



PENNAR INDUSTRIES LIMITED

Dated: 11th February, 2020

Place: Hyderabad

Letter No. PIL/SE/BM/Q3/2019-20/01



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

Sub : Outcome of Board Meeting

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

Dear Sir/Madam,

We wish to inform you that at the meeting of the Board of Directors of the company commenced at 1:30 P.M. and concluded at 5:20 P.M. on Tuesday the 11th day of February, 2020, the following business were transacted:

- 1) Approval of the Un-audited Financial Results for the quarter and nine months ended 31st December, 2019.
 - 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 nine months ended 31st December, 2019.
- 3) With reference to our letter dated 6th February, 2020, the Board of Directors taken on record the resignation of Mr. C Parthasarathy with effect from 6th February, 2020. The Board places on record its appreciation to Mr. C Parthasarathy for services rendered by him during his tenure as an Independent Director of the Company.
- 4) Considered and approved the acquisition of shares of Oneworks BIM Technologies Private Limited. One Works BIM solutions is an engineering services based company. They provide BIM solutions and services in the space of 3D ASMEP, Scan to BIM, BIM Analytics, API Creation targeting AEC Industry.
- 5) Subject to the approval of shareholders, the Board upon recommendation of the Nomination and Remuneration Committee at its meeting held earlier today considered and approved to change the terms of appointment of Executive Directors.
- 6) 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 31st December, 2019.
- 7) Appointment of Mr. Subhash Kishan Kandrapu, Practicing Company Secretary, (Membership No. 32743) as Secretarial Auditors of the Company for the Financial Year 2019-20.

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 nine months ended 31st December, 2019.
- b. The Limited Review Report (Standalone and Consolidated) for the Quarter and nine months ended 31st December, 2019 issued by the Statutory Auditors of the Company.
- c. Press Release for the Quarter and nine months ended 31st December, 2019.
- d. Investor Presentation.

Kindly take the same on your records.

Thanking you

Yours faithfully,

for Pennar Industries Limited

Mirza Mohammed Ali Baig

Company Secretary & Compliance Officer

ACS No. 29058



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

PENMAR INDUSTRIES LIMITED
(CIN: L27109AP1975PLCDD01919)

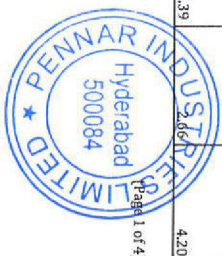
Regd. Office: Floor No. 3, DHFLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.
Tel: +91 40 40061621; Fax: +91 40 40061618; E-mail: corporatecommunications@penmarindia.com; Website: www.penmarindia.com
Statement of Consolidated and Standalone Unaudited Financial Results for the Quarter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

