

**PENNAIR INDUSTRIES LIMITED**  
(CIN: L27109TG1975PLC001919)

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**Statement of Consolidated and Standalone Financial Results for the Quarter and Year Ended March 31, 2023**

₹ in Lakhs

Sl.No	Particulars	Consolidated results						Standalone results										
		Quarter Ended		Year Ended		Quarter Ended		Year Ended										
		31-Mar-23	31-Dec-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22								
<b>1</b>	<b>Income</b>																	
	(a) Revenue from operations	66,843	69,222	69,277	2,89,462	2,26,575	55,579	53,666	58,922	2,28,830	3,727	1,99,475	1,865					
	(b) Other income	238	791	709	3,343	1,706	27	960	748	3,227		1,865						
	<b>Total Income</b>	<b>67,081</b>	<b>70,013</b>	<b>69,986</b>	<b>2,92,805</b>	<b>2,28,281</b>	<b>55,606</b>	<b>54,626</b>	<b>59,670</b>	<b>2,32,557</b>		<b>2,01,340</b>						
<b>2</b>	<b>The Board of Directors, at its meeting held on March 09, 2022, has approved</b>																	
	(a) Cost of materials consumed	41,272	38,721	35,189	1,76,631	1,29,762	30,100	33,181	34,776	1,54,354		1,28,438						
	(b) Purchase of traded goods	1,074	2,613	5,209	10,116	20,832	428	437	456	1,376		2,332						
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,843)	439	2,584	(6,607)	(10,435)	(2,173)	87	1,580	(8,110)		(7,566)						
	(d) Employee benefits expense	8,184	7,028	5,909	31,031	20,845	3,273	3,708	3,802	15,374		15,048						
	(e) Finance costs	2,287	2,216	2,093	9,121	7,838	2,241	2,163	2,055	8,943		7,508						
	(f) Depreciation and amortisation expense	1,726	1,630	1,525	6,497	5,413	1,458	1,412	1,302	5,598		5,034						
	(g) Other expenses	11,318	14,612	15,304	56,172	48,435	10,541	12,106	14,205	49,064		45,961						
	<b>Total expenses</b>	<b>64,018</b>	<b>67,259</b>	<b>67,813</b>	<b>2,82,961</b>	<b>2,22,690</b>	<b>53,868</b>	<b>53,094</b>	<b>58,176</b>	<b>2,26,599</b>		<b>1,96,775</b>						
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>3,063</b>	<b>2,754</b>	<b>2,173</b>	<b>9,844</b>	<b>5,591</b>	<b>1,738</b>	<b>1,532</b>	<b>1,494</b>	<b>5,958</b>		<b>4,565</b>						
<b>4</b>	<b>Tax expense</b>																	
	(a) Current tax	579	825	490	2,449	2,186	354	575	351	1,689		1,935						
	(b) Deferred tax	99	(183)	11	(148)	(786)	96	(183)	11	(151)		(786)						
	<b>Total tax expense</b>	<b>678</b>	<b>642</b>	<b>501</b>	<b>2,301</b>	<b>1,400</b>	<b>450</b>	<b>392</b>	<b>362</b>	<b>1,538</b>		<b>1,149</b>						
<b>5</b>	<b>Net Profit for the period (3-4)</b>	<b>2,385</b>	<b>2,112</b>	<b>1,672</b>	<b>7,543</b>	<b>4,191</b>	<b>1,288</b>	<b>1,140</b>	<b>1,132</b>	<b>4,420</b>		<b>3,416</b>						
	Attributable to:																	
	Shareholders of the Company	2,334	2,133	1,654	7,542	4,183	1,288	1,140	1,132	4,420		3,416						
	Non-controlling interest	51	(21)	18	1	8	-	-	-	-		-						
<b>6</b>	<b>Other comprehensive income/(loss)</b>																	
	Items that will not be reclassified subsequently to profit or loss																	
	(a) Remeasurement of the net defined benefit liability	90	-	(176)	90	(176)	90	-	(176)	90		(176)						
	(b) Income tax relating to above items	(23)	-	44	(23)	44	(23)	-	44	(23)		44						
	Items that will be reclassified subsequently to profit or loss																	
	(a) Exchange differences in translation of foreign operations	192	5	(145)	397	(121)	-	-	-	-		-						
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-	-		-						
	<b>Total other comprehensive income (5-6)</b>	<b>259</b>	<b>5</b>	<b>(277)</b>	<b>464</b>	<b>(253)</b>	<b>67</b>	<b>-</b>	<b>(132)</b>	<b>67</b>		<b>(132)</b>						
<b>7</b>	<b>Other comprehensive income for the year attributable to:</b>																	
	Shareholders of the Company	2,644	2,117	1,395	8,007	3,938	1,355	1,140	1,000	4,487		3,284						
	Non-controlling interests	2,635	2,138	1,377	8,006	3,930	1,355	1,140	1,000	4,487		3,284						
	9		(21)	18	1	8	-	-	-	-		-						
<b>8</b>	<b>Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)</b>	6,747	6,747	7,108	6,747	7,108	6,747	6,747	7,108	6,747		7,108						
<b>9</b>	<b>Other equity</b>																	
	Earnings Per Share [Face Value of ₹ 5 per share]*				71,055	66,410				63,358		65,233						
<b>10</b>	<b>Basic and Diluted Earnings per share (in ₹)</b>	1.75	1.56	1.16	5.49	2.94	0.95	0.84	0.79	3.22		2.40						



