

PENNAH INDUSTRIES LIMITED

(CIN: L27109TG1975PLCO01919)

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Statement of Consolidated and Standalone Financial Results for the Quarter and Year ended March 31, 2022

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended		Year Ended		Quarter Ended		Year Ended					
		31-Mar-22 (Refer note 3)	31-Dec-21 Unaudited	31-Mar-21 (Refer note 3)	31-Mar-22 Audited	31-Mar-21 Audited	31-Mar-22 (Refer note 3)	31-Dec-21 Unaudited	31-Mar-21 (Refer note 3)	31-Mar-22 Audited	31-Mar-21 Audited		
1	Income	69,277	53,297	55,679	2,26,575	1,52,535	58,922	45,432	54,986	1,99,475	1,51,654		
	(a) Revenue from operations	709	441	899	1,706	1,866	748	481	867	1,865	1,781		
	(b) Other Income	69,986	53,738	56,578	2,28,281	1,54,401	59,670	45,913	55,853	2,01,340	1,53,435		
2	Expenses	35,189	31,948	34,961	1,29,762	92,754	34,776	31,690	34,336	1,28,438	90,928		
	(a) Cost of materials consumed	5,209	6,171	1,167	20,832	3,669	456	581	1,167	2,352	3,669		
	(b) Purchase of traded goods	2,584	(6,066)	(2,057)	(10,435)	(4,432)	1,580	(5,040)	(2,141)	(7,566)	(2,775)		
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,909	5,480	3,341	20,845	13,638	3,802	3,725	3,191	15,048	13,050		
	(d) Employee benefits expense	2,093	1,945	1,810	7,838	7,967	1,907	7,508	1,907	7,508	7,946		
	(e) Finance costs	1,525	1,336	1,179	5,413	4,817	1,302	5,034	1,171	5,034	4,767		
	(f) Depreciation and amortisation expense	15,304	11,511	13,706	48,435	37,619	14,205	10,702	14,005	45,961	37,729		
	(g) Other expenses	67,813	52,325	54,107	2,22,690	1,56,032	58,176	44,804	53,536	1,96,775	1,55,324		
3	Profit / (loss) before exceptional item and tax (1-2)	2,173	1,413	2,471	5,591	(1,631)	1,494	1,109	2,317	4,565	1,889		
4	Exceptional item (Refer note 9)	-	-	1,996	-	1,996	-	-	1,996	-	1,996		
5	Profit before tax (3+4)	2,173	1,413	4,467	5,591	365	1,494	1,109	4,313	4,565	1,889		
6	Tax expense	-	1,413	4,467	5,591	365	1,494	1,109	4,313	4,565	1,889		
7	Net Profit for the period (5-6)	2,173	-	-	-	-	-	-	-	-	-		
	(a) Current tax	490	718	392	2,186	423	351	661	360	1,935	360		
	(b) Deferred tax	11	(376)	717	(786)	(342)	11	(326)	717	(766)	(342)		
8	Attributable to:	501	342	1,109	1,400	81	362	285	1,077	1,149	18		
	Shareholders of the Company	1,672	1,071	3,358	4,191	284	1,132	824	3,236	3,416	89		
	Non-controlling interests	1,654	1,071	3,352	4,183	254	1,132	824	3,236	3,416	89		
	Other comprehensive income	18	-	6	8	30	-	-	-	-	-		
	Items that will not be reclassified subsequently to profit or loss	(176)	-	18	(76)	18	(176)	-	18	(76)	18		
	(a) Remeasurement of the net defined benefit liability	44	-	(4)	44	(4)	44	-	(4)	44	(4)		
	(b) Income tax relating to above items	(145)	(12)	(34)	(121)	(41)	-	-	-	-	(4)		
	Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-	-		
	(a) Exchange differences in translation of foreign operations	(277)	(12)	(20)	(253)	(27)	(132)	-	14	(132)	14		
	(b) Income tax relating to above items	(277)	(12)	(20)	(253)	(27)	(132)	-	14	(132)	14		
9	Total Other comprehensive income/(loss), net of tax	(277)	(12)	(20)	(253)	(27)	(132)	-	14	(132)	14		
	Attributable to:	(277)	(12)	(20)	(253)	(27)	(132)	-	14	(132)	14		
	Shareholders of the Company	(277)	(12)	(20)	(253)	(27)	(132)	-	14	(132)	14		
	Non-controlling interests	-	-	-	-	-	-	-	-	-	-		
10	Shareholders of the Company	1,395	1,059	3,338	3,938	257	1,000	824	3,250	3,284	103		
11	Attributable to:	1,377	1,059	3,332	3,930	227	1,000	824	3,250	3,284	103		
	Shareholders of the Company	18	-	6	8	30	-	-	-	-	-		
	Non-controlling interests	-	-	-	-	-	-	-	-	-	-		
12	Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108	7,108		
	Earnings Per Share [Face Value of ₹ 5 per share] (For the quarterly periods - not annualised)	1.16	0.75	2.35	2.94	0.18	0.79	0.58	2.27	2.40	0.06		
	Basic and Diluted Earnings per share (in ₹)												

