



# PENNAR INDUSTRIES LIMITED

Dated: 12<sup>th</sup> November, 2020

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: SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

We wish to inform you that at the meeting of the Board of Directors of the company commenced at 10:30 A.M. and concluded at 2:00 P.M. on Thursday the 12<sup>th</sup> day of November, 2020, the following business were transacted:

- 1) Approval of the Un-audited Financial Results for the quarter and half year ended 30<sup>th</sup> September, 2020
  - a. Standalone Financial Results of M/s. Pennar Industries Limited.
  - b. Consolidated Financial Results of M/s. Pennar Industries Limited.
- 2) Approval of the Limited Review Report (standalone and consolidated) issued by the Statutory Auditors of the Company for the Quarter and half year ended 30<sup>th</sup> September, 2020.
- 3) 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, 2015 for the quarter ended 30<sup>th</sup> September, 2020.
- 4) The Board has considered and approved to form step down subsidiary under Pennar Global INC, USA for distribution of steel products and setting up of manufacturing metal building systems & steel structures.
- 5) To make investment of 3.5 Million USD in Ascent Buildings LLC through Pennar Global INC, USA a wholly owned subsidiary of the Company.

The following are attached herewith for your information and record:

- a. The certified copy of Un-audited Financial Results of the Company for the Quarter and half year ended 30<sup>th</sup> September, 2020.
- b. The Limited Review Report (Standalone and Consolidated) for the Quarter and half year ended 30<sup>th</sup> September, 2020 issued by the Statutory Auditors of the Company.
- c. Press Release for the Quarter ended 30<sup>th</sup> September, 2020.
- d. The details as required under SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given in Annexure-A.

The same will be made available on the Company's website viz., [www.pennarindia.com](http://www.pennarindia.com).

Kindly take the same on your records.

Thanking you

Yours faithfully,  
for Pennar Industries Limited



**Mirza Mohammed Ali Baig**  
Company Secretary & Compliance Officer

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

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

PENNNAR INDUSTRIES LIMITED

(CIN: L27109TG1975PLC001919)

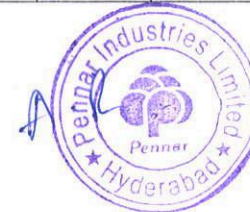
Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.

Tel: +91 40 40061621; Fax: +91 40 40061618; E-mail: corporatecommunications@pennarindia.com; Website: www.pennarindia.com

Statement of Consolidated and Standalone Unaudited Financial Results for the Quarter and Half-year Ended September 30, 2020

(₹ in Lakhs)

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended			Half-year Ended			Quarter Ended			Half-year Ended		
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>												
	(a) Revenue from operations	39,044	16,619	57,995	55,663	1,11,778	2,10,655	39,304	16,243	57,932	55,547	1,11,405	2,09,766
	(b) Other income	225	276	862	501	1,215	2,028	193	258	804	451	1,151	2,029
	<b>Total income</b>	<b>39,269</b>	<b>16,895</b>	<b>58,857</b>	<b>56,164</b>	<b>1,12,993</b>	<b>2,12,683</b>	<b>39,497</b>	<b>16,501</b>	<b>58,736</b>	<b>55,998</b>	<b>1,12,556</b>	<b>2,11,795</b>
2	<b>Expenses</b>												
	(a) Cost of materials consumed	24,434	8,757	35,264	33,191	67,593	1,18,460	24,231	8,722	35,354	32,953	67,551	1,18,255
	(b) Purchase of traded goods	1,697	257	1,862	1,954	3,053	8,463	1,342	257	1,862	1,599	3,053	8,463
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,088)	1,096	(1,768)	(1,992)	(3,645)	(1,143)	(2,162)	954	(1,768)	(1,208)	(3,645)	(1,161)
	(d) Employee benefits expense	3,423	3,114	4,295	6,537	8,515	16,184	3,262	2,929	4,208	6,191	8,326	15,687
	(e) Finance costs	1,982	1,977	2,267	3,959	4,259	8,345	1,979	1,968	2,261	3,947	4,253	8,340
	(f) Depreciation and amortisation expense	1,218	1,207	1,042	2,425	1,992	4,282	1,204	1,193	1,041	2,397	1,989	4,268
	(g) Other expenses	9,536	4,998	13,889	14,534	26,647	51,780	9,620	4,979	13,782	14,599	26,494	51,748
	<b>Total expenses</b>	<b>39,202</b>	<b>21,406</b>	<b>56,851</b>	<b>60,608</b>	<b>1,08,414</b>	<b>2,06,371</b>	<b>39,476</b>	<b>21,002</b>	<b>56,740</b>	<b>60,478</b>	<b>1,08,021</b>	<b>2,05,600</b>
3	<b>Profit / (loss) before tax (1-2)</b>	<b>67</b>	<b>(4,511)</b>	<b>2,006</b>	<b>(4,444)</b>	<b>4,579</b>	<b>6,312</b>	<b>21</b>	<b>(4,501)</b>	<b>1,996</b>	<b>(4,480)</b>	<b>4,535</b>	<b>6,195</b>
4	<b>Tax expense (Refer note 9)</b>												
	(a) Current tax	1	23	266	24	1,090	1,768	-	-	264	-	1,080	1,740
	(b) Deferred tax	9	(1,130)	(612)	(1,121)	(524)	(796)	11	(1,132)	(612)	(1,121)	(524)	(796)
	<b>Total tax expense</b>	<b>10</b>	<b>(1,107)</b>	<b>(346)</b>	<b>(1,097)</b>	<b>566</b>	<b>972</b>	<b>11</b>	<b>(1,132)</b>	<b>(348)</b>	<b>(1,121)</b>	<b>556</b>	<b>944</b>
5	<b>Net Profit / (loss) for the period (3-4)</b>	<b>57</b>	<b>(3,404)</b>	<b>2,352</b>	<b>(3,347)</b>	<b>4,013</b>	<b>5,340</b>	<b>10</b>	<b>(3,369)</b>	<b>2,344</b>	<b>(3,359)</b>	<b>3,979</b>	<b>5,251</b>
	Attributable to:												
	Shareholders of the Company	49	(3,411)	2,350	(3,362)	4,001	5,305	10	(3,369)	2,344	(3,359)	3,979	5,251
	Non-Controlling interest	8	7	2	15	12	35	-	-	-	-	-	-
6	<b>Other comprehensive income</b>												
	Items that will not be reclassified subsequently to profit or loss												
	(a) Remeasurement of the net defined benefit liability	-	-	-	-	-	(52)	-	-	-	-	-	(52)
	(b) Income tax relating to above items	-	-	-	-	-	13	-	-	-	-	-	13
	Items that will be reclassified subsequently to profit or loss												
	(a) Exchange differences in translation of foreign operations	(25)	6	-	(19)	1	67	-	-	-	-	-	-
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Other comprehensive income/(loss), net of tax</b>	<b>(25)</b>	<b>6</b>	<b>-</b>	<b>(19)</b>	<b>1</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39)</b>
	Attributable to:												
	Shareholders of the Company	(25)	6	-	(19)	1	28	-	-	-	-	-	(39)
	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
7	<b>Total comprehensive income (5+6)</b>	<b>32</b>	<b>(3,398)</b>	<b>2,352</b>	<b>(3,366)</b>	<b>4,014</b>	<b>5,368</b>	<b>10</b>	<b>(3,369)</b>	<b>2,344</b>	<b>(3,359)</b>	<b>3,979</b>	<b>5,212</b>
	Attributable to:												
	Shareholders of the Company	24	(3,405)	2,350	(3,381)	4,002	5,333	10	(3,369)	2,344	(3,359)	3,979	5,212
	Non-controlling interests	8	7	2	15	12	35	-	-	-	-	-	-
8	<b>Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 3)</b>	<b>7,108</b>	<b>7,108</b>	<b>7,618</b>	<b>7,108</b>	<b>7,618</b>	<b>7,262</b>	<b>7,108</b>	<b>7,108</b>	<b>7,618</b>	<b>7,108</b>	<b>7,618</b>	<b>7,262</b>
9	<b>Other equity</b>						<b>62,771</b>						<b>62,401</b>
10	<b>Earnings Per Share [Face Value of ₹ 5 per share] (for the quarterly periods - not annualised)</b>												
	Basic and Diluted Earnings per share (in ₹)	0.03	(2.38)	1.55	(2.35)	2.63	3.51	0.01	(2.36)	1.54	(2.35)	2.61	3.47



