

Detailed note on the Scheme covering Business and Financial aspects of Scheme:

A. Pennar Engineered Building Systems Limited (First Transferor Company)

Sl. No.	Particulars	First Transferor Company
1.	Name of the company	Pennar Engineered Building Systems Limited ('PEBS')
2.	Date of Incorporation & details of name changes, if any	Pennar Engineered Building Systems Limited, the First Transferor Company, was incorporated as a public limited company under the name and style of 'Pennar Engineered Building Systems Limited' in the State of Andhra Pradesh on 17 January 2008.
3.	Registered Office	9 th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084.
4.	Brief particulars of the scheme	The scheme of amalgamation ("Scheme") contemplates the following w.e.f 1 April 2018: • Merger of Pennar Engineered Building Systems Limited ("PEBS" or "First Transferor Company") and Pennar Enviro Limited ("PEL" or "Second Transferor Company") (hereinafter collectively referred to as "Transferor Companies") with Pennar Industries Limited ("PIL" or "Transferee Company"); and • As consideration for the merger, shareholders of PEBS & PEL holding equity shares as on the record date shall be issued and allotted equity shares of PIL based on the following exchange ratio: - o 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 - o 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
5.	Rationale for the scheme	PIL holds ~ 54% stake in PEBS since October 2009. One of PIL's most successful initiatives since its inception, PEBS was set up in 2008 with a vision to emerge as a leader in the pre-engineered buildings and structural steel industry space. PIL acquired ~51% stake in PEL in 30 November 2012 with the objective of entering new areas of engineering services. PEL has strong references in a range of technologies including desalination, effluent treatment and recycling, demineralization and instrumentation. Accordingly, the merger of the Transferor Companies with the Transferee Company would have the following benefits: • Enable shareholders of all the companies to get direct participation in the promising combined business of PIL, PEBS & PEL • Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify



	with better optimization of funds and efficient utilization of resources. • Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes. • Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital. • The Transferee Company will have an improved capital structure, which would enable it to access the Capital Market at better terms and will afford easier access to other resources and at a lower cost. The merger in general will have beneficial results for the Companies, their shareholders, employees and all concerned. Primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing, fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects.																	
6.	Business Aspects																	
	<u>Details of Revenue in Rs. Lakhs.</u> Sale of Products - Supply of Pre-Engineered Building (PEB)/ steel structural - Rs. 53,378 Sale of Services - Erection services - Rs. 4,039 - Engineering Services - Rs. 2,160																	
7.	Financial aspects <table><thead><tr><th rowspan="2">Particulars</th><th colspan="2">(In Crores)</th></tr><tr><th>Transferee Co. PIL-Mar'19 (Merged)</th><th>Transferor Co. PEBS-Mar'19</th></tr></thead><tbody><tr><td>EBIT</td><td>169</td><td>39</td></tr><tr><td>Total Assets</td><td>1,738</td><td>533</td></tr><tr><td>Current Liabilities</td><td>926</td><td>320</td></tr><tr><td>Capital Employed</td><td>812</td><td>213</td></tr></tbody></table> Audited Results are attached.	Particulars	(In Crores)		Transferee Co. PIL-Mar'19 (Merged)	Transferor Co. PEBS-Mar'19	EBIT	169	39	Total Assets	1,738	533	Current Liabilities	926	320	Capital Employed	812	213
Particulars	(In Crores)																	
	Transferee Co. PIL-Mar'19 (Merged)	Transferor Co. PEBS-Mar'19																
EBIT	169	39																
Total Assets	1,738	533																
Current Liabilities	926	320																
Capital Employed	812	213																



Pennar Engineered Building Systems Limited

9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500 084

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2019

(₹ in Lakhs)