## Audited Balance Sheet as at March 31, 2023

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	Audited		Audited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	62,825	56,174	57,590	52,094
Right-of-use assets	8,142	6,985	4,457	3,530
Capital work-in-progress	1,825	7,572	1,005	7,556
Other intangible assets	1,088	1,243	1,041	1,173
<b>Financial assets</b>				
(a) Investments	2	2	885	885
(b) Trade receivables	3,085	2,089	3,085	2,089
(c) Loans	-	-	9,761	7,863
(d) Other financial assets	1,876	1,135	1,019	1,009
Income tax assets (net)	1,289	1,333	1,267	1,314
Other non-current assets	1,845	431	1,015	431
<b>Total Non-current assets (1)</b>	<b>81,977</b>	<b>76,964</b>	<b>81,125</b>	<b>77,944</b>
<b>Current assets</b>				
Inventories	78,270	64,285	73,664	57,651
<b>Financial assets</b>				
(a) Investments	2,697	4,497	2,697	4,497
(b) Trade receivables	36,346	42,506	36,329	42,420
(c) Cash and cash equivalents	14,299	3,777	2,310	1,600
(d) Other bank balances	2,960	4,934	2,960	4,934
(e) Loans	-	-	-	30
(f) Other financial assets	5,493	4,349	6,300	4,044
Other current assets	9,780	12,791	9,488	12,335
<b>Total Current assets (2)</b>	<b>1,49,845</b>	<b>1,37,139</b>	<b>1,33,748</b>	<b>1,27,511</b>
<b>Total assets (1+2)</b>	<b>2,31,822</b>	<b>2,14,103</b>	<b>2,14,873</b>	<b>2,05,455</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	6,747	7,108	6,747	7,108
Other equity	71,055	66,410	66,358	65,233
<b>Equity attributable to Shareholders of the Company</b>	<b>77,802</b>	<b>73,518</b>	<b>73,105</b>	<b>72,341</b>
Non-controlling interests	96	95	-	-
<b>Total Equity (1)</b>	<b>77,898</b>	<b>73,613</b>	<b>73,105</b>	<b>72,341</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	9,881	9,859	9,760	9,859
(a i) Lease Liabilities	4,779	4,464	3,512	2,850
(b) Other financial liabilities	563	1,226	563	1,226
Provisions	1,201	1,428	1,201	1,428
Deferred tax liabilities (net)	567	695	567	695
Other non-current liabilities	23	79	23	79
<b>Total Non-current liabilities (2)</b>	<b>17,014</b>	<b>17,751</b>	<b>15,626</b>	<b>16,137</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(a) Borrowings	52,238	48,909	52,149	48,889
(a i) Lease Liabilities	1,626	1,306	1,132	814
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	540	731	540	731
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	57,857	53,634	55,255	50,769
(c) Other financial liabilities	7,905	5,681	3,736	4,705
Other current liabilities	11,528	8,542	9,147	7,416
Provisions	1,012	778	1,012	778
Income tax liabilities (net)	4,204	3,158	3,171	2,875
<b>Total Current liabilities (3)</b>	<b>1,36,910</b>	<b>1,22,739</b>	<b>1,26,142</b>	<b>1,16,977</b>
<b>Total Liabilities (2+3)</b>	<b>1,53,924</b>	<b>1,40,490</b>	<b>1,41,768</b>	<b>1,33,114</b>
<b>Total Equity and Liabilities (1+2+3)</b>	<b>2,31,822</b>	<b>2,14,103</b>	<b>2,14,873</b>	<b>2,05,455</b>



