recoverability of property, plant and equipment, inventories, receivables and other assets. The impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results and the Company/Group will continue to closely monitor any material changes to future economic conditions.

The results for the quarter ended June 30, 2021 are not comparable with previous periods for reasons stated above.

7. The details of funds raised through Initial Public Offer (IPO) by the erstwhile entity PEBS during the financial year 2015-2016, and utilisation of said funds as at June 30, 2021 are as follows:

Particulars	Objects of the issue as per prospectus	Utilisation upto June 30, 2021	₹ In Lakhs	
			Unutilised amount upto June 30, 2021	
A) Repayment/ prepayment in full or part, of certain working capital facilities availed by the Company	3,400	3,400	-	
B) Financing the procurement of infrastructure (including software and hardware) for the expansion of design and	800	371	429	
C) General corporate purposes	1,079	1,079	-	
D) Share issue expenses	521	517	4	
Total	5,800	5,367	433	

As on June 30, 2021, unutilised funds have been temporarily invested in in mutual funds and other bank balances.

8. Pursuant to the approval of the board at its meeting held on August 12, 2020, the Company has sold a portion of its land situated at Bandalguda Village, Ramachandrapuram Mandal, Sangareddy District, Hyderabad for a consideration of ₹ 2,800 lakhs during the previous quarter. Upon Sale, resultant profit of ₹ 1996 lakhs has been disclosed as exceptional item in the consolidated and standalone financial results for the quarter and year ended March 31, 2021.

9. The Board of Directors of the Company has approved to divest its stake in Oneworks BIM Technologies Private Limited. Accordingly, the investment has been considered as asset held for sale. There is no impact on the results for the quarter ended June 30, 2021.

10. The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



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11. SEGMENT REPORTING:

Particulars	(₹ in Lakhs)			
	Quarter Ended		Year Ended	
	30-Jun-21 Unaudited	31-Mar-21 (Refer Note 3)	30-Jun-20 Unaudited	31-Mar-21 Audited
Segment revenue				
Diversified engineering	27,300	36,670	9,297	92,351
Custom designed building solutions & auxiliaries	24,481	21,426	8,677	69,031
Total	51,781	58,096	17,974	1,61,382
Less : Inter segment revenue	2,950	2,417	1,355	8,847
Revenue from operations	48,831	55,679	16,619	1,52,535
Segment results				
Diversified engineering	2,684	3,494	(1,143)	6,777
Custom designed building solutions & auxiliaries	1,324	1,966	(184)	4,376
Total	4,008	5,460	(1,327)	11,153
Add:				
Exceptional item (Refer Note-8)	-	1,996	-	1,996
Less:				
Depreciation and amortisation expense	1,276	1,179	1,207	4,817
Finance costs	1,829	1,810	1,977	7,967
Profit before tax	903	4,467	(4,511)	365
As at				
	30-Jun-21	31-Mar-21	30-Jun-20	31-Mar-20
	Unaudited	Audited	Unaudited	Audited
Capital employed (Segment assets - Segment liabilities) (See notes below)				
Segment assets				
Diversified engineering	1,23,074	1,19,042	1,06,126	
Custom designed building solutions & auxiliaries	69,556	70,212	65,565	
Total Segment Assets	1,92,630	1,89,254	1,71,691	
Segment liabilities				
Diversified engineering	78,880	84,109	67,675	
Custom designed building solutions & auxiliaries	43,410	35,475	38,001	
Total Segment Liabilities	1,22,290	1,19,584	1,05,676	

Notes:

- Segment information is presented for the "consolidated financial results" as permitted under the Ind AS 108 - 'Operating Segments'.
- The Company is focused on two business segments: Diversified engineering and Custom designed building solutions & auxiliaries. Based on the "management approach" as defined in Ind AS 108 - 'Operating Segments', the Chief Operating Decision Maker evaluates the Company's performance and allocation resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments. The accounting principles used in the preparation of the financial results are consistently applied to record revenue and expenditure in individual segments.

Place : Hyderabad

Date : August 11, 2021

By order of the Board
for Pennar Industries Limited

Aditya N. Rad
Aditya N. Rad
Vice Chairman & Managing Director

Aditya N. Rad
Aditya N. Rad
Vice Chairman & Managing Director

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