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended		Nine months Ended		Year Ended		Quarter Ended		Nine months Ended		Year Ended	
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Mar-19	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19	31-Dec-19
		Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Income												
	(a) Revenue from operations	53,738	57,995	56,763	1,65,516	2,13,311	53,207	57,932	54,703	1,64,612	1,53,552	2,11,612	
	(b) Other income	355	862	760	1,570	2,674	420	804	760	1,571	2,163	2,603	
	Total Income	54,093	58,857	57,523	1,67,086	2,15,985	53,627	58,736	55,463	1,66,183	1,55,715	2,14,215	
2	Expenses												
	(a) Cost of materials consumed	27,176	35,264	32,676	94,769	97,432	1,27,283	35,354	31,043	94,564	96,113	1,24,545	
	(b) Purchase of traded goods	2,742	1,862	1,590	5,795	5,135	2,742	1,862	1,590	5,795	3,166	5,135	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,356	(1,768)	442	(1,289)	(865)	2,356	(1,768)	442	(1,289)	-3,976	(865)	
	(d) Employee benefits expense	4,540	4,295	4,026	13,055	15,293	4,416	4,208	3,934	12,742	11,350	14,913	
	(e) Finance costs	2,258	2,267	1,937	6,517	7,520	2,262	2,261	1,937	6,515	5,252	7,511	
	(f) Depreciation and amortisation expense	1,137	1,042	755	3,129	2,072	1,135	1,041	729	3,124	1,995	2,787	
	(g) Other expenses	12,265	13,889	13,921	38,912	49,148	12,149	13,782	13,697	38,643	34,754	50,838	
	Total expenses	52,474	56,851	55,347	1,60,888	2,06,303	52,073	56,740	53,372	1,60,094	1,48,654	2,04,864	
3	Profit before tax (1-2)	1,619	2,006	2,176	6,198	9,682	1,554	1,996	2,091	6,089	6,061	9,351	
4	Tax expense (Refer note 10)												
	(a) Current tax	393	266	496	1,483	2,546	379	264	478	1,459	1,643	2,477	
	(b) Deferred tax	(5)	(612)	151	(529)	470	(5)	(612)	151	(529)	370	470	
	Total tax expense	388	(346)	647	954	3,016	374	(348)	629	930	2,013	2,947	
5	Net Profit for the period (3-4)	1,231	2,352	1,529	5,244	6,666	1,180	2,344	1,462	5,159	4,048	6,404	
	Attributable to:												
	Shareholders of the Company	1,209	2,350	1,524	5,210	6,644	1,180	2,344	1,462	5,159	4,048	6,404	
	Non-controlling interest	22	2	5	34	22	-	-	-	-	-	-	
6	Other comprehensive income												
	Items that will not be reclassified subsequently to profit or loss												
	(a) Remeasurement of the net defined benefit liability	-	-	-	-	(475)	-	-	-	-	-	(475)	
	(b) Income tax relating to above items	-	-	-	-	165	-	-	-	-	-	165	
	Total Other comprehensive income/(loss), net of tax	8	-	-	9	10	-	-	-	-	-	-	
	Attributable to:												
	Shareholders of the Company	8	-	-	9	(300)	-	-	-	-	-	(310)	
	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	
7	Total comprehensive income (5+6)	1,239	2,352	1,529	5,253	6,366	1,180	2,344	1,462	5,159	4,048	6,094	
	Attributable to:												
	Shareholders of the Company	1,217	2,350	1,524	5,219	6,344	1,180	2,344	1,462	5,159	4,048	6,094	
	Non-controlling interests	22	2	5	34	22	-	-	-	-	-	-	
8	Paid up equity share capital [Face Value of ₹ 5 per share] (Refer Note 5)	7,550	7,618	7,618	7,550	7,618	7,550	7,618	7,618	7,550	7,618	7,618	
9	Other equity												
10	Earnings Per Share [Face Value of ₹ 5 per share] (EPS for the quarter and Nine months periods are not annualised)	0.79	1.55	1.00	3.42	4.36	0.78	1.54	0.96	3.39	2.66	4.20	

[₹ in Lakhs]



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NOTES:

1. The consolidated and standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI") (also refer Note 8 below).
2. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on February 06, 2020 and approved by the Board of Directors at their meeting held on February 11, 2020. The Statutory Auditors have carried out a limited review on the consolidated and standalone financial results for the quarter and Nine months ended December 31, 2019 and have issued an unmodified report on these results.
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. The Company filed the Scheme on May 23, 2019 with the Registrar of Companies. The Standalone financial results of the Company for quarter and Nine months ended December 31, 2018 also includes the results of erstwhile entities, i.e. PEBS and PEL.
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 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. The Maximum Buyback Size represents 6.14% and 6.16% of aggregate of the Company's paid up equity capital and free reserves based on the audited Consolidated and Standalone financial statements, respectively, of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

As of December 31, 2019, the scheme of Buyback was open, the Company bought back 13,55,000 equity shares as of that date, resulting in total cash consideration of ₹ 459 lakhs (including ₹ 82 lakhs towards transaction cost of Buyback). Out of 13,55,000 equity shares bought back, the Company extinguished 6,65,000 equity shares as at December 31, 2019 and the remaining were extinguished in the month of January 2020 as per the records of depositories. In line with the requirement of Companies Act, 2013, an amount of ₹ 391 lakhs have been utilized from securities premium account for the Buyback. Further, Capital redemption reserve of ₹ 68 lakhs, representing the nominal value of shares bought back, has been created in accordance with Section 69 of the Companies Act, 2013.



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6. 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 GmbH (from December 04, 2019)	Germany	Subsidiary	100.00%
Pennar Global Inc.	USA	Subsidiary	100.00%

7. During the quarter, the Company acquired 100% equity shares of Pennar GmbH, Germany. Hence, the results for the corresponding periods are not comparable.

8. The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. The Company has applied Ind AS 116 using Modified retrospective approach. Right-of-use assets at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowings rate as at April 1, 2019 for measuring lease liability.

On transition to Ind AS 116, the Group and Company recognised Right-of-use amounting to ₹3,710 lakhs and a lease liability of ₹3,620 lakhs in the consolidated and standalone financials. During the quarter and Nine months ended December 31, 2019, the Group and Company has recognised interest expense on leases amounting to ₹112 lakhs and ₹320 lakhs, respectively, and depreciation on right-of-use assets amounting to ₹165 lakhs and ₹445 lakhs, respectively in the consolidated and standalone financial results.

9. 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 December 31, 2019 are as follows:

Particulars	Objects of the issue as per prospectus	Utilisation upto December 31, 2019	Unutilised amount upto December 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	367	433
C) General corporate purposes	1,079	1,079	-
D) Share issue expenses	521	517	4
Total	5,800	5,363	437

As on December 31, 2019, unutilised funds have been temporarily invested in short term liquid scheme of mutual funds and in bank balances.

10. 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. Accordingly the Company has recognised provision for income tax for the Nine months ended December 31, 2019 and re-measured its deferred tax liability (net) based on the rate prescribed on the said ordinance. The full impact of this change relating to deferred tax liability (net) as at March 31, 2019 has been recognised in the statement of profit and loss and Other comprehensive income, in the immediate preceding quarter.



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11. SEGMENT REPORTING :

SEGMENT REPORTING :							(₹ in Lakh)
Particulars	Quarter Ended		Nine months Ended		Year Ended		
	31-Dec-19 Unaudited	30-Sep-19 Unaudited	31-Dec-18 Unaudited	31-Dec-19 Unaudited	31-Dec-18 Unaudited	31-Mar-19 Audited	
Segment revenue							
Diversified engineering	32,791	36,416	39,204	1,05,001	1,11,300	1,55,554	
Custom designed building solutions & auxiliaries	22,291	22,924	19,955	65,433	50,811	75,695	
Total	55,082	59,340	59,159	1,70,434	1,62,111	2,31,249	
Less : Inter segment revenue	1,344	1,345	2,396	4,918	7,307	17,938	
Revenue from operations	53,738	57,995	56,763	1,65,516	1,54,804	2,13,311	
Segment results							
Diversified engineering	2,737	3,598	3,752	10,869	10,837	15,453	
Custom designed building solutions & auxiliaries	2,277	1,717	1,116	4,975	2,790	4,538	
Total	5,014	5,315	4,868	15,844	13,627	19,991	
Less : Depreciation and amortisation expense	1,137	1,042	755	3,129	2,072	2,789	
Finance costs	2,258	2,267	1,937	6,517	5,253	7,520	
Profit before tax	1,619	2,006	2,176	6,198	6,302	9,682	
As at							
Capital employed (Segment assets - Segment liabilities) (See notes below)	31-Dec-19	30-Sep-19	31-Dec-18	31-Mar-19			
	Unaudited	Unaudited	Unaudited	Unaudited	Audited		
Segment assets							
Diversified engineering	1,11,774	1,19,461	1,18,247	1,09,652			
Custom designed building solutions & auxiliaries	70,846	72,313	57,701	64,704			
Total Segment Assets	1,82,620	1,91,774	1,75,948	1,74,356			
Segment liabilities							
Diversified engineering	69,826	78,156	74,263	75,018			
Custom designed building solutions & auxiliaries	41,229	42,833	37,029	32,567			
Total Segment Liabilities	1,11,055	1,20,989	1,11,292	1,07,585			

Notes:

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



Place : Hyderabad
Date : February 11, 2020

By order of the Board
for Pennar Industries Limited



Aditya Y. 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 Statement of Standalone Unaudited Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Company"), for the Quarter and nine months ended December 31, 2019 ("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. This 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.

For **DELOITTE HASKINS & SELLS LLP**

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


Ganesh Balakrishnan
Partner
(Membership No.201193)

Hyderabad, February 11, 2020
UDIN: 20201193AAAAAN9635

**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 Statement of 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 nine months ended December 31, 2019 ("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. This 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 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 Global Inc., USA
 - ii. Enertech Pennar Defense and Engineering Systems Private Limited, India.
 - iii. Pennar GmbH, Germany (wef December 4, 2019).
5. Based on our review conducted and procedures performed 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.

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6. We did not review the interim financial statements / financial information of two subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / financial information reflect total revenues of ₹ 1,805 lakhs and ₹ 5,363 lakhs for the Quarter and nine months ended December 31, 2019, respectively, total net profit after tax of ₹ 48 lakhs and ₹ 82 lakhs and total comprehensive income of ₹ 57 lakhs and ₹ 92 lakhs for the Quarter and nine months ended December 31, 2019, respectively, as considered 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 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.