## Balance Sheet:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	As at September 30, 2020	As at March 31, 2020	As at September 30, 2020	As at March 31, 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	55,872	57,286	55,743	57,137
Right-of-Use Assets	3,244	3,534	3,244	3,534
Capital work-in-progress	2,164	3,341	2,164	3,341
Goodwill	322	322	-	-
Other intangible assets	1,342	1,430	1,317	1,398
Financial assets				
(a) Investments	2	2	1,234	1,234
(b) Trade receivables	3,613	4,109	3,613	4,109
(c) Loans	529	-	529	-
(d) Other financial assets	1,329	1,034	1,183	1,001
Income tax assets (net)	2,961	2,815	2,948	2,806
Other non-current assets	2,816	1,482	2,816	1,363
<b>Total Non-current assets (1)</b>	<b>74,194</b>	<b>75,355</b>	<b>74,791</b>	<b>75,923</b>
<b>Current assets</b>				
Inventories	41,780	43,984	40,813	43,780
Financial assets				
(a) Investments	2,509	4,509	2,509	4,509
(b) Trade receivables	34,636	39,610	35,675	39,237
(c) Cash and cash equivalents	1,776	3,902	1,299	3,565
(d) Other bank balances	3,595	2,020	3,595	2,020
(e) Loans	584	2,164	824	2,394
(f) Other financial assets	5,531	4,837	4,638	4,727
Other current assets	8,363	8,957	8,275	8,205
<b>Total Current assets (2)</b>	<b>98,774</b>	<b>1,09,983</b>	<b>97,628</b>	<b>1,08,437</b>
<b>Total assets (1+2)</b>	<b>1,72,968</b>	<b>1,85,338</b>	<b>1,72,419</b>	<b>1,84,360</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital (Refer Note 3)	7,108	7,262	7,108	7,262
Other equity (Refer Note 3)	58,867	62,771	58,519	62,401
<b>Equity attributable to Shareholders of the Company</b>	<b>65,975</b>	<b>70,033</b>	<b>65,627</b>	<b>69,663</b>
Non-controlling interests	72	57	-	-
<b>Total Equity (1)</b>	<b>66,047</b>	<b>70,090</b>	<b>65,627</b>	<b>69,663</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(a) Borrowings	9,679	10,233	9,613	10,198
(b) Lease Liabilities	2,861	3,290	2,861	3,290
(c) Other financial liabilities	1,151	919	1,126	919
Provisions	1,314	1,064	1,314	1,064
Deferred tax liabilities (net)	756	1,871	756	1,871
Other non-current liabilities	204	282	204	282
<b>Total Non-current liabilities (2)</b>	<b>15,965</b>	<b>17,659</b>	<b>15,874</b>	<b>17,624</b>
<b>Current liabilities</b>				
Financial liabilities				
(a) Borrowings	36,725	29,755	36,594	29,596
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	325	258	325	258
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	33,684	47,636	33,790	47,484
(c) Lease Liabilities	614	387	614	387
(d) Other financial liabilities	6,179	7,637	6,020	7,350
Income tax liabilities (net)	3,356	3,282	3,340	3,278
Provisions	743	596	743	590
Other current liabilities	9,330	8,038	9,492	8,130
<b>Total Current liabilities (3)</b>	<b>90,956</b>	<b>97,589</b>	<b>90,918</b>	<b>97,073</b>
<b>Total Liabilities (2+3)</b>	<b>1,06,921</b>	<b>1,15,248</b>	<b>1,06,792</b>	<b>1,14,697</b>
<b>Total Equity and Liabilities (1+2+3)</b>	<b>1,72,968</b>	<b>1,85,338</b>	<b>1,72,419</b>	<b>1,84,360</b>