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**Statement of Cash flows for the year ended March 31, 2023**

(₹ in Lakhs)

	Consolidated		Standalone	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Cash flow from operating activities:</b>				
<b>Profit before tax</b>	9,844	5,591	5,958	4,565
Adjustments for:				
Depreciation and amortisation expense	6,497	5,413	5,598	5,034
Loss on sale/scrap of property, plant and equipments (net)	18	9	18	9
Profit on sale of investment	(20)	(15)	(20)	(15)
Net gain arising from financial instruments designated as FVTPL	(46)	(11)	(46)	(11)
Unrealised Exchange differences (net)	(513)	102	(1,137)	258
Provision for receivables and other liabilities no longer required, Written back	(810)	(604)	(810)	(604)
Provision for Credit impaired trade and other receivables, loans and advances (net)	1,387	2,413	1,387	2,413
Trade and other receivables written off	1,923	-	1,867	-
Finance costs	9,121	7,838	8,943	7,508
Interest income	(420)	(420)	(1,008)	(625)
<b>Operating profit before working capital changes:</b>	<b>26,981</b>	<b>20,316</b>	<b>20,750</b>	<b>18,532</b>
Changes in working capital:				
Trade payables	4,791	11,007	5,054	7,779
Other liabilities	4,775	6,042	315	4,159
Provisions	471	221	97	221
Trade receivables	2,252	(2,797)	2,255	(695)
Inventories	(13,985)	(15,630)	(16,013)	(10,825)
Other assets	476	1,355	552	2,781
<b>Cash generated from operations</b>	<b>25,761</b>	<b>20,514</b>	<b>13,010</b>	<b>21,952</b>
Direct taxes paid (net of refunds)	(1,349)	(1,021)	(1,346)	(1,003)
<b>Net cash flow from operating activities (A)</b>	<b>24,412</b>	<b>19,493</b>	<b>11,664</b>	<b>20,949</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(7,131)	(5,748)	(3,594)	(2,142)
Proceeds from sale of property, plant and equipments	25	70	25	70
Proceeds from disposal of investment in subsidiary	-	62	-	62
Net (Increase) decrease in current investments	1,866	(2,713)	1,866	(2,713)
Inter-corporate deposits/ loans (net)	-	792	(1,094)	(6,401)
Movement in other bank balances	1,974	(2,751)	1,974	(2,751)
Interest received	469	442	437	459
<b>Net cash used in investing activities (B)</b>	<b>(2,797)</b>	<b>(9,846)</b>	<b>(386)</b>	<b>(13,416)</b>
<b>Cash flow from financing activities:</b>				
Proceeds from long term borrowings	7,500	3,853	7,500	3,853
Repayment of long term borrowings	(6,207)	(5,934)	(6,207)	(5,908)
Proceed from short-term borrowings(net)	1,975	2,277	1,786	2,392
Payment towards buyback of shares including transaction costs	(3,723)	(32)	(3,723)	(32)
Interest and other borrowing costs paid	(8,515)	(7,001)	(8,466)	(6,983)
Repayment of lease liability	(2,289)	(2,386)	(1,458)	(1,253)
<b>Net cash used in financing activities (C)</b>	<b>(11,259)</b>	<b>(9,223)</b>	<b>(10,568)</b>	<b>(7,931)</b>
<b>Net increase/(decrease) In cash and cash equivalents (A + B + C)</b>	<b>10,356</b>	<b>424</b>	<b>710</b>	<b>(398)</b>
Cash and cash equivalents at the beginning of the year	3,777	3,353	1,600	1,998
Effect of exchange differences on translation of foreign currency cash and cash equivalents	166	-	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>14,299</b>	<b>3,777</b>	<b>2,310</b>	<b>1,600</b>

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

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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").
  2. The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on May 22, 2023 and approved by the Board of Directors at their meeting held on May 24, 2023. The Statutory Auditors have issued an unmodified audit opinion on the financial results for the year ended March 31, 2023 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 2023.
  3. The figures for the current quarter and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 2023 and March 2022, respectively and the year to date figures up to third quarter ended December 31, 2022 and December 31, 2021 respectively.
  4. The Board of Directors, at its meeting held on March 09, 2022, has 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 of March 31, 2023, the Buyback process was completed and the Company bought back 72,16,000 equity shares as of that date, resulting in total cash consideration of ₹ 3,755 lakhs (including ₹ 745 lakhs towards buyback related costs and tax on Buyback). Out of the 72,16,000 equity shares bought back, the Company extinguished 72,16,000 equity shares as at September 30, 2022 as per records of depositories. In line with the requirements of Companies Act, 2013, an amount of ₹ 3,394 lakhs has been utilized from securities premium account for the Buyback. Further, capital redemption reserve of ₹ 361 lakhs representing the nominal value of shares bought 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	Germany	Subsidiary	100%
Pennar Global Inc.	USA	Subsidiary	100%
Pennar Global Metals, LLC	USA	Step-down Subsidiary	100%
Ascent Buildings, LLC	USA	Step-down Subsidiary	100%
Cadnum SARL (w.e.f. September 8, 2022) (Refer note 6 below)	France	Step-down Subsidiary	100%
Pennar Global Investments LLC (w.e.f. February 16, 2023)	USA	Step-down Subsidiary	100%

6. During the quarter ended September 30, 2022, the Group had completed acquisition of 100% equity share capital of Cadnum SARL for total consideration of 1,80,000 euros. The initial accounting was done on provisional basis. During the quarter, Management has concluded on the purchase price allocation, based on the report of the external independent expert and has finalized the accounting for the business combination in accordance with Ind AS 103.

7. 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.



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8. SEGMENT REPORTING: [ ₹ in Lakhs ]

Particulars	Quarter Ended		Year Ended	
	31-Mar-23 (Refer Note 3)	31-Dec-22 Unaudited	31-Mar-23 Audited	31-Mar-22 Audited
Segment revenue				
Diversified engineering	38,203	34,012	151,129	1,35,521
Custom designed building solutions & auxiliaries	32,587	36,013	28,795	1,50,501
Total	70,790	72,025	3,01,650	2,29,983
Less: Inter segment revenue	3,927	2,603	4,997	13,403
Revenue from operations	66,863	69,222	2,99,462	2,26,575
Segment results				
Diversified engineering	5,049	2,973	3,877	14,969
Custom designed building solutions & auxiliaries	2,027	3,627	1,914	10,493
Total	7,076	6,600	5,791	25,462
Less:				
Depreciation and amortisation expense	1,726	1,630	1,525	6,497
Finance costs	2,207	2,216	2,093	5,121
Profit before tax	3,063	2,754	2,173	9,844
			As at	
			31-Dec-22	31-Mar-22
			Unaudited	Audited
Capital employed (Segment assets - Segment liabilities) (See notes below)				
Segment assets				
Diversified engineering		1,70,104	1,52,680	1,40,043
Custom designed building solutions & auxiliaries		61,638	68,950	74,060
Total Segment Assets		2,31,822	2,21,630	2,14,103
Segment liabilities				
Diversified engineering		98,611	83,429	84,126
Custom designed building solutions & auxiliaries		55,313	62,070	56,364
Total Segment Liabilities		1,53,924	1,45,099	1,40,490

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 118 - "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 Penmar Industries Limited  
*(Signature)*  
Vice Chairman & Managing Director

Place : Bengaluru  
Date : May 24, 2023

**Independent Auditor's Report on Standalone Audited Annual Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

**To the Board of Directors of Pennar Industries Limited  
Report on the Audit of Standalone Financial Results**

**Opinion**

We have audited the accompanying statement of standalone annual financial results of **Pennar Industries Limited** (hereinafter referred to as 'the Company') for the year ended March 31, 2023 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone financial statements 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 Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

**Management and Board of Directors' Responsibilities for the Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 responsible for overseeing the financial reporting process of the Company.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 these Statement.

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 Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- 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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company 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.

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## Other Matters

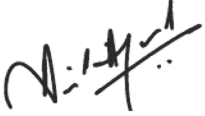
1. The Statement of the Company for the year ended March 31, 2022, was audited by another auditor whose report dated May 25, 2022 expressed an unmodified opinion on those Statement.
2. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matters.

## For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Amit Kumar Agarwal  
Partner  
Membership No. 214198  
UDIN: 23214198BGXCQU2845



Place: Hyderabad

Date: May 24, 2023



## Independent Auditor's Report on Consolidated Audited Annual Financial Results of the Group pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

### To the Board of Directors of Pennar Industries Limited [Holding Company] Report on the Audit of Consolidated Financial Results

#### Opinion

We have audited the accompanying statement of Consolidated annual financial results of **Pennar Industries Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended March 31, 2023 ('the Statement') attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements /financial results of the subsidiaries, the aforesaid Statement:

- i. includes the annual financial results of Holding Company and the following entities:

Sr. No	Name of the Entities	Relationship with the Holding Company
I	Pennar Global Inc, USA (PGI)	Wholly Owned Subsidiary
II	Pennar GmbH, Germany (Pennar GmbH)	Wholly Owned Subsidiary
III	Enertech Pennar Defense and Engineering Systems Private Limited, India (Enertech)	Subsidiary
IV	Pennar Global Metals Inc., USA (PGM)	Step Subsidiary (Subsidiary of PGI)
V	Ascent Buildings LLC., USA (Ascent)	Step Subsidiary (Subsidiary of PGI)
VI	Cadnum SARL, France (w.e.f, September 8, 2022)	Step Subsidiary (Subsidiary of Pennar GmbH)
VII	Pennar global Investments LLC (w.e.f February 16, 2023)	Step Subsidiary (Subsidiary of PGI)

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements 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 Code of Ethics.

We believe that the audit evidence obtained by us and other auditor(s) in terms of their reports referred to in “Other Matter(s)” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

## **Management and Board of Directors’ Responsibilities for the Consolidated Financial Results**

This Statement, which is the responsibility of the Holding Company’s Management and approved by the Holding Company’s Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement 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 the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, 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 the 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 respective entities.

## **Auditor’s Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement 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 Statement.

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 Statement, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- 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 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement 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.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

## Other Matters

1. The Statement includes the audited Financial Results of seven subsidiaries, whose Financial Statements reflect total assets of Rs.35,584 Lakhs as at March 31, 2023 and total revenue of Rs. 15,265 Lakhs and Rs. 73,125 Lakhs for the quarter and year ended March 31, 2023, respectively, total net profit after tax and total comprehensive income of Rs.1,013 Lakhs and Rs. 3,039 Lakhs, for the Quarter and year ended March 31, 2023, respectively and the net cash inflow of Rs. 9,646 Lakhs for the year ended as on date, as considered in the Statement, which have been audited by the other auditor(s) whose reports on financial statements of these entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us as as stated in paragraph above.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The Statement for the year ended March 31, 2022, was audited by another auditor whose report dated May 25, 2022 expressed an unmodified opinion on those Statement.

Our opinion is not modified in respect of the above matter.



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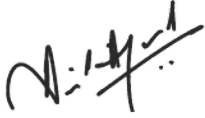
3. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

**For M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No.105047W



Amit Kumar Agarwal

Partner

Membership No.: 214198

UDIN: 23214198BGXCQV6862



Place: Hyