PENNAR INDUSTRIES LIMITED

Dated: 12th August, 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

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 5:30 P.M. on Wednesday the 12th day of August, 2020, the following business were transacted:

1) Approval of the Un-audited Financial Results for the quarter ended 30th June, 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 ended 30th June, 2020.
3) Approval of Notice for the 44th Annual General Meeting to be held on 30th September, 2020.
4) Approval of Directors report for the year ended 31st March, 2020.
5) The Board has considered and approved to sell 5 acre land at Patancheru, Hyderabad and authorized Mr. Aditya Rao, Vice-Chairman and Managing Director and Mr. K Lavanya Kumar, Executive Director of the Company to sign and execute the requisite Agreement for sale, sale deed and such other documents as may be found necessary on behalf of the Company.
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 30th June, 2020.
7) The Board has considered and approved to form step down subsidiaries under Pennar Global INC, USA for distribution of steel products and setting up of manufacturing metal building systems & steel structures.

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 ended 30th June, 2020.
b. The Limited Review Report (Standalone and Consolidated) for the Quarter ended 30th June, 2020 issued by the Statutory Auditors of the Company.
c. 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.

Kindly take the same on your records.

Thanking you

Yours faithfully,

for Pennar Industries Limited

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer

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	Pennar Global Metals LLC The company is into distribution of steel products in USA.
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	Pennar Global Metals LLC is a 100% subsidiary of Pennar Global Inc. (wholly owned subsidiary of Pennar Industries Limited) The promoter/ promoter group/ does not have any interest in the entity.
3.	Industry to which the entity being acquired Belongs.	Steel products
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 used to distribute steel products produced by Pennar Industries.
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	USD 100
9.	Percentage of shareholding / control acquired and / or number of shares acquired	100% by 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	The company is currently importing Precision Tubes from India and distributing them in USA. The company is based out of Texas.

for Pennar Industries Limited





Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
Date:12.08.2020
Place: Hyderabad

PENNAR INDUSTRIES LIMITED

(CIN: L27109TG1975PLC001919)

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

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Statement of Consolidated and Standalone Unaudited Financial Results for the Quarter Ended June 30, 2020

(₹ in Lakhs)

Sl. No	Particulars	Consolidated results				Standalone results			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		Unaudited	(Refer Note 3)	Unaudited	Audited	Unaudited	(Refer Note 3)	Unaudited	Audited
1	**Income**								
	(a) Revenue from operations	16,619	45,139	53,783	2,10,655	16,243	45,154	53,473	2,09,766
	(b) Other income	276	458	353	2,028	258	458	347	2,029
	Total income	**16,895**	**45,597**	**54,136**	**2,12,683**	**16,501**	**45,612**	**53,820**	**2,11,795**
2	**Expenses**								
	(a) Cost of materials consumed	8,757	23,691	32,329	1,18,460	8,722	23,691	32,197	1,18,255
	(b) Purchase of traded goods	257	2,668	1,191	8,463	257	2,668	1,191	8,463
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,096	146	(1,877)	(1,143)	954	128	(1,877)	(1,161)
	(d) Employee benefits expense	3,114	3,129	4,220	16,184	2,929	2,945	4,118	15,687
	(e) Finance costs	1,977	1,828	1,992	8,345	1,968	1,825	1,992	8,340
	(f) Depreciation and amortisation expense	1,207	1,153	950	4,282	1,193	1,144	948	4,268
	(g) Other expenses	4,998	12,868	12,758	51,780	4,979	13,105	12,712	51,748
	Total expenses	**21,406**	**45,483**	**51,563**	**2,06,371**	**21,002**	**45,506**	**51,281**	**2,05,600**
3	**Profit / (loss) before tax (1-2)**	(4,511)	114	2,573	6,312	(4,501)	106	2,539	6,195
4	**Tax expense**								
	(a) Current tax	23	285	824	1,768	-	281	816	1,740
	(b) Deferred tax	(1,130)	(267)	88	(796)	(1,132)	(267)	88	(796)
	Total tax expense	**(1,107)**	**18**	**912**	**972**	**(1,132)**	**14**	**904**	**944**
5	**Net Profit / (loss) for the period (3-4)**	**(3,404)**	**96**	**1,661**	**5,340**	**(3,369)**	**92**	**1,635**	**5,251**
	Attributable to:								
	Shareholders of the Company	**(3,411)**	**95**	**1,651**	**5,305**	**(3,369)**	**92**	**1,635**	**5,251**
	Non-Controlling interest	7	1	10	35	-	-	-	-
6	**Other comprehensive income**								
	Items that will not be reclassified subsequently to profit or loss								
	(a) Remeasurement of the net defined benefit liability	-	(52)	-	(52)	-	(52)	-	(52)
	(b) Income tax relating to above items	-	13	-	13	-	13	-	13
	Items that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	6	59	1	67	-	-	-	-
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-
	Total Other comprehensive income/(loss), net of tax	**6**	**20**	**1**	**28**	**-**	**(39)**	**-**	**(39)**
	Attributable to:								
	Shareholders of the Company	**6**	**20**	**1**	**28**	**-**	**(39)**	**-**	**(39)**
	Non-controlling interests	-	-	-	-	-	-	-	-
7	**Total comprehensive income /(loss) (5+6)**	**(3,398)**	**116**	**1,662**	**5,368**	**(3,369)**	**53**	**1,635**	**5,212**
	Attributable to:								
	Shareholders of the Company	**(3,405)**	**115**	**1,652**	**5,333**	**(3,369)**	**53**	**1,635**	**5,212**
	Non-controlling interests	7	1	10	35	-	-	-	-
8	**Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)**	**7,108**	**7,262**	**7,618**	**7,262**	**7,108**	**7,262**	**7,618**	**7,262**
9	**Other equity**				**62,771**				**62,401**
10	**Earnings Per Share [Face Value of ₹ 5 per share] (for the quarterly periods - not annualised)**								
	Basic and Diluted Earnings per share (in ₹)	(2.38)	0.06	1.08	3.51	(2.36)	0.06	1.07	3.47

