



PENNAR INDUSTRIES LIMITED



Letter No. PIL/SE/BM/2019-20/01

Dated: 27th May, 2019

Place: Hyderabad

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

Sub : Outcome of Board Meeting

Ref: Regulations 30 and 33 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

BSE Scrip code: 513228 / NSE Symbol: PENIND

We wish to inform you that the meeting of the Board of Directors of the company commenced at ~~1.0...3.0~~ and concluded at ~~1.8...3.0~~, the following business were transacted:

1) Approved audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31.03.2019 and noted Auditors' reports with unmodified opinion.

2) Taking note of the resolution passed by circulation on 6th May, 2019 for reconstitution of Nomination and Remuneration Committee as per regulation 19 of SEBI (LODR) Regulations, 2015.

3) The Board of Directors and taken on record the resignation of Dr. Sita Vanka w.e.f 27th May, 2019.

3) The Nomination and Remuneration Committee at its meeting held on 25th May, 2019 recommended the following:

- Appointment of Mrs. Bharati Jacob as Additional Non-Executive Independent Director, The Board subject to the approval of the shareholders at the ensuing Annual General Meeting considered and appointed Mrs. Bharati Jacob as Additional Non-Executive Independent Director for a period of five years with effect from 27th May, 2019.
- Appointment of Mr. P V Rao as Joint Managing Director, The Board subject the approval of the shareholders at the ensuing Annual General Meeting considered and appointed Mr. P V Rao as Joint Managing Director for a period of one year with effect from 27th May, 2019.

4) Reconstitution of the composition of the Audit Committee with the following members hence forth:

Sl. No.	Name	Designation	Category
1.	Mr. B Kamalaker Rao	Chairman	Non-Executive Independent Director
2.	Mr. C Parthasarathy	Member	Non-Executive Independent Director
3.	Mr. Varun Chawla	Member	Non-Executive Independent Director
4.	Mr. Eric James Brown	Member	Non-Executive Non-Independent Director



MM Seiboein

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

Corp.Office & Works: IDA, Patancheru – 502 319, Sanga Reddy District, Telangana, INDIA.

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

Regd.Office: 9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.

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

CIN No: L27109AP1975PLC001919

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5) Constitution of Allotment Committee for issuance of Equity Shares pursuant to Scheme of Amalgamation of Pennar Industries Limited with the following members:

Sl. No.	Name	Designation
1.	Mr. Aditya Rao	Chairman
2.	Mr. K Lavanya Kumar	Member
3.	Mr. P V Rao	Member

6) Fixation of Record date for issuance of Equity Shares pursuant to Scheme of Amalgamation of Pennar Industries Limited. The details of the same are attached.

7) Formation of wholly owned subsidiary in Germany, the company will update the details to the Exchanges, once the proposed company is formed.

8) The Board has taken on record the statement of investor complaint under regulation 13(3) and compliance report on corporate governance under regulation 27(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2011 for the quarter ended 31st March, 2019.

The following are attached herewith for your information and record:

- Certified copy of the audited financial results (standalone and consolidated) of the Company for the year ended 31st March, 2019.
- Auditor's Report (standalone and consolidated) for the year ended 31st March, 2019 issued by M/s. Deloitte Haskins & Sells LLP, Statutory Auditors of the Company.
- A declaration pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015 regarding unmodified opinion of the Statutory Auditors on the annual financial results for the financial year ended 31st March, 2019
- Press release on the audited financial results (standalone and consolidated) of the Company for the year ended 31st March, 2019.
- Copy of Resignation letter of Dr. Sita Vanka as Independent Director of the Company.
- Profile of Mrs. Bharati Jacob
- Profile of Mr. P V Rao
- Details w.r.t fixation of Record Date for issuance of Equity Shares pursuant to Scheme of Amalgamation.

Kindly take the same on your records.