(₹ in Lakhs)



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Balance Sheet:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	Audited	Audited	Audited	Audited
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
ASSETS				
Non-current assets				
Property, plant and equipment	56,174	55,486	52,094	55,434
Right-of-Use Assets	6,985	3,151	3,530	3,151
Capital work-in-progress	7,572	6,123	7,556	5,335
Goodwill	-	322	-	-
Other intangible assets	1,243	1,324	1,173	1,305
Financial assets				
(a) Investments	2	2	885	1,234
(b) Trade receivables	2,089	1,754	2,089	1,754
(c) Loans	-	-	7,863	735
(d) Other financial assets	1,135	1,048	1,009	1,037
Income tax assets (net)	1,333	328	1,314	315
Other non-current assets	431	1,208	431	1,082
Deferred tax assets (net)	-	1	-	-
Total Non-current assets (1)	76,964	70,747	77,944	71,382
Current assets				
Inventories	64,285	48,655	57,651	46,826
Financial assets				
(a) Investments	4,497	1,757	4,497	1,757
(b) Trade receivables	42,506	42,702	42,420	44,718
(c) Cash and cash equivalents	3,777	3,353	1,600	1,998
(d) Other bank balances	4,934	2,183	4,934	2,183
(e) Loans	-	792	30	792
(f) Other financial assets	4,349	5,891	4,044	5,594
Other current assets	12,791	13,174	12,335	13,366
Total Current assets (2)	1,37,139	1,18,507	1,27,511	1,17,234
Total assets (1+2)	2,14,103	1,89,254	2,05,455	1,88,616
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	7,108	7,108	7,108	7,108
Other equity	66,410	62,475	65,233	61,981
Equity attributable to Shareholders of the Company	73,518	69,583	72,341	69,089
Non-controlling interests	95	87	-	-
Total Equity (1)	73,613	69,670	72,341	69,089
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	9,859	11,278	9,859	11,252
(b) Lease Liabilities	4,464	2,669	2,850	2,669
(c) Other financial liabilities	1,226	991	1,226	991
Provisions	1,428	1,166	1,428	1,166
Deferred tax liabilities (net)	695	1,525	695	1,525
Other non-current liabilities	79	162	79	162
Total Non-current liabilities (2)	17,751	17,791	16,137	17,765
Current liabilities				
Financial liabilities				
(a) Borrowings (Refer Note 11)	48,909	47,166	48,889	47,031
(b) Lease Liabilities	1,306	631	814	631
(c) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	731	590	731	590
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	53,634	43,682	50,769	44,045
(d) Other financial liabilities (Refer Note 11)	5,681	3,054	4,705	2,952
Other current liabilities	8,542	5,054	7,416	4,932
Provisions	778	643	778	643
Current tax liabilities (net)	3,158	973	2,875	938
Total Current liabilities (3)	1,22,739	1,01,793	1,16,977	1,01,762
Total Liabilities (2+3)	1,40,490	1,19,584	1,33,114	1,19,527
Total Equity and Liabilities (1+2+3)	2,14,103	1,89,254	2,05,455	1,88,616

(Page 2 of 5)



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Cash Flow Statement:

(₹ In Lakhs)

	Consolidated		Standalone	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Cash flow from operating activities:				
Profit before tax	5,591	365	4,565	107
Adjustments for:				
Depreciation and amortisation expense	5,413	4,817	5,034	4,767
Loss on sale/scrap of property, plant and equipments (net)	9	5	9	5
Profit on sale of investments (net)	(15)	(52)	(15)	(52)
Net gain arising from financial instruments designated as FVTPL	(11)	-	(11)	-
Exchange differences (net)	102	441	258	441
Liabilities no longer required written back	(604)	(284)	(604)	(253)
Provision for doubtful trade and other receivables, loans and advances (net)	2,413	989	2,413	989
Trade and other receivables written off	-	141	-	141
Finance costs	7,838	7,967	7,508	7,946
Interest income	(420)	(684)	(625)	(635)
Operating profit before working capital changes:	20,316	13,705	18,532	13,456
Changes in working capital:				
Trade payables	11,007	(3,388)	7,779	(2,854)
Other liabilities	6,042	(2,263)	4,159	(2,323)
Provisions	221	149	221	141
Trade receivables	(2,797)	(2,308)	(695)	(4,697)
Inventories	(15,630)	(4,671)	(10,825)	(3,046)
Other assets	1,355	(5,302)	2,781	(6,015)
Cash generated from operations	20,514	(4,028)	21,952	(5,338)
Direct taxes paid (net of refunds)	(1,021)	(248)	(1,003)	(209)
Net cash from / (used in) operating activities (A)	19,493	(4,276)	20,949	(5,547)
Cash flows from investing activities:				
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(5,748)	(5,328)	(2,142)	(4,606)
Proceeds from sale of property, plant and equipments	70	75	70	75
Proceeds from disposal of investment in subsidiary	62	-	62	-
Net (increase) / decrease in current investments	(2,713)	2,804	(2,713)	2,804
Inter-corporate deposits/ loans (net)	792	1,372	(6,401)	868
Movement in other bank balances	(2,751)	(163)	(2,751)	(163)
Interest received	442	630	459	581
Net cash used in investing activities (B)	(9,846)	(610)	(13,416)	(441)
Cash flow from financing activities:				
Proceeds from long term borrowings	3,853	7,561	3,853	7,542
Repayment of long term borrowings	(5,934)	(6,516)	(5,908)	(6,490)
Increase in short term borrowings (net)	2,277	12,095	2,392	12,150
Payment towards buyback of shares including transaction costs	(32)	(678)	(32)	(678)
Interest and other borrowing costs paid	(7,001)	(7,527)	(6,983)	(7,505)
Repayment of lease liability	(2,386)	(598)	(1,253)	(598)
Net cash from / (used in) financing activities (C)	(9,223)	4,337	(7,931)	4,421
Net (decrease)/increase in cash and cash equivalents (A + B + C)	424	(549)	(398)	(1,567)
Cash and cash equivalents at the beginning of the period	3,353	3,902	1,998	3,565
Cash and cash equivalents at the end of the period	3,777	3,353	1,600	1,998

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"



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NOTES:

- The consolidated and standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI"), (also refer Note 7 below).
- The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on May 23, 2022 and approved by the Board of Directors at their meeting held on May 25, 2022. The Statutory Auditors have issued an unmodified audit opinion on the financial results for the year ended March 31, 2022 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 2022.
- The figures for the current quarter and quarter ended March 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 2022 and March 2021, respectively and year to date figures up to third quarter ended December 31, 2021 and December 31, 2020, respectively.
- The Board of Directors, at its meeting held on March 09, 2022, 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 ₹ 50 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. As at March 31, 2022, the scheme of Buyback was open, the Company bought back 50 equity shares as of that date, resulting in total cash consideration of ₹ 32 lakhs (including ₹ 32 lakhs towards transaction cost and tax on Buyback). Out of the 50 equity bought back, the Company extinguished Nil equity shares as at March 31, 2022 and subsequently shares were recognised in the month of April 2022 as per records of depositories. In line with the requirements of Companies Act, 2013, an amount of ₹ 32 lakhs has been utilized from securities premium account for the Buyback. Further, capital redemption reserve of ₹ 250 representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.
- The consolidated financial results include the results of the following Group companies:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Enertech Pennar Defense and Engineering Systems Private Limited	India	Subsidiary	51%
Pennar GmbH	Germany	Subsidiary	100%
Oneworks BIM Technologies Private Limited (upto August 31, 2021) (Refer note 6(b))	India	Subsidiary	100%
Pennar Global Inc.	USA	Subsidiary	100%
Pennar Global Metals, LLC (w.e.f August 12, 2020)	USA	Subsidiary	100%
Ascent Buildings, LLC (from September 4, 2020)	USA	Step-down Subsidiary	100%
		Step-down Subsidiary	100%