Our conclusion on the Statement is not modified in respect of these matters.

7. The consolidated unaudited financial results includes the interim financial statements / financial information of one subsidiary which have not been reviewed by their auditor, whose interim financial statements / financial information reflect total revenue of ₹ 53 lakhs for the Quarter and nine months ended December 31, 2019, total net profit after tax of ₹ 3 lakhs and total comprehensive income of ₹ 2 lakhs for the Quarter and nine months ended December 31, 2019, respectively, as considered in the Statement. According to the information and explanations given to us by the Management, the interim financial statements / financial information is 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's Registration No. 117366W/W-100018)


Ganesh Balakrishnan
Partner
(Membership No.201193)

Hyderabad, February 11, 2020
UDIN: 20201193AAAAAO3008



Press release
For immediate release

Pennar Industries' 9M FY2020 consolidated PAT at INR 52.1 crore up by 23.2%

Hyderabad, February 11, 2020: Pennar Industries Limited (PIL), a leading value-added engineering products and solutions company, today announced its financial results for the third quarter ended on December 31st, 2019.

Consolidated Financial Highlights – Q3 FY2020

- Net revenue at INR 537.4 crore compared to net revenue of INR 567.6 crore in Q3 FY19;
- EBITDA at INR 50.1 crore compared to EBITDA of INR 48.7 crore in Q3 FY19;
- PAT after minority interest at INR 12.2 crore compared to PAT after minority interest at INR 15.2 crore in Q3 FY19;

Consolidated Financial Highlights – 9M FY2020

- Net revenue at INR 1,655.2 crore compared to net revenue of INR 1,548 crore in 9M FY20; up by 6.9%
- EBITDA at INR 158.4 crore compared to EBITDA of INR 136.3 crore in 9M FY19; up by 16.3%
- PAT after minority interest at INR 52.1 crore compared to PAT after minority interest at INR 42.2 crore in 9M FY19; up 23.2 % y-o-y

Business Highlights

- During Q3, PIL received steady orders across business verticals such as building products, tubes, solar, railways, industrial components and pre-engineered buildings. The order book position for pre-engineered building systems segment was INR 455 crore; the order book position for water treatment & chemicals segment was INR 78 crore; and the order book for railways division stood at INR 270 crore as on December 31st, 2019.

Acquisition

The board of director in today's meeting also approved the acquisition of Oneworks BIM Technologies Private Limited (Oneworks). Oneworks is engaged in supporting clients through the technical processes of Building Information Modelling Management and Data Collection. It deals in 3D digital Building Information modelling. The services include developing, modelling, converting and mapping of buildings with seamless integration of building data in a 3D model and the major clients are from engineering and construction sectors

Commenting on the financial performance, Mr. K M Sunil, Vice President - Corporate Strategy, Pennar Industries Limited said, "Our Q3 performance got impacted due to challenging business environment, consequently, we reported 5.3% decrease in revenue and 19.5% decrease in net profit. On nine month basis though, Revenue is up by 6.9% and our profit is up by 23.2% over corresponding nine months of the previous year. Pennar's railways BU and pre-engineered buildings BU continue to see strong order inflow through the quarter and have healthy order-book positions."

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 the manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and 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

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

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Pennar



PENNAR INDUSTRIES LIMITED

Q3 FY20 RESULT PRESENTATION

February 2020



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Discussion Summary

- ❖ **Results Update**

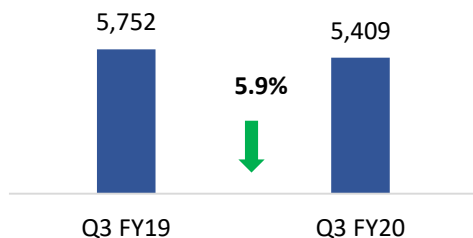
- ❖ Company Overview

Q3 & 9M FY20: Key Highlights

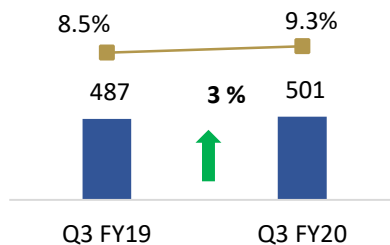
In Rs Mn

Q3 FY20

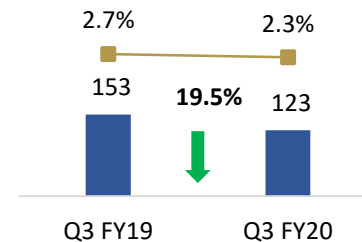
Total Income (Net)