Thanking you

Yours faithfully,

for Pennar Industries Limited

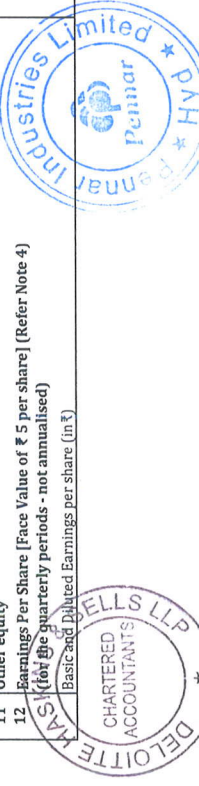

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058



PENMAR INDUSTRIES LIMITED
(CIN: L27109AP1975PLC001919)

Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.
Tel: +91 40 40061621; Fax: +91 40 40061618; E-mail: corporatecommunications@penmarindia.com; Website: www.penmarindia.com
Statement of Consolidated and Standalone Financial Results for the Quarter and Year Ended March 31, 2019

Sl. No	Particulars	Consolidated results				Standalone results (Refer Note 3)			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		31-Mar-19 Audited (Refer Note 12)	31-Dec-18 Unaudited	31-Mar-18 Audited (Refer Note 12)	31-Mar-19 Audited	31-Mar-18 Unaudited (Refer Note 12)	31-Dec-18 Unaudited	31-Mar-18 Audited (Refer Note 12)	31-Mar-19 Audited
1	Income								
	(a) Revenue from operations (Refer note 9)	58,507	56,763	50,308	1,79,841	1,79,841	54,703	50,257	2,11,612
	(b) Other income	511	760	795	1,589	1,589	760	1,007	2,603
	Total income	59,018	57,523	51,103	1,81,430	1,81,430	55,463	51,264	2,14,215
2	Expenses								
	(a) Cost of materials consumed	29,851	32,676	33,688	1,09,931	1,09,931	31,043	34,283	1,24,545
	(b) Purchase of traded goods	1,969	1,590	720	5,135	3,095	1,590	720	5,135
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	3,111	442	(4,878)	(865)	(4,265)	442	(4,878)	(865)
	(d) Excise duty (Refer note 9)	-	-	-	3,035	3,035	-	-	-
	(e) Employee benefits expense	3,717	4,026	3,383	15,293	12,276	3,563	3,306	14,913
	(f) Finance costs	2,267	1,937	1,968	7,520	6,740	1,937	1,968	7,511
	(g) Depreciation and amortisation expense	717	755	805	2,789	2,926	729	855	2,787
	(h) Other expenses	14,006	13,921	9,670	36,179	36,179	13,697	9,264	50,838
	Total expenses	55,638	55,347	45,356	1,68,917	1,68,917	53,372	45,518	2,04,864
3	Profit before exceptional item and tax (1-2)	3,380	2,176	5,747	12,513	12,513	2,091	5,746	9,351
4	Exceptional item (Refer note 6)	-	-	1,295	1,295	1,295	-	2,129	-
5	Profit before tax (3+4)	3,380	2,176	7,042	13,808	13,808	2,091	7,875	9,351
6	Tax expense								
	(a) Current tax	848	496	2,227	4,016	4,016	478	2,228	2,477
	(b) Deferred tax	100	151	63	470	743	151	63	470
	Total tax expense	948	647	2,290	4,759	4,759	629	2,291	2,947
7	Net Profit for the period (5-6)	2,432	1,529	4,752	9,049	9,049	1,462	5,584	6,404
	Attributable to:								
	Shareholders of the Company	2,415	1,524	4,752	8,938	8,938	1,462	5,584	6,404
	Non-controlling interest	17	5	-	111	111	-	-	-
8	Other comprehensive income								
	Items that will not be reclassified subsequently to profit or loss								
	(a) Remeasurement of the net defined benefit liability	(475)	-	(25)	(67)	(67)	-	(25)	(475)
	(b) Income tax relating to above items	165	-	9	23	23	-	9	165
	Items that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	10	-	-	-	-	-	-	-
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-
	Total Other comprehensive income/(loss), net of tax	(300)	-	(16)	(44)	(44)	-	(16)	(310)
	Attributable to:								
	Shareholders of the Company	(300)	-	(16)	(44)	(44)	-	(16)	(310)
	Non-controlling interests	-	-	-	-	-	-	-	-
9	Total comprehensive income (7+8)	2,132	1,529	4,736	9,005	9,005	1,462	5,568	6,094
	Attributable to:								
	Shareholders of the Company	2,115	1,524	4,736	8,894	8,894	1,462	5,568	6,094
	Non-controlling interests	17	5	-	111	111	-	-	-
10	Paid up equity share capital [Face Value of ₹ 5 per share]								
11	Other equity								
12	Earnings Per Share [Face Value of ₹ 5 per share] (Refer Note 4)								
	Basic and Diluted Earnings per share (in ₹)	1.59	1.00	3.12	5.87	5.87	0.96	3.67	4.20