- During the quarter ended September 30, 2020, Pennar Global Inc (Subsidiary of the Company), has acquired Pennar Global Metals, LLC as its subsidiaries.
 - During the quarter ended September 30, 2021, the Parent Company had disposed off its investment in Oneworks BIM Technologies Private Limited for a consideration of ₹ 62 lakhs resulting in a profit of ₹ 1 lakh. Oneworks did not have any significant operations and the financial results of Oneworks are not material to the group.
- Accordingly the results for the corresponding periods are not comparable.
- In view of COVID 19 pandemic, the Management based on available sources of information, has evaluated the financial results and concluded that there is no significant impact of the same on the financial results for the quarter and year ended March 31, 2022. The Group / Company has also considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of these financial results including the recoverability of carrying amounts of property, plant and equipment, inventories, receivables and other assets and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's / Company's financial results may differ from that estimated as at the date of approval of these financial results. The Group/Company shall continue to closely monitor the developments.

8. The details of funds raised through Initial Public Offer (IPO) by the erstwhile entity PEBBS during the financial year 2015-2016, and utilisation of said funds as at March 31, 2022 are as follows:

Particulars	Objects of the issue as per prospectus		Utilisation upto		Unutilised amount upto
			March 31, 2022		
A) Repayment/prepayment, in full or part, of certain working capital facilities availed by the Company	3,400	3,400	3,400	3,400	-
B) Financing the procurement of infrastructure (including software and hardware) for the expansion of design and engineering services	800	800	800	374	426
C) General corporate purposes	1,079	1,079	1,079	-	-
D) Share issue expenses	521	521	517	517	4
Total	5,800	5,800	5,800	5,370	430

As on March 31, 2022, unutilised funds have been temporarily invested in in mutual funds and other bank balances.

- Pursuant to the approval of the board at its meeting held on August 12, 2020, the Company has sold a portion of its land situated at Bandalaguda Village, Ramachandrapuram Manjal, Sangareddy District, Hyderabad for a consideration of ₹ 2,000 lakhs during the quarter ended March 31, 2021. Upon Sale, resultant profit of ₹ 1996 lakhs has been disclosed as exceptional item in the consolidated and standalone financial results for the quarter and year ended March 31, 2021.
- 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.
- On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of ₹ 5,220 lakhs as at March 31, 2021 in consolidated and standalone financial results respectively have been reclassified from 'Other financial liabilities' to 'Borrowings' under current financial liabilities.



12. SEGMENT REPORTING :

Particulars	Quarter Ended			Year Ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	(Refer note 3)	Unaudited	(Refer note 3)	Audited	Audited
Segment revenue					
Diversified engineering	44,579	32,521	36,670	1,35,521	92,351
Custom designed building solutions & auxiliaries	28,795	23,654	21,426	1,04,462	69,031
Total	73,374	56,175	58,096	2,39,983	1,61,382
Less : Inter segment revenue	4,097	2,878	2,417	13,408	8,847
Revenue from operations	69,277	53,297	55,679	2,26,575	1,52,535
Segment results					
Diversified engineering	3,877	3,380	3,494	12,327	6,777
Custom designed building solutions & auxiliaries	1,914	1,314	1,966	6,515	4,376
Total	5,791	4,694	5,460	18,842	11,153
Add:					
Exceptional item (Refer note 9)	-	-	1,996	-	1,996
Less:					
Depreciation and amortisation expense	1,525	1,336	1,179	5,413	4,817
Finance costs	2,093	1,945	1,810	7,838	7,967
Profit before tax	2,173	1,413	4,467	5,591	365
				As at	
			31-Mar-22	31-Dec-21	31-Mar-21
			Audited	Unaudited	Audited
Capital employed (Segment assets - Segment liabilities) (See notes below)					
Segment assets					
Diversified engineering	1,40,043	1,30,627	1,30,627	1,30,627	1,19,042
Custom designed building solutions & auxiliaries	74,060	73,237	74,060	73,237	70,212
Total Segment Assets	2,14,103	2,03,864	2,04,687	2,03,864	1,89,254
Segment liabilities					
Diversified engineering	84,126	77,200	84,126	77,200	84,109
Custom designed building solutions & auxiliaries	56,364	54,414	56,364	54,414	35,475
Total Segment Liabilities	1,40,490	1,31,614	1,40,490	1,31,614	1,19,584