PARTICULARS	Consolidated		Standalone	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
<b>Cash flow from operating activities:</b>				
Profit / (loss) before tax	(4,444)	4,579	(4,480)	4,535
Adjustments for:				
Depreciation and amortisation expense	2,425	1,992	2,397	1,989
(Profit)/Loss on sale/scrap of property, plant and equipments (net)	(5)	-	(5)	-
(Profit)/Loss on sale of investment	(26)	-	(26)	-
Exchange differences (net)	(72)	-	(72)	-
Trade and other receivables written off	632	-	632	-
Provision for doubtful trade and other receivables, loans and advances (net)	206	(367)	206	(367)
Finance costs	3,959	4,259	3,947	4,253
Interest income	(379)	(590)	(339)	(583)
Net gain arising from financial instruments designated as FVTPL	(4)	(23)	(4)	(22)
<b>Operating profit before working capital changes:</b>	<b>2,292</b>	<b>9,850</b>	<b>2,256</b>	<b>9,805</b>
<i>Changes in working capital:</i>				
Trade payables	(6,155)	7,799	(5,897)	7,901
Other liabilities	94	(1,095)	268	(1,001)
Provisions	397	234	403	303
Trade receivables	4,704	(4,583)	3,292	(4,344)
Inventories	2,204	(2,779)	2,967	(2,800)
Other assets	(264)	(2,394)	(152)	(2,152)
<b>Cash generated from operations</b>	<b>3,272</b>	<b>7,032</b>	<b>3,137</b>	<b>7,712</b>
Direct taxes paid (net of refunds)	(97)	(439)	(80)	(432)
<b>Net cash flow from operating activities (A)</b>	<b>3,175</b>	<b>6,593</b>	<b>3,057</b>	<b>7,280</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(909)	(5,297)	(912)	(5,641)
Proceeds from sale of current investments (net)	2,030	1,445	2,030	843
Inter-corporate deposits/ loans (net)	1,051	(1,282)	1,041	(1,382)
Movement in other bank balances	(1,575)	1,393	(1,575)	1,393
Interest received	370	525	330	520
<b>Net cash used in investing activities (B)</b>	<b>967</b>	<b>(3,216)</b>	<b>914</b>	<b>(4,267)</b>
<b>Cash flow from financing activities:</b>				
Proceeds from long term borrowings (net)	(763)	3,517	(585)	(2,832)
Movement in working capital loans (net)	(551)	(2,805)	(732)	3,731
Payment towards buyback of shares including transaction costs	(677)	-	(677)	-
Interest and other borrowing costs paid	(4,056)	(4,097)	(3,850)	(4,045)
Repayment of lease liability	(202)	(363)	(393)	(363)
<b>Net cash used in financing activities (C)</b>	<b>(6,249)</b>	<b>(3,748)</b>	<b>(6,237)</b>	<b>(3,509)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>(2,107)</b>	<b>(371)</b>	<b>(2,266)</b>	<b>(496)</b>
Cash and cash equivalents at the beginning of the period	3,902	1,516	3,565	1,320
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(19)	-	-	-
Cash and cash equivalents at the end of the period	<b>1,776</b>	<b>1,145</b>	<b>1,299</b>	<b>824</b>

Note: The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"



# 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").
2. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on November 10, 2020 and approved by the Board of Directors at their meeting held on November 12, 2020. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter and Half-year ended September 30, 2020.
3. The Board of Directors, at its meeting held on November 12, 2019, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 45 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 4,000 lakhs (Maximum Buyback size), payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act. The Buyback shall not exceed ₹ 4,000 lakhs (Maximum Buyback size) excluding the transaction charges.

On May 25, 2020, the scheme of Buyback was closed, the Company bought back 1,01,95,000 equity shares as of that date, resulting in total cash consideration of ₹ 2,725 lakhs (including ₹ 488 lakhs towards transaction cost and tax on Buyback). In line with the requirement of Companies Act, 2013, an amount of ₹ 2,215 lakhs has been utilized from securities premium account for the buyback. Further, capital redemption reserve of ₹ 510 lakhs representing the nominal value of shares brought back, has been created in accordance with Section 69 of the Companies Act, 2013.

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 (from December 04, 2019)	Germany	Subsidiary	100%
Oneworks BIM Technologies Private Limited (w.e.f February 14, 2020)	India	Subsidiary	100%
Pennar Global Inc.	USA	Subsidiary	100%
Pennar Global Metals, LLC (w.e.f August 12, 2020)	USA	Step-down Subsidiary	100%
Ascent Buildings, LLC (from September 4, 2020)	USA	Step-down Subsidiary	100%

5. a) During the quarter ended December 31, 2019, the Company acquired 100% equity shares of Pennar GmbH,  
b) During the quarter ended March 31, 2020, the Company acquired 100% equity shares of Oneworks BIM Technologies Private Limited and recognised goodwill amounting to ₹ 322 lakhs in consolidated financial results and  
c) During the current quarter, 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. COVID-19 is an infectious disease caused by the most recently discovered coronavirus, SARS-CoV-2. In March 2020, the World Health Organisation declared COVID-19 a pandemic.  
The Government of India, declared a lockdown on March 23, 2020 in the light of the outbreak of COVID-19 due to which the Company suspended its operations from March 23, 2020. Operations have resumed from May 4, 2020 and the Company is taking various precautionary measures to protect its employees and their families from COVID-19 pandemic.  
The Company has considered internal and certain external sources of information up to the date of approval of the financial results in assessing the recoverability of inventories, receivables and other current 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 will continue to closely monitor any material changes to future economic conditions.  
The results for the quarter and half-year ended September 30, 2020 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 September 30, 2020 are as follows:

(₹ in Lakhs)

Particulars	Objects of the issue as per prospectus	Utilisation upto September 30, 2020	Unutilised amount upto September 30, 2020
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	369	431
C) General corporate purposes	1,079	1,079	-
D) Share issue expenses	521	517	4
<b>Total</b>	<b>5,800</b>	<b>5,365</b>	<b>435</b>

As on September 30, 2020, unutilised funds have been temporarily invested in in mutual funds and other bank balances.

8. 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.
9. The Company elected to execute the option permitted under section 115 BAA of the Income tax Act, 1961 as introduced by the Taxation laws (Amendment) ordinance 2019 and the full impact of this change relating to deferred tax liability (net) as at March 31, 2019 was recognised in the statement of profit and loss and other comprehensive income, in the quarter ended September 30 2019.





## 10. SEGMENT REPORTING :

(₹ in Lakhs)

Particulars	Quarter Ended			Half-year Ended		Year Ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment revenue</b>						
Diversified engineering	21,975	9,297	36,416	31,272	72,210	1,33,274
Custom designed building solutions & auxiliaries	19,454	8,677	22,924	28,131	43,142	83,932
<b>Total</b>	<b>41,429</b>	<b>17,974</b>	<b>59,340</b>	<b>59,403</b>	<b>1,15,352</b>	<b>2,17,206</b>
Less : Inter segment revenue	2,385	1,355	1,345	3,740	3,574	6,551
<b>Revenue from operations</b>	<b>39,044</b>	<b>16,619</b>	<b>57,995</b>	<b>55,663</b>	<b>1,11,778</b>	<b>2,10,655</b>
<b>Segment results</b>						
Diversified engineering	2,165	(1,143)	3,598	1,022	8,132	13,943
Custom designed building solutions & auxiliaries	1,102	(184)	1,717	918	2,698	4,996
<b>Total</b>	<b>3,267</b>	<b>(1,327)</b>	<b>5,315</b>	<b>1,940</b>	<b>10,830</b>	<b>18,939</b>
Less : Depreciation and amortisation expense	1,218	1,207	1,042	2,425	1,992	4,282
Finance costs	1,982	1,977	2,267	3,959	4,259	8,345
<b>Profit before tax</b>	<b>67</b>	<b>(4,511)</b>	<b>2,006</b>	<b>(4,444)</b>	<b>4,579</b>	<b>6,312</b>
<b>Capital employed (Segment assets - Segment liabilities) (See notes below)</b>						
<b>Segment assets</b>						
Diversified engineering						
Custom designed building solutions & auxiliaries						
<b>Total Segment Assets</b>						
<b>Segment liabilities</b>						
Diversified engineering						
Custom designed building solutions & auxiliaries						
<b>Total Segment Liabilities</b>						


**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.

Place : Hyderabad

Date : November 12, 2020

By order of the Board  
for Pennar Industries Limited
  
 Aditya N. Rao  
 Vice Chairman & Managing Director

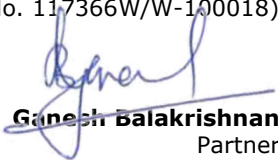

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE  
FINANCIAL RESULTS**

**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 and half-year ended September 30, 2020 ("Results") included in the accompanying Statement of Unaudited Consolidated and Standalone Financial Results for the quarter and half-year ended September 30, 2020 ("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 is the responsibility of the Company's Management and approved by the Company's Board of Directors, has 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 Statement based on our review.
3. We conducted our review of 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 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 the COVID-19 pandemic, wherein, the eventual outcome of the impact of this 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: 20201193AAAAFW7688

Hyderabad, November 12, 2020

## **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 and half-year ended September 30, 2020 ("Consolidated Results") included in the accompanying Statement of Unaudited Consolidated and Standalone Financial Results for the quarter and half-year ended September 30, 2020 ("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 is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has 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 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 Statement 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 (w.e.f. December 4, 2019) (Wholly-Owned Subsidiary)
  - v) Oneworks BIM Technologies Private Limited, India (w.e.f. February 14, 2020) (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 report of the other auditor referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that 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 the COVID-19 pandemic, wherein, the eventual outcome of the impact of this global health pandemic may be different from those estimated by the management.

Our conclusion is not modified in respect of this matter.