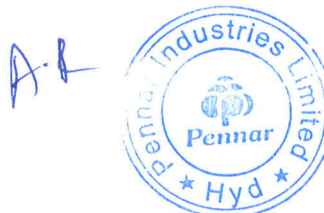


Balance Sheet:

(₹ in Lakhs)

Particulars	Consolidated		Standalone (Refer Note 3)	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	44,051	32,751	43,991	32,751
Capital work-in-progress	11,769	2,726	11,769	2,726
Other intangible assets	1,353	1,434	1,353	1,434
Financial assets				
(a) Investments	2	2	264	263
(b) Trade receivables	937	258	937	258
(c) Other financial assets	816	711	816	711
Income tax assets (net)	1,041	845	1,041	845
Other non-current assets	1,282	1,552	1,282	1,552
Total Non-current assets (1)	61,251	40,279	61,453	40,540
Current assets				
Inventories	43,855	43,263	43,647	43,091
Financial assets				
(a) Investments	5,211	6,933	5,211	6,933
(b) Trade receivables	46,366	40,200	46,063	40,341
(c) Cash and cash equivalents	1,516	3,287	1,320	3,171
(d) Other bank balances	2,321	1,706	2,321	1,706
(e) Loans	1,954	1,999	1,954	1,999
(f) Other financial assets	3,076	3,218	3,031	3,216
Other current assets	8,806	10,265	8,760	10,264
Total Current assets (2)	1,13,105	1,10,871	1,12,307	1,10,721
Total assets (1+2)	1,74,356	1,51,150	1,73,760	1,51,261
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	7,618	7,618	7,618	7,618
Other equity	59,131	52,787	58,881	52,787
Equity attributable to Shareholders of the Company	66,749	60,405	66,499	60,405
Non-controlling interests	22	-	-	-
Total Equity (1)	66,771	60,405	66,499	60,405
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	10,031	10,083	10,031	10,083
(b) Other financial liabilities	512	467	512	467
Provisions	862	541	862	541
Deferred tax liabilities (net)	2,680	2,376	2,680	2,376
Other non-current liabilities	604	786	604	786
Total Non-current liabilities (2)	14,689	14,253	14,689	14,253
Current liabilities				
Financial liabilities				
(a) Borrowings	31,291	23,556	31,258	23,544
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	455	369	455	369
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	44,460	36,635	44,329	36,814
(c) Other financial liabilities	5,655	2,252	5,655	2,252
Income tax liabilities (net)	1,560	2,486	1,560	2,486
Provisions	919	1,000	850	1,000
Other current liabilities	8,556	10,194	8,465	10,138
Total Current liabilities (3)	92,896	76,492	92,572	76,603
Total Liabilities (2+3)	1,07,585	90,745	1,07,261	90,856
Total Equity and Liabilities (1+2+3)	1,74,356	1,51,150	1,73,760	1,51,261

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NOTES :

1. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on May 25, 2019 and approved by the Board of Directors at their meeting held on May 27, 2019. The Statutory Auditors have issued an unmodified audit opinion on the financial results.
2. 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").

3. The National Company Law Tribunal vide its order dated May 8, 2019 approved the Scheme of Amalgamation ("the Scheme") amongst the Company, Pennar Engineered Building Systems Limited ("PEBS") and Pennar Enviro Limited ("PEL"), subsidiaries of the Company and to make the Scheme effective, the Company was required to file the same with Registrar of Companies (ROC). Accordingly, the Company filed the Scheme on May 23, 2019 with the ROC. The financial results of the Company for the years ended March 31, 2019 and March 31, 2018 also includes the results of erstwhile entities, i.e. PEBS and PEL.

In accordance with the accounting treatment as prescribed by the aforementioned order, the Company accounted for the business combination as per requirement of Appendix C of Ind AS 103 Business Combination which lays down the principles in respect of accounting for business combination of entities or businesses under common control. As required by the standard, pooling of interest method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts. The surplus of the value of the net assets acquired over the face value of the equity shares issued by the Company pursuant to the amalgamation and carrying amount of investments in the equity shares of the aforementioned subsidiaries to the extent held by the Company has been adjusted to 'capital reserve account' in the financial statements of the Company.

In accordance with the requirement of Appendix C of Ind AS 103 Business Combination, the financial information in the financial statements in respect of prior periods has been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements i.e., April 1, 2017 and consequently, the amounts for the preceding periods include the results of the aforementioned business acquired.

The standalone profit before tax as reported in published results for the prior periods are as below (without considering the impact of above restatement):

Particulars	(₹ in Lakhs)	
	Quarter ended December 31, 2018	Quarter ended March 31, 2018
Profit before tax	1,695	4,069
		8,154

The above transaction does not have any impact on the consolidated profit before tax.

4. In terms of the aforementioned Scheme, 23 equity shares of the Company of face value of ₹ 5 each (aggregating 27,909,458 equity shares of ₹ 5 each) have been allotted to the equity shareholders of erstwhile PEBS for every 13 equity shares of face value of ₹ 10 each held by them in PEBS. Further, 1 equity share of the Company of face value of ₹ 5 each (aggregating 4,098,259 equity shares of ₹ 5 each) have been allotted to the equity shareholders of erstwhile PEL for every 1 equity share of face of ₹ 10 each held by them in PEL. The equity shares issued have been considered as a part of "Equity" and considered for the purpose of calculation of earnings per share.

5. 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 (From April 10, 2018)	India	Subsidiary	51.00%
Pennar Global Inc. (From June 05, 2017)	USA	Subsidiary	100.00%

6. During the year ended March 31, 2018, the Company divested its entire shareholding in its subsidiary, Pennar Renewables Private Limited (PRPL). Upon divestment, the resultant gain of ₹ 1,295 Lakhs in the consolidated financial results and gain of ₹ 2,129 Lakhs in the standalone financial results are disclosed as 'exceptional item'.

7. During the year ended March 31, 2018, the Company incorporated a subsidiary Pennar Global Inc., United States of America, which commenced commercial operations during the quarter ended March 31, 2018. Hence, the results for the quarter and year ended March 31, 2019 and quarter and year ended March 31, 2018 are not comparable.

8. Effective April 01, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". The application of Ind AS 115 did not have any material impact on the financial results of the Company.

9. The Government of India introduced the Goods and Services Tax (GST) with effect from July 01, 2017. Accordingly, in compliance with Indian Accounting Standards, Revenue from operations for the period beginning July 01, 2017 is presented net of GST.



10 SEGMENT REPORTING :

(₹ in Lakhs)

Particulars	Quarter Ended		Year Ended	
	31-Mar-19	31-Dec-18	31-Mar-19	31-Mar-18
	Audited	Unaudited	Audited	Audited
Segment revenue				
Diversified engineering	44,254	39,204	1,55,554	1,24,864
Custom designed building solutions & auxiliaries	24,884	19,955	75,695	65,136
Total	69,138	59,159	2,31,249	1,90,000
Less : Inter segment revenue	10,631	2,396	17,938	10,159
Revenue from operations	58,507	56,763	2,13,311	1,79,841
Segment results				
Diversified engineering	4,616	3,752	15,453	14,171
Custom designed building solutions & auxiliaries	1,748	1,116	4,538	9,303
Total	6,364	4,868	19,991	23,474
Less : Depreciation and amortisation expense	717	755	2,789	2,926
Finance costs	2,267	1,937	7,520	6,740
Profit before tax	3,380	2,176	9,682	13,808
As at				
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-18
	Audited	Unaudited	Unaudited	Audited
Capital employed (Segment assets - Segment liabilities) (See notes below)				
Segment assets				
Diversified engineering	1,09,652	1,18,247	1,01,340	
Custom designed building solutions & auxiliaries	64,704	57,701	49,810	
Total Segment Assets	1,74,356	1,75,948	1,51,150	
Segment liabilities				
Diversified engineering	75,018	74,263	60,743	
Custom designed building solutions & auxiliaries	32,567	37,029	30,002	
Total Segment Liabilities	1,07,585	1,11,292	90,745	

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.



A.R.



11 The details of funds raised through Initial Public Offer (IPO) during the financial year 2015-2016 in respect of erstwhile Pennar Engineered Building Systems Limited (PEBS) (refer note 3), and utilisation of said funds as at March 31, 2019 are as follows:

(₹ in Lakhs)			
Particulars	Objects of the issue as per prospectus	Utilisation upto March 31, 2019	Unutilised amount upto March 31, 2019
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 engineering services	800	295	505
C) General corporate purposes	1,079	1,079	-
D) Share issue expenses	521	517	4
Total	5,800	5,291	509

As on March 31, 2019, unutilised funds have been temporarily invested in short term liquid scheme of mutual funds and in bank balances. The above details have been extracted from the statement of audited financial results of erstwhile Pennar Engineered Building Systems Limited (PEBS), as approved by its Board of Directors in their meeting held on May 22, 2019.

12 The figures for the quarter ended March 31, 2019 are the balancing figures between the audited figures for the financial year March 31, 2019 and figures for the nine months ended December 31, 2018 after giving effect to the Scheme (refer note 3). The figures for the quarter ended March 31, 2018 are the balancing figures between the audited figures for the financial year March 31, 2018 and figures for the nine months ended December 31, 2017 after giving effect to the Scheme (refer note 3).



By order of the Board
for Pennar Industries Limited

Aditya N. Rao

Aditya N. Rao
Vice Chairman & Managing Director

Place : Hyderabad
Date : May 27, 2019

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**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
PENNAR INDUSTRIES LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Company"), for the year ended March 31, 2019 ("the Statement") in which are incorporated the financial information of erstwhile entities Pennar Engineered Building Systems Limited (PEBS) and Pennar Enviro Limited (PEL) for the year ended on that date audited by other auditors (refer note 3 of accompanying Statement), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph 5 below is sufficient and appropriate to provide a basis for our audit opinion.

4. 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 audit reports received from the other auditors as referred in paragraph 5 below, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

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(ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and Total comprehensive income and other financial information of the Company for the year ended March 31, 2019.

5. We did not audit the financial statements of erstwhile entities Pennar Engineered Building Systems Limited (PEBS) and Pennar Enviro Limited (PEL) ("transferor companies") included in the standalone financial results of the Company (refer note 3 of the Statement) whose financial statements reflect total assets of ₹ 64,639 lakhs as at March 31, 2019, total revenues of ₹67,379 lakhs, net profit after tax of ₹ 2,030 lakhs and total comprehensive income of ₹ 2,025 lakhs for the year ended on that date, as considered in the standalone financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such other auditors.

Our opinion is not modified in respect of this matter.

6. The Statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us, after giving effect to the Scheme of Amalgamation amongst the Company, Pennar Engineered Buildings Systems Limited (PEBS) and Pennar Enviro Limited (PEL) (refer note 3 of the Statement).

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Ganesh Balakrishnan

Partner
(Membership No.201193)

Hyderabad, May 27, 2019

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF PENNAR INDUSTRIES LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the year ended March 31, 2019 ("the Statement") erstwhile entities Pennar Engineered Building Systems Limited (PEBS) and Pennar Enviro Limited (PEL) for the year ended on that date audited by other auditors (refer note 3 of accompanying Statement), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in paragraph 5 below is sufficient and appropriate to provide a basis for our audit opinion.

4. 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 financial statements and the other financial information of subsidiaries referred to in paragraph 5 below, the Statement:
 - a. includes the results of the following entities:

Parent:

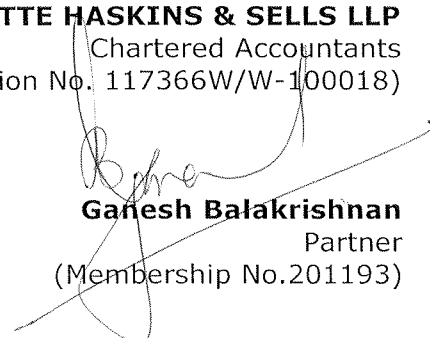
Pennar Industries Limited

Subsidiaries:

- a) Enertech Pennar Defense and Engineering Systems Private Limited
- b) Pennar Global Inc., United States of America

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
 - c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, Total comprehensive income and other financial information of the Group for the year ended March 31, 2019.
5. We did not audit the financial statements of erstwhile entities Pennar Engineered Building Systems Limited (PEBS) and Pennar Enviro Limited (PEL) ("transferor companies") included in the consolidated financial results (refer note 3 of the Statement) included in the Group whose financial statements reflect total assets of ₹ 64,639 lakhs as at March 31, 2019, total revenues of ₹ 67,379 lakhs, net profit after tax of ₹ 2,030 lakhs and total comprehensive income of ₹ 2,025 lakhs for the year ended on that date, as considered in the respective consolidated financial results of the companies included in the Group. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such other auditors.
- We did not audit the financial statements of two subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of ₹ 2,536 lakhs as at March 31, 2019, total revenues of ₹ 8,316 lakhs, net profit after tax ₹ 262 lakhs and total comprehensive income of ₹ 272 lakhs for the year ended on that date, as considered in the consolidated financial results. 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 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.
- Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.
6. The Statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us, after giving effect to the Scheme of Amalgamation amongst the Company, Pennar Engineered Buildings Systems Limited (PEBS) and Pennar Enviro Limited (PEL) (refer note 3 of the Statement).

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


Ganesh Balakrishnan
Partner
(Membership No.201193)

Hyderabad, May 27, 2019



PENNAR INDUSTRIES LIMITED



Declaration under Regulation 33(3)(d) of the Listing Regulations (as amended)

I, Aditya Rao, Vice-Chairman and Managing Director, hereby declare that the statutory auditors of the Company, Deloitte Haskins & Sells LLP (Firm's Registration No. 117366W/W-100018) have issued unmodified opinion on Standalone and Consolidated Annual Audited Financial Results of the Company for the Financial Year ended 31st March, 2019.

for Pennar Industries Limited

Aditya Rao

Vice-Chairman and Managing Director



Place: Hyderabad

Date: 27th May, 2019

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

Corp.Office & Works: IDA, Patancheru – 502 319, Sanga Reddy District, Telangana, INDIA.

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

Regd.Office: 9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.

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

CIN No: L27109AP1975PLC001919



Press release
For immediate release

Pennar Industries reports 24.3% increase in consolidated net revenue and 13.7% increase in consolidated PAT (excluding non-recurring item and exceptional item)

Hyderabad, May 27, 2019: Pennar Industries Limited (PIL), a leading value-added engineering products and solutions company, today announced its audited financial results for the fourth quarter and twelve months ended on March 31, 2019.

Consolidated Financial Highlights – FY2019

- Net Revenue at INR 2,160 crore
- EBITDA at INR 200 crore; EBITDA margin at 9.3%
- PAT at INR 66.7 crore

* Note: FY 2018 EBITDA and profit after tax included exceptional and non-recurring items of approximately Rs 57.1 crore and Rs 31.9 crore respectively. On a like to like comparison, Revenue, EBITDA and net profit for FY2019 are up 24.3%, 12.6% and 13.7% respectively.