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 : May 25, 2022



By order of the Board
for Pennar Industries Limited

Aditya W. Rao

Aditya W. Rao
Vice Chairman & Managing Director

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

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

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2022 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Standalone Financial Results for the Year ended March 31, 2022 and Unaudited Standalone Financial Results for the Quarter ended March 31, 2022" of **PENNAR INDUSTRIES LIMITED** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the 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 then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2022

With respect to the Standalone Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

24

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2022

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2022 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 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 SAs specified under section 143(10) of the Act 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.

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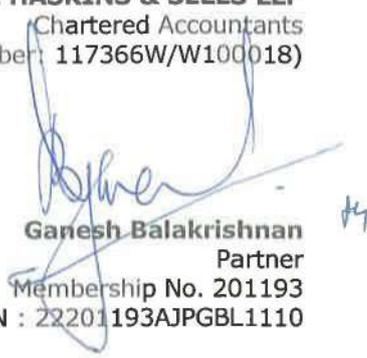
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Deloitte Haskins & Sells LLP

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2022 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. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration Number: 117366W/W100018)


Ganesh Balakrishnan
Partner

Membership No. 201193
UDIN : 22201193AJPGBL1110

Place: Hyderabad
Date: May 25, 2022

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF PENNAR INDUSTRIES LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2022 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Audited Consolidated Financial Results for the Year ended March 31, 2022 and Unaudited Consolidated Financial Results for the Quarter ended March 31, 2022" of **PENNAR INDUSTRIES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2022, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results for the year ended March 31, 2022

In our opinion and to the best of our information and according to the explanations given to us, other auditors on separate financial statements / financial information of subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2022:

- (i) includes the results of the following entities:
 - Pennar Industries Limited, India (PIL) - Parent Company
 - Pennar Global Inc., USA (PGI) - Wholly Owned Subsidiary
 - Enertech Pennar Defense and Engineering Systems Private Limited, India (Enertech) - Subsidiary
 - Pennar GmbH, Germany (Pennar GMBH) - Wholly Owned Subsidiary
 - Oneworks BIM Technologies Private Limited, India (upto August 31, 2021) (Oneworks) - Wholly-Owned Subsidiary
 - Pennar Global Metals Inc., USA (w.e.f. August 12, 2020) (PGM) - Subsidiary of PGI
 - Ascent Buildings LLC., USA (w.e.f. September 4, 2020) (Ascent) - Subsidiary of PGI
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2022.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2022

With respect to the Consolidated Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2022, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results / Financial information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

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We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2022

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2022 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 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 SAs specified under section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

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.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2022 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. Our report is not modified in respect of this matter.
- We did not audit the financial statements / financial information of four subsidiaries included in the consolidated financial results, whose financial statements / financial information reflect total assets of ₹ 25,169 lakhs as at March 31, 2022 and total revenues of ₹ 14,223 lakhs and ₹ 39,873 for the quarter and year ended March 31, 2022 respectively, total net profit after tax and total comprehensive income of ₹ 607 lakhs and ₹ 917 lakhs for the quarter and year ended March 31, 2022 respectively and net cash flows (net) of ₹ 685 lakhs for the year ended March 31, 2022, as considered in the Statement. These financial statements / financial information have been audited / reviewed by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, 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 under Auditor's Responsibilities section above.

Our report 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 the other auditors.

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- The consolidated financial results includes the unaudited financial statements/ financial information of two subsidiaries, whose financial statements / financial information reflect total assets of ₹ 386 lakhs as at March 31, 2022 and total revenues of ₹ 205 lakhs and ₹ 503 lakhs for the quarter and year ended March 31, 2022 respectively, total net profit after tax and total comprehensive income of ₹ 21 lakhs and ₹ 68 lakhs for the quarter and year ended March 31, 2022 respectively and net cash flows (net) of ₹ 261 lakhs for the year ended March 31, 2022, as considered in the Statement. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements/ financial information certified by the Board of the Directors.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration Number: 117366W/W100018)


Ganesh Balakrishnan 
Partner
Membership No. 201193
UDIN : 22201193AJPFUU4224

Place: Hyderabad
Date: May 25, 2022