Sl. No	Particulars	Quarter ended			Year ended	
		31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
		Audited***	Unaudited	Audited***	Audited	Audited
1	Income					
	(a) Revenue from operations*	20,265	15,421	14,230	60,459	51,998
	(b) Other income	556	296	690	1,836	1,190
	Total income	20,821	15,717	14,920	62,295	53,188
2	Expenses					
	(a) Cost of material consumed	8,995	6,147	11,899	30,977	33,471
	(b) Changes in inventories of finished goods and work in progress	5,065	2,801	(2,423)	7,229	(4,762)
	(c) Excise duty	-	-	-	-	962
	(d) Frection expenses	1,639	1,513	1,043	4,896	5,244
	(e) Employee benefits expense	642	1,215	1,075	4,194	4,185
	(f) Finance costs	492	387	360	1,653	1,566
	(g) Depreciation and amortisation expense	202	194	149	677	597
	(h) Other expenses	2,194	3,105	1,834	10,378	9,529
	Total expenses	19,229	15,362	13,937	60,004	50,792
3	Profit before tax (1-2)	1,592	355	983	2,291	2,396
4	Tax expense:					
	(a) Current tax	601	37	2	732	606
	(b) Deferred tax	(34)	46	322	17	210
	Total tax expense	567	83	324	749	816
5	Profit after tax (3-4)	1,025	272	659	1,542	1,580
6	Other comprehensive income					
	Items that will not be reclassified subsequently to profit or loss:					
	(a) Remeasurement of defined benefit obligation	(2)	-	(55)	(7)	(59)
	(b) Deferred tax relating to the above items	1	-	19	2	20
	Total other comprehensive income	(1)	-	(36)	(5)	(39)
7	Total comprehensive income (5+6)	1,024	272	623	1,537	1,541
8	Paid-up equity share capital (Face value ₹ 10/- each fully paid)	3,427	3,427	3,427	3,427	3,427
9	Earning per share**					
	Basic & Diluted	2.99	0.79	1.92	4.50	4.61

*The Company is liable to Goods and Services Tax (GST) with effect from 01 July 2017. The revenues for the period 01 April 2017 to 30 June 2017 included in the year ended 31 March 2018 was reported inclusive of excise duty. The revenue for all other periods are reported net of GST. The impact is as represented as below:

Particulars	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18
Gross sales	20,265	15,421	14,230	60,459	51,998
Less: Excise duty	-	-	-	-	962
Net sales	20,265	15,421	14,230	60,459	51,036

** EPS for the quarter ended period is not annualised

*** Balancing figure (Refer note 8)

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Balance sheet

(₹ In Lakhs)

Sl. No.	Particulars	As at 31-Mar-19	As at 31-Mar-18
A	ASSETS		
1	(a) Property, plant and equipment	10,922	5,927
	(b) Capital work-in-progress	4,591	533
	(c) Intangible assets	298	364
	(d) Financial assets		
	(i) Investments	78	78
	(ii) Trade receivables	937	258
	(iii) Loans	212	216
	(e) Other non-current assets	816	36
	(f) Income tax asset (net)	544	332
	(g) Deferred tax assets (net)	635	650
	Total non-current assets	19,033	8,394
	Current assets	13,007	20,430
2	(a) Inventories		
	(b) Financial assets		
	(i) Investments	4,969	4,641
	(ii) Trade receivables	8,588	8,996
	(iii) Cash and cash equivalents	915	519
	(iv) Bank balances other than cash and cash equivalent	1,338	348
	(v) Loans	2,009	2,749
	(vi) Other financial assets	2,821	2,180
	(c) Other current assets	664	2,943
	Total current assets	34,311	42,806
	Total assets	53,344	51,200
B	EQUITY AND LIABILITIES		
	Equity	3,427	3,427
1	(a) Equity share capital	16,831	15,294
	(b) Other equity	20,258	18,721
	Total equity		
	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	183	-
	(ii) Other financial liabilities	512	467
	(b) Provisions	376	294
	Total non-current liabilities	1,071	761
	Current liabilities		
2	(a) Financial liabilities		
	(i) Borrowings	8,194	7,566
	(ii) Trade payables		
	a) Total outstanding dues of micro and small enterprises	135	361
	b) Total outstanding dues of other than micro and small enterprises	14,206	13,817
	(iii) Other financial liabilities	2,219	2,231
	(b) Other current liabilities	6,880	7,141
	(c) Provisions	140	547
	(d) Current tax liabilities (net)	241	55
	Total current liabilities	32,015	31,718
	Total liabilities	33,086	32,479
	Total equity and liabilities	53,344	51,200



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Notes:

- 1 The above results for the quarter and year ended 31 March 2019 were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 22 May 2019.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular dated 05 July 2016.
- 3 The Company has adopted Ind AS 115, Revenue from Contracts with Customers, which replaces earlier revenue standards. Using the cumulative effect method (without practical expedients), there was no significant adjustments required to the retained earnings at the date of initial application (i.e., 01 April 2018). Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial results.
- 4 The operating segment of the Company is identified as manufacture and erection of steel products, i.e., pre engineered buildings, as the 'Chief Operating Decision Maker' (CODM) reviews business performance at the overall Company level as one segment. Therefore, the disclosure as per Ind AS 108 - 'Operating Segments' and Regulation 33(1) (e) read with clause (L) of Schedule IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.
- 5 The details of funds raised through Initial Public Offer (IPO) during the financial year 2015-2016 and utilisation of said funds as at 31 March 2019 are as follows:

(₹ in Lakhs)			
Particulars	Objects of the Issue as per prospectus	Utilisation upto 31 March 19	Unutilised amount upto 31 March 19
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 31 March 2019, unutilised funds have been temporarily invested in short term liquid scheme of mutual funds and in bank balances.

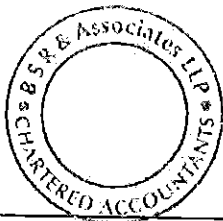
- 6 The Company vide its board meeting dated 10 November 2017 had approved the proposed scheme of amalgamation of the Company and Pennar Enviro Limited (a related company) with Pennar Industries Limited (PIL), the holding company (herein referred to as the 'Scheme') with its appointed date being 1 April 2018, as per terms and conditions mentioned in the Scheme.

During the year, the Company had obtained approval from BSE Limited, National Stock Exchange of India Limited, Company's shareholders, secured and unsecured creditors on the Scheme and completed other procedural requirements. Subsequently, the Company had submitted the application with National Company Law Tribunal (NCLT) to obtain the approval for the Scheme.

Subsequent to the balance sheet date, NCLT vide its order dated 8 May 2019 has approved the Scheme (with its appointed date being 1 April 2018). The Board of directors of the Company vide its meeting dated 15th May 2019 have taken the approved scheme on record. The filing of the scheme with the Registrar of Company (ROC) is pending and will be filed within 30 days per the Order. Pending such filing with the ROC, the financial statements of the Company, for the year ended 31 March 2019, have been prepared on a going concern basis.

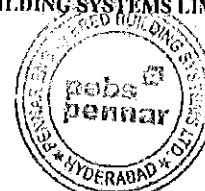
- 7 The above financial results are also available on the stock exchanges website i.e., www.bseindia.com, www.nseindia.com and the Company's website www.pcbspennar.com
- 8 The figures for the quarter ended 31 March 2019 and 31 March 2018 are the balancing figures between audited figures in respect of the full financial years and the published unaudited year to date figures upto third quarter of the respective financial years. Also, the figures upto the end of the third quarter were only reviewed and not subjected to audit.

Place : Hyderabad
Date : 22 May 2019



for PENNAR ENGINEERED BUILDING SYSTEMS LIMITED

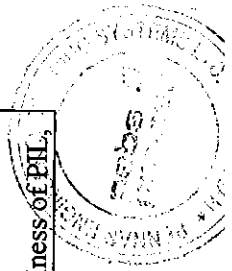
P V RAO
Managing Director



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B. Pennar Industries Limited (Transferee Company)

Sl. No.	Particulars	Transferee Company
1.	Name of the company	Pennar Industries Limited (PIL)
2.	Date of Incorporation & details of name changes, if any	Pennar Industries Limited, the Transferee Company, was originally incorporated as a public limited company under the name and style of 'Pennar Steels Limited' in the State of Andhra Pradesh on 8 August 1975. Subsequently, the name was changed to 'Pennar Industries Limited' on 30 September 1998.
3.	Registered Office	Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad, Telangana, 500084
4.	Brief particulars of the scheme	The scheme of amalgamation ("Scheme") contemplates the following w.e.f 1 April 2018: • Merger of Pennar Engineered Building Systems Limited ("PEBS" or "First Transferor Company") and Pennar Enviro Limited ("PEL" or "Second Transferor Company") (hereinafter collectively referred to as "Transferor Companies") with Pennar Industries Limited ("PIL" or "Transferee Company"); and • As consideration for the merger, shareholders of PEBS & PEL holding equity shares as on the record date shall be issued and allotted equity shares of PIL based on the following exchange ratio: - o 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 - o 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
5.	Rationale for the scheme	PIL holds ~ 54% stake in PEBS since October 2009. One of PIL's most successful initiatives since its inception, PEBS was set up in 2008 with a vision to emerge as a leader in the pre-engineered buildings and structural steel industry space. PIL acquired ~51% stake in PEL in 30 November 2012 with the objective of entering new areas of engineering services. PEL has strong references in a range of technologies including desalination, effluent treatment and recycling, demineralization and instrumentation. Accordingly, the merger of the Transferor Companies with the Transferee Company would have the following benefits: • Enable shareholders of all the companies to get direct participation in the promising combined business of PIL,