Business Highlights – Q4 FY2019

- During Q4, PIL continued to receive steady orders across business verticals such as building products, tubes, solar, railways, industrial components and pre-engineered buildings. The order book position for pre-engineered building systems segment was Rs 472 crore as on March 31, 2019. The order book position for water treatment & chemicals segment as on March 31, 2019 was Rs 85 crore.
- Among the various verticals, railways reported 67.0% revenue growth during the year whereas tubes division and industrial component divisions grew by 32.3% and 30.9% respectively. Steel products division grew by 10.5% during the year. Pre-engineered buildings segment grew by 18.5% during the year.

Commenting on the financial performance, Mr. K M Sunil, Vice President - Corporate Strategy, Pennar Industries Limited said, “We concluded FY19 with strong top line growth on the back of steady order inflow. Recently, we received NCLT approval for the merger of PEBS Pennar and Pennar Enviro with Pennar Industries. These two are very important business segment for us and as one entity we hope create better cost structure, bring agility and improve profitability during coming quarters.”

About Pennar Industries Limited:

Pennar Industries (NSE: PENIND, BSE: 513228) is India's leading value-added engineering products and solutions company. The Company has a strong presence across growth sectors in India through four business units Railways, Tubes, Industrial Components and Steel Products, and its subsidiary companies, Pennar Engineered Building Systems Limited, Pennar Enviro Limited, Enertech Pennar Defense and Engineering Systems Pvt. Ltd. and Pennar Global Inc. Pennar's all the manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and seven manufacturing plants located at Patancheru, Sadashivpet, Isnapur, Velchal and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra. For more information, please visit www.pennarindia.com

DISCLAIMER:

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances

For further information, please contact:

K M Sunil Vice President - Corporate Strategy Pennar Industries Limited +91 97044 44606 Sunil.kuram@pennarindia.com	Mehul Mehta President – Financial PR Dickenson World +91 98202 80325 Mehul.mehta@dickensonir.com
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Date: 27.05.2019

To

The Board of Directors

M/s. Pennar Industries Limited

CIN: L27109AP1975PLC001919

3rd Floor, DHFLVC Silicon Towers, Kondapur,
Hyderabad - 500084

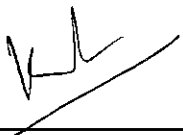
Sub: Resignation as Director of the Company

I, would like to inform the board that due to my other commitments, I am unable to continue as a Director in the company. Consequently I would like to resign from the Board of M/s. Pennar Industries Limited.

I would like to take this opportunity to thank all my colleagues on the Board and the management of the company for their continued support and wish them success in all their endeavors.

I request the Company Secretary to kindly take necessary action to file DIR-12 with the Registrar of Companies (RoC) within the prescribed period and arrange to forward me a copy of the same together with the challan issued by RoC.

Yours faithfully,



Sita Vanka

(DIN: 07016012)

BHARATI JACOB

Bangalore, India

Bharati Jacob is a Founder-Partner of Seedfund, an early stage fund that invests in innovative Indian start-ups. She has extensive experience in venture investing, marketing and financial services.

She co-founded Seedfund in 2006 and invested in 35 companies thus far. The diverse investments include Redbus (on-line bus ticketing), Edusports (sports in schools), Jeeves (post sales service for appliances), Axisrooms (organizing hotel inventory) among others. Seedfund's exit from Redbus – a company which she identified as an early investment and served on the board - to a strategic investor, was among the top three venture capital deals of the last decade for return on capital invested.

Prior to Seedfund, she was a partner at Infinity Ventures, a pioneer in Indian early stage investing whose exits include Indiagames and India Bulls (listing in India). She has also worked at Lazard India and Northwest Airlines in Minneapolis. Her early experience prior to business school was in consumer market research in India.

She has Masters degrees from The Wharton School of University Pennsylvania and XLRI Jamshedpur and is an alumni of the Shriram College of Commerce, University of Delhi.

Mr. PV Rao



Mr. PV Rao is a Civil Engineering Graduate from JNTU Kakinada and has more than 38 years of experience in Construction industry. He started his career in the academic field at VR Siddhartha Engineering College, Vijayawada, Gannon Dunkerley, Mumbai and moved on to Oman to work & gain knowledge on new construction technologies. Mr. Rao returned to India in 2000 and joined **Kirby Building Systems** as **GM – Sales & Marketing**. Later in 2006, he joined **TATA BlueScope Steel Ltd.** as **COO** and was one of the key personnel in establishing Tata's PEB business. Currently, Mr. Rao is serving as **Managing Director** of **Pennar Engineered Building Systems Ltd(*)**. He is with the company since its inception in 2008, instrumental in setting-up the manufacturing facility and attracting the best talent. Under his steward leadership, PEBS has been growing rapidly in revenues & profitability, and also bagged 13 prestigious awards of national & international repute. Today, PEBS is the **2nd Biggest Company (in PEB)** in India with a turnover of around **Rs.600 Crores**.

Mr. Rao is an active member of **The Institution of Engineers (India)** and serving as **Joint Secretary** of **PEB Manufacturers Association**. He serves as Independent Director on several Boards. He is also a Member in the **Board of Studies of Civil Engineering** of **RVR&JC College of Engineering**. He is the recipient of the prestigious “**Manager of the Year**” award from **Hyderabad Management Association** in 2013. Mr. Rao has been appointed as **Chairman** of **High Powered Group** on **PEB Technologies** by **Construction Industry Development Council (CIDC set-up by Planning Commission, Government of India and Indian Construction Industry)**. Also shares table with Secretaries of Central Ministries on the **High Powered Working Group** set-up by **CIDC** to “**Harmonize & Standardize National Bidding Documents**”. He serves as jury member on many eminent award committees. Mr. Rao is also a columnist in many engineering magazines and vernacular press.

** Pursuant to the Order of the Hon'ble National Company Law Tribunal, Hyderabad Bench dated 8th May, 2019, Pennar Engineered Building Systems Limited was amalgamated with Pennar Industries Limited.*

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PENNAR INDUSTRIES LIMITED

Dated: 27th May, 2019
Place: Hyderabad



Letter No. PIL/MERGER/RD/2019-20

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

Sub : Fixation of Record Date for issuance of Equity Shares pursuant to Scheme of Amalgamation ('Scheme') of Pennar Engineered Building Systems Limited ("First Transferor Company") and Pennar Enviro Limited ("Second Transferor Company") (hereinafter collectively referred to as "Transferor Companies") with Pennar Industries Limited ("Transferee Company").

This is further to our letter dated 10th May, 2019 and 14th May, 2019 informing about the approval of the Scheme and receipt of the certified copy of the Scheme from Hon'ble National Company Law Tribunal, Hyderabad Bench.

The Company has fixed Friday the **7th June, 2019** as the Record Date for the purpose of determining the shareholders entitled to receive the shares of the Transferee Company pursuant to the Scheme.

In accordance with the Scheme, Equity Shareholders of Transferor Companies are entitled to receive Equity Shares of the Transferee Company in the following exchange ratio:

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

We request you to kindly consider this as a Notice under Regulation 42 of the Listing Regulations for the purpose of the **Record Date**.

This is for your kind information and necessary action.

Thanking You,

for Pennar Industries Limited

Mirza Mohammed Ali Baig

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
CC to:



The Vice President Audit Inspection and Compliance Central Depository Services (India) Ltd, 25 th Floor, Marathon Futurex, N M Joshi Marg, Lower Parel (East), Mumbai - 400013	The Vice President Audit Inspection and Compliance National Securities and Depository Limited Trade World, Kamala Mills Compound, Lower Parel Mumbai- 400013	Mr. Rajeev Kumar Deputy Manager Karvy fintech Private Limited. Karvy Selenium Tower-B Plot No 31 & 32, Financial District, Gachibowli, Nanakramguda Seriligampally, Hyderabad 500032
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