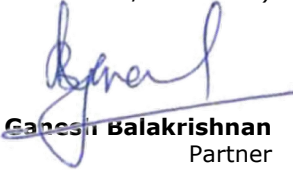
7. We did not review the interim financial statements / financial information of three subsidiaries included in the Consolidated results, whose interim financial statements / financial information reflect total assets of ₹ 4,312 lakhs as at September 30, 2020, total revenues of ₹ 1,476 lakhs and ₹ 2,897 lakhs for the quarter and half-year ended September 30, 2020, respectively, total net profit after tax and total comprehensive income of ₹ 63 lakhs and ₹ (42) lakhs for the quarter and half-year ended September 30, 2020, respectively and net cash inflows of ₹ 155 lakhs for the half-year ended September 30, 2020, as considered in the Consolidated Results included in the Statement. These interim financial statements / financial information 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 Statement is not modified in respect of these matters.

8. The consolidated unaudited financial results includes the interim financial statements / financial information of three subsidiaries which have not been reviewed by their auditors, whose interim financial statements / financial information reflect total assets of ₹ 1,826 lakhs as at September 30, 2020, total revenues of ₹ 513 lakhs and ₹ 823 lakhs for the quarter and half-year ended September 30, 2020, respectively, total net profit after tax and total comprehensive income of ₹ (16) lakhs and ₹ 54 lakhs for the quarter and half-year ended September 30, 2020, respectively and net cash outflows of ₹ 15 lakhs for the half-year ended September 30, 2020, 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 statements / financial information are not material to the Group.

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

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

  
**Ganesh Balakrishnan**  
Partner  
(Membership No.201193)  
UDIN: 20201193AAAAFX8664

Hyderabad, November 12, 2020



**Press release**  
**For immediate release**

## **Pennar Industries' Q2 FY2021 Consolidated Net Revenue at INR 390.44 crore, EBITDA at INR 32.67 crores.**

**Hyderabad, November 12, 2020:** Pennar Industries Limited (PIL), a leading value-added engineering products and solutions company, today announced its financial results for the second quarter ended on September 30<sup>th</sup>, 2020.

### **Consolidated Financial Highlights – Q2 FY2021**

- Net revenue at INR 390.44 crore compared to Net revenue of INR 166.19 crore in Q1 FY21, up by 134.94%
- EBITDA at INR 32.67 crore compared to EBITDA of INR -13.27 crore in Q1 FY21, up by 346.19%
- PAT after minority interest at INR 0.24 crore compared to PAT after minority interest at INR -34.05 crore in Q1 FY21.

### **Business Highlights:**

- To make investment of 3.5 Million USD in Ascent Buildings LLC, through our wholly owned subsidiary of the company Pennar Global INC, USA.
- The Company has healthy order-book positions through the quarter. Order book position as on 1<sup>st</sup> Nov 2020 for PEBS is Rs 280 crore, Enviro Rs 50 crore, and Railways Division Rs 249 crore.

### **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 business units Railways, Tubes, Industrial Components, Steel Products, PEB, Enviro and its subsidiary companies, Pennar Global Inc. and Enertech Pennar Defense and Engineering Systems Pvt. Ltd. Pennar's all 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 Eight 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](http://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](mailto:Sunil.kuram@pennarindia.com)



The details as required under SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are given in Annexure-A.

#### Annexure-A

Sl. No.	Details of Events that need to be provided	Information of such events
1.	Name of the target entity, details in brief	Ascent Buildings, LLC
2.	Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired	Ascent Buildings, LLC is a wholly owned subsidiary of Pennar Global Inc. (wholly owned subsidiary of Pennar Industries Limited (PIL)) The promoter/ promoter group/ does not have any interest in the entity.
3.	Industry to which the entity being acquired Belongs.	Steel Buildings
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The company will be into manufacturing and erection of pre-fabricated steel buildings.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	Not Applicable
6.	Indicative time period for completion of the Acquisition	Not Applicable
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Not Applicable
8.	Cost of acquisition or the price at which the shares are acquired	Refer note 10 below
9.	Percentage of shareholding / control acquired and / or number of shares acquired	Wholly owned subsidiary of Pennar Global Inc.
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	Pennar Global Inc. has incorporated Ascent Buildings LLC to setup a manufacturing unit in Tennessee, USA. PIL would be investing USD 3.5 million over a period of one year in Ascent Buildings LLC through Pennar Global Inc.

**for Pennar Industries Limited**

*M.M. Ali Baig*

**Mirza Mohammed Ali Baig**  
**Company Secretary & Compliance Officer**

**Date: 12.11.2020**

**Place: Hyderabad**