EBITDA & EBITDA Margin

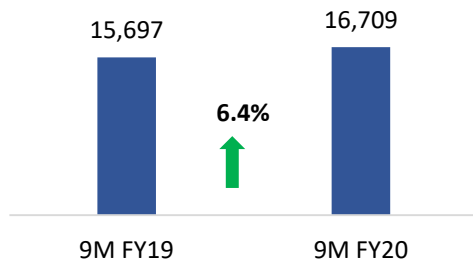


PAT & PAT Margin

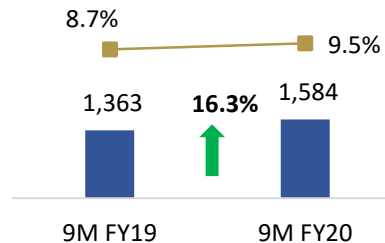


9M FY20

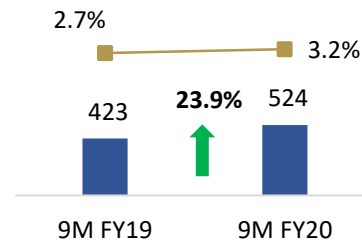
Total Income (Net)



EBITDA & EBITDA Margin



PAT & PAT Margin



Order book position as on December 31st , 2019

- **Robust order book position**

- PEBS Division - Rs 4,550 Mn
- Water Treatment solution - Rs 780 Mn
- Railways division – Rs 2,700 Mn

Q3 & 9M FY20: Consolidated Profit & Loss Statement



Particulars (Rs. in Mn)	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%	FY19
Revenue From Operations (Net of Taxes)	5,374	5,676	-5.3%	16,552	15,480	6.9%	21,331
Other Income	35	76	-53.3%	157	217	-27.4%	267
Total Income	5,409	5,752	-5.9%	16,709	15,697	6.4%	21,599
COGS	3,227	3,470	-7.0%	9,928	9,662	2.7%	13,155
Gross Profit	2,182	2,282	-4.4%	6,781	6,035	12.4%	8,443
Gross Margin %	40.3%	39.7%	67bps	40.6%	38.4%	214 bps	39.1%
Employee Expenses	454	403	12.8%	1,306	1,158	12.8%	1,529
Other Expenses	1,227	1,392	-11.9%	3,891	3,514	10.7%	4,915
EBITDA	501	487	3.0%	1,584	1,363	16.3%	1,999
EBITDA Margin %	9.3%	8.5%	81 bps	9.5%	8.7%	80 bps	9.3%
Depreciation	114	76	50.6%	313	208	51.0%	279
Finance Cost	226	194	16.6%	652	525	24.1%	752
PBT	161	217	-25.6%	619	630	-1.7%	968
Tax expense	39	65	-40.0%	95	207	-53.9%	302
PAT Before MI	123	152	-19.5%	524	423	23.9%	666
PAT Margin %	2.3%	2.7%	-39 bps	3.2%	2.7%	42 bps	3.1%

Acquisition - One works BIM Technologies Private Limited

- The board of director in today's meeting approved the acquisition of Oneworks BIM Technologies Private Limited (Oneworks).
- Oneworks is engaged in supporting clients through the technical processes of Building Information Modelling Management and Data Collection
- The services include developing, modelling, converting and mapping of buildings with seamless integration of building data in a 3D model and the major clients are from engineering and construction sectors
- The expected date of acquisition is 17th February 2020

Discussion Summary

❖ Quarterly Results Update

❖ **Company Overview**

Diversified Engineering Company With End-To-End Capabilities

Wide Spectrum of Engineered Products & Customised Turnkey Engineering Solutions Across Diverse Industries

**Strong Pedigree
& Engineering
Excellence**

**35+
Years of
Experience**

**1,500+
Engineered
Products**

**1,000+
Customers Across
Industries**

**8
Manufacturing
Plants**

**2,500+
Employee
Base**

Engineered Products *

**Extensive Product
& Service Offerings**

- Wide range of customised engineering products catering to diverse sectors
- Strong designing & manufacturing capabilities

Engineering Solutions**

- Leading player in Pre-Engineered Buildings, Solar EPC, Designing & Engineering Services with presence in USA
- Water Treatment Solutions (EPC + O&M), Water Treatment Chemicals & Fuel Additives

**Exposure to High
Growth Sectors**

Automobiles

**Construction &
Infrastructure**

**General
Engineering**

White Goods

Railways

Solar

**Prominent
Clientele From
Diverse Sectors**



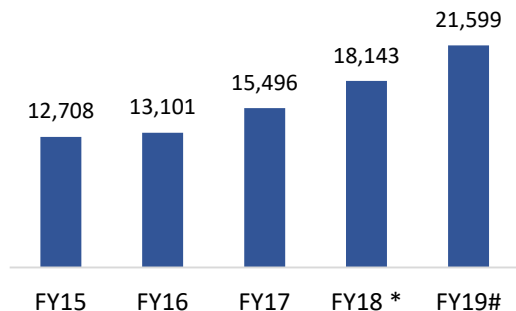
Strong Track Record: Consistent Growth & Improving Profitability

FY14-16 Figures are as per the I-GAAP, FY17-19 Figures are as per IND-AS

In Rs Mn

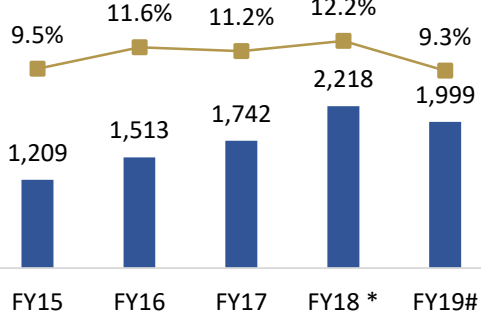
Total Revenues

CAGR: 14.9%



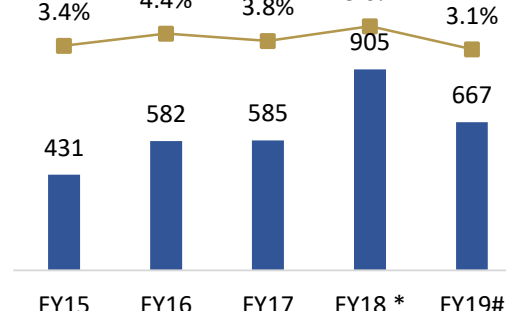
EBITDA & EBITDA Margin

CAGR: 9.3%

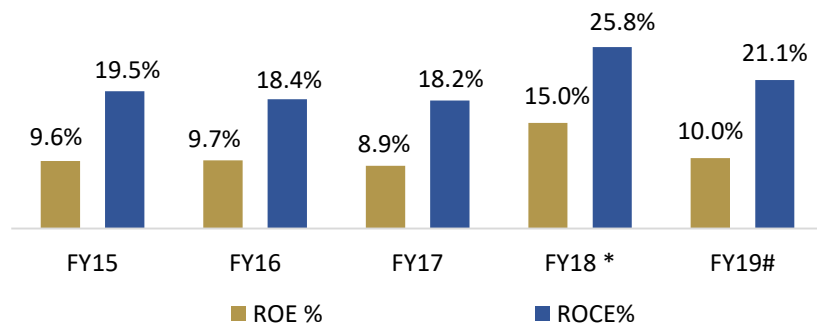


PAT Before MI & PAT Margin

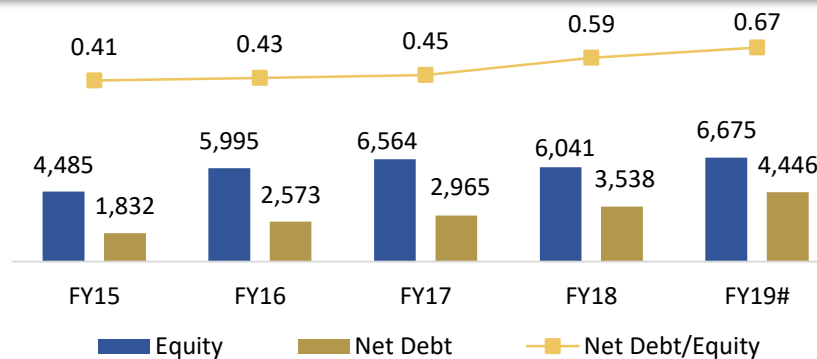
CAGR: 12%



Return Ratios



Leverage Analysis



Robust Manufacturing Facilities & Pan India Sales Network



Location	Products
Patancheru, Andhra Pradesh	Press Components, Profiles, ESP / Building Products, Sheet Piles / Solar, Railway Components, CRSS, Fabrication
Chennai, Tamil Nadu	Coaches, Auto Profiles, Components / Hydraulics, Building Products
Isnapur, Andhra Pradesh	CRSS, ERW / CDW Tubes, Profiles, Solar
Velchal, Telangana	Strip Galvanizing, Hot Dip Galvanizing
Tarapur, Maharashtra	Solar, Building Products, Auto Profiles, ESP
Sadashivpet, Telangana	Pre-Engineered Building Systems
Mallapur, Hyderabad	Fuel Additives, Water Treatment Chemicals & Solutions

Experienced Leadership & Management Team



Nrupender Rao
Executive Chairman



Aditya N. Rao
Vice Chairman &
Managing Director



P. V. Rao
Joint Managing Director



K. Chakravarthy
Business head,
Enviro



Dayasagar Rao
Operations



Y Narasimha Rao
Business Head,
Steel Products



M. Bhoopal Reddy
Business Head,
Tubes



Shiva Kumar K
Business Head,
Industrial Components

Board of Directors – Strong Corporate Governance



Nrupender Rao
Executive Chairman



Aditya N. Rao
Vice Chairman,
Managing Director



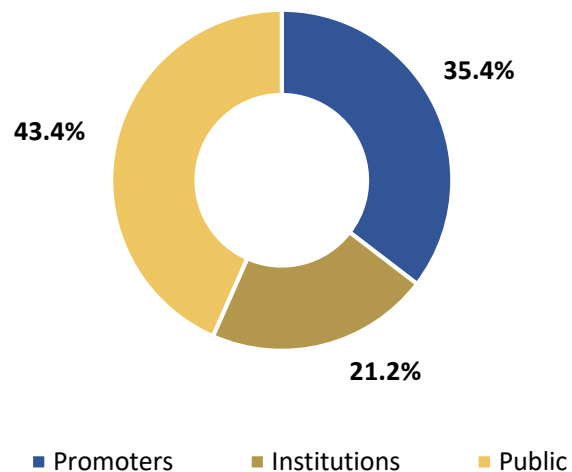
P. V. Rao
Joint Managing
Director



K Lavanya Kumar
Executive Director

Name	Designation	Description
 Eric James Brown	Non-Executive Director	<ul style="list-style-type: none"> President and CEO of Pennar Global, Inc. 30+ years of experience