	PEBS & PEL • Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources. • Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes. • Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital. • The Transferee Company will have an improved capital structure, which would enable it to access the Capital Market at better terms and will afford easier access to other resources and at a lower cost. The merger in general will have beneficial results for the Companies, their shareholders, employees and all concerned. Manufacturing cold rolled steel strips, precision tubes, cold rolled formed sections, electro static precipitators, profiles, railway wagons and coach components, press steel components and road safety systems.																	
6.	Business Aspects																	
7.	Revenue from Operations in Rs. Lakhs: - Sale of Products - Rs. 2,02,745 - Sale of services - Rs. 7840 - <table><tr><th rowspan="2">Particulars</th><th colspan="2">(In Crores)</th></tr><tr><th>Transferee Co. PIL-Mar'19 (Merged)</th><th>Transferor Co. PEBS- Mar'19</th></tr><tr><td>EBIT</td><td>169</td><td>39</td></tr><tr><td>Total Assets</td><td>1,738</td><td>533</td></tr><tr><td>Current Liabilities</td><td>926</td><td>320</td></tr><tr><td>Capital Employed</td><td>812</td><td>213</td></tr></table> Audited Results are attached	Particulars	(In Crores)		Transferee Co. PIL-Mar'19 (Merged)	Transferor Co. PEBS- Mar'19	EBIT	169	39	Total Assets	1,738	533	Current Liabilities	926	320	Capital Employed	812	213
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PENNA INDUSTRIES LIMITED

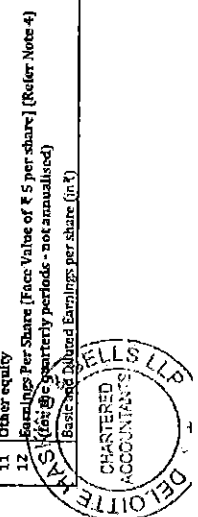
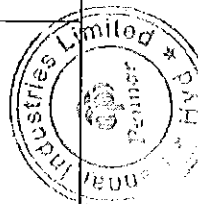
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Statement of Consolidated and Standalone Financial Results for the Quarter and Year Ended March 31, 2019

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 Audited (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	2,13,311	1,79,841	54,703	50,257	2,11,612
	(b) Other income	511	760	795	2,674	1,589	760	1,007	2,603
	Total Income	59,018	57,523	51,103	2,15,985	1,81,430	55,463	51,264	2,14,215
2	Expenses								
	(a) Cost of materials consumed	29,851	32,676	33,688	1,27,283	1,08,931	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) Change 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	-	-	-
	(e) Employee benefits expense	3,717	4,026	3,383	15,293	12,276	3,934	3,306	14,913
	(f) Finance costs	2,267	1,937	1,968	7,520	6,740	1,937	1,968	6,166
	(g) Depreciation and amortisation expense	717	755	805	2,789	2,926	729	855	2,787
	(h) Other expenses	14,006	13,921	9,870	49,148	36,179	13,697	9,264	50,838
	Total expenses	55,638	55,347	45,356	2,06,303	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	9,682	12,513	2,091	5,746	9,351
4	Exceptional item (Refer note 6)	-	-	1,295	-	1,295	-	2,129	-
5	Profit before tax (3+4)	3,380	2,176	7,042	9,682	13,808	2,091	7,875	9,351
6	Tax expense								
	(a) Current tax	848	495	2,227	2,546	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	3,016	4,759	629	2,291	2,947
7	Net Profit for the period (5-6)	2,432	1,529	4,752	6,666	9,049	1,462	5,584	6,404
	Attributable to:								
	Shareholders of the Company	2,415	1,524	4,752	6,644	8,938	1,462	5,584	6,404
	Non-Controlling Interest	17	5	-	22	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)	(475)	(57)	-	(25)	(475)
	(b) Income tax relating to above items	165	-	9	155	23	-	9	165
	Items that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	10	-	-	10	-	-	-	-
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-
	Total Other comprehensive income/(loss), net of tax	(300)	-	(16)	(300)	(44)	-	(16)	(310)
	Attributable to:								
	Shareholders of the Company	(300)	-	(16)	(300)	(44)	-	(16)	(310)
	Non-controlling interest	-	-	-	-	-	-	-	-
9	Total comprehensive income (7+8)	2,132	1,529	4,736	6,366	9,005	1,462	5,568	6,094
	Attributable to:								
	Shareholders of the Company	2,115	1,524	4,736	6,344	8,994	1,462	5,568	6,094
	Non-controlling interest	17	5	-	22	111	-	-	-
10	Paid up equity share capital [Face Value of ₹ 5 per share]	7,618	7,618	7,618	7,618	7,618	7,618	7,618	7,618
11	Other equity	159	1,001	312	4,336	5,877	0.96	3.67	4.20
12	Earnings Per Share [Face Value of ₹ 5 per share] [Refer Note 4]								
	(a) Basic Earnings Per Share (for the quarterly periods - not annualised)								
	(b) Diluted Earnings Per Share (for the quarterly periods - not annualised)								
	Basic and Diluted Earnings per share (in ₹)								

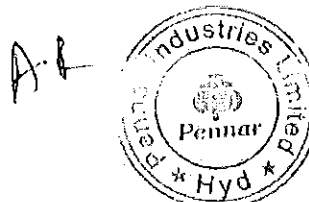


Balance Sheet:

(₹ 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 a above restatement):

Particulars	Quarter ended		Year ended	
	December 31, 2018	March 31, 2018	March 31, 2018	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:

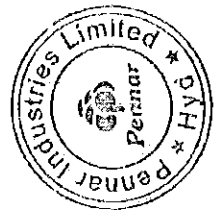
Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Enertech Pennar Defense and Engineering Systems Private Limited (From April 10, 2018)	India	Subsidiary	51.00%
Pennar Global Inc. (From June 05, 2017)	USA	Subsidiary	100.00%

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 State 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 :

Particulars	Year Ended					
	Quarter Ended		31-Mar-18		31-Mar-18	
	31-Mar-19	31-Dec-18	Unaudited	Audited	31-Mar-19	31-Mar-18
	Audited				Audited	Audited
Segment revenue						
Diversified engineering	44,254	39,204		34,309	1,55,554	1,24,864
Custom designed building solutions & auxiliaries	24,884	19,955		18,098	75,695	65,136
Total	69,138	59,159		52,407	2,31,249	1,90,000
Less : Inter segment revenue	10,631	2,396		2,099	17,938	10,159
Revenue from operations	58,507	56,763		50,308	2,13,311	1,79,841
Segment results						
Diversified engineering	4,616	3,752		6,135	15,453	14,171
Custom designed building solutions & auxiliaries	1,748	1,116		3,680	4,538	9,303
Total	6,364	4,868		9,815	19,991	23,474
Less :						
Depreciation and amortisation expense	717	755		805	2,789	2,926
Finance costs	2,267	1,937		1,968	7,520	6,740
Profit before tax	3,380	2,176		7,042	9,682	13,808
					As at	
					31-Mar-19	31-Mar-18
					Audited	Audited
Capital employed (Segment assets - Segment liabilities) (See notes below)						
Segment assets						
Diversified engineering						
Custom designed building solutions & auxiliaries					1,18,247	1,01,340
Total Segment Assets					57,701	49,810
Segment liabilities						
Diversified engineering						
Custom designed building solutions & auxiliaries					1,75,948	1,51,150
Total Segment Liabilities					1,07,585	90,745

Notes:

i. Segment information is presented for the "consolidated financial results" as permitted under the Ind AS 108 - 'Operating Segments'.

ii. 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

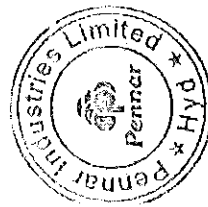
As on March 31, 2019, unutilised funds have been temporarily invested in short term liquid scheme of mutual funds and in bank balances. The above details have been extracted from the statement of audited financial results of erstwhile Pennar Engineered Building Systems Limited (PEBS), as approved by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



Place : Hyderabad

Date : May 27, 2019



By order of the Board
for Pennar Industries Limited

Aditya N. Rao

Aditya N. Rao
Vice Chairman & Managing Director

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