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 August 11, 2020 and approved by the Board of Directors at their meeting held on August 12, 2020. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2020.

3. The figures of the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published year to date figures upto third quarter ended December 31, 2019.

4. 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.

5. The consolidated financial results include the results of the following group companies:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Enertech Pennar Defense and Engineering Systems Private Limited	India	Subsidiary	51%
Pennar GmbH (from December 04, 2019)	Germany	Subsidiary	100%
Oneworks BIM Technologies Private Limited (from February 14, 2020)	India	Subsidiary	100%
Pennar Global Inc.	USA	Subsidiary	100%

6. a) During the quarter ended December 31, 2019, the company has acquired 100% equity shares of Pennar GMBH, and
   b) During the quarter ended March 31, 2020, Company has acquired 100% equity shares of Oneworks BIM Technologies Private Limited and recognised goodwill amounting to ₹ 322 lakhs in consolidated financial results, Accordingly the results for the corresponding periods are not comparable.

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 June 30, 2020 are as follows:

(₹ in Lakhs)

Particulars	Objects of the issue as per prospectus	Utilisation upto June 30, 2020	Unutilised amount upto June 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	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 June 30, 2020, unutilised funds have been temporarily invested in mutual funds and other bank balances.

8. 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.

9. The Company had elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The full impact of this change relating to Deferred Tax Liabilities (net) as at 31 March 2020 was recognised in the statement of profit and loss and other comprehensive income, during the quarter ended 30 September 2019.

Pennar Industries Limited * Hyderabad *

10 **SEGMENT REPORTING :**

(₹ in Lakhs)

Particulars	Quarter Ended			Year Ended
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
	Unaudited	(Refer Note 3)	Unaudited	Audited
Segment revenue				
Diversified engineering	9,297	28,273	35,794	1,33,274
Custom designed building solutions & auxiliaries	8,677	18,499	20,218	83,932
Total	**17,974**	**46,772**	**56,012**	**2,17,206**
Less : Inter segment revenue	1,355	1,633	2,229	6,551
Revenue from operations	**16,619**	**45,139**	**53,783**	**2,10,655**
Segment results				
Diversified engineering	(1,143)	3,074	4,534	13,943
Custom designed building solutions & auxiliaries	(184)	21	981	4,996
Total	**(1,327)**	**3,095**	**5,515**	**18,939**
Less :				
Depreciation and amortisation expense	1,207	1,153	950	4,282
Finance costs	1,977	1,828	1,992	8,345
Profit before tax	**(4,511)**	**114**	**2,573**	**6,312**

	As at		
	30-Jun-20	31-Mar-20	30-Jun-19
	Unaudited	Audited	Unaudited
Capital employed (Segment assets - Segment liabilities) (See notes below)			
Segment assets			
Diversified engineering	1,06,126	1,18,015	1,23,808
Custom designed building solutions & auxiliaries	65,565	67,323	70,692
Total Segment Assets	**1,71,691**	**1,85,338**	**1,94,500**
Segment liabilities			
Diversified engineering	67,675	72,190	87,134
Custom designed building solutions & auxiliaries	38,001	43,058	38,937
Total Segment Liabilities	**1,05,676**	**1,15,248**	**1,26,071**

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.

By order of the Board
for Pennar Industries Limited

Aditya N. Rao
Vice Chairman & Managing Director

Pennar Industries Limited Hyderabad

Place : Hyderabad
Date : August 12, 2020

Deloitte
Haskins & Sells LLP

Chartered Accountants
KRB Towers, Plot No.1 to 4 & 4A
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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 ended June 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. 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.

5. We draw your attention to Note 8 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: 0201193AAAAEF5341

Hyderabad, August 12, 2020

Deloitte
Haskins & Sells LLP

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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 ended June 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. 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 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 (wef December 4, 2019) (Wholly-Owned Subsidiary)
   v) Oneworks BIM Technologies Private Limited, India (wef February 14, 2020) (Wholly-Owned Subsidiary)

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 8 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 statement / financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial statement / financial information reflect total revenue of ₹ 1,421 lakhs, loss after tax of ₹ 105 lakhs and total comprehensive loss of ₹ 105 lakhs for the Quarter ended June 30, 2020, as considered in the Statement. These interim financial statement / 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 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 revenue of ₹ 310 lakhs, total profit after tax of ₹ 70 lakhs and total comprehensive income of ₹ 70 lakhs for the quarter ended June 30, 2020 as considered 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: 20201193AAAAEG7776

Hyderabad, August 12, 2020