 Vishal Sood	Non-Executive Director	<ul style="list-style-type: none"> Managing Director at SAIF partners Earlier worked with Kotak, SSKI and SBI Capital Markets
 Chandrasekhar Sripada	Non-Executive Independent Director	<ul style="list-style-type: none"> 40+ years corporate career in HRM across Public, Private and Multi-National Companies MBA, MA & PhD
 B Kamalaker Rao	Non-Executive Independent Director	<ul style="list-style-type: none"> Serving as Director on Boards of several Government and Public Sector Undertakings Distinguished member of the AP Legislative Council and a Senior Spokesperson for his political party
 Manish Sabharwal	Non-Executive Independent Director	<ul style="list-style-type: none"> Member of the Prime Ministers Council on Skill Development and has served on the Planning Commission steering committee on labour and employment for the Eleventh five year plan (2007-12) He is a member of the CII core group on labour reforms
 Varun Chawla	Non-Executive Independent Director	<ul style="list-style-type: none"> 9+ years of Investment Banking experience He was one of the founders of myguesthouse.com, acquired by Make My Trip.
 Bharati Jacob	Non-Executive Independent Director	<ul style="list-style-type: none"> Extensive experience in venture investing, marketing and financial services. Masters degrees from The Wharton School of University Pennsylvania and XLRI Jamshedpur

Shareholding Pattern – 31st December 2019



Key Shareholders – 31st December 2019

FPI

Saif India IV FI Holdings Limited	8.00%
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Mutual Fund

Franklin India Smaller Companies Fund	5.73%
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Ashmore India Opportunities Fund	0.98%
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DSP Midcap Fund	2.71%
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Aditya Birla Sun Life	1.22%
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Source: BSE



Thanking You



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Vice President
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DICKENSON

Manasi Bodas / Mehul Mehta
IR Consultant
Contact No: 9821043510 / 9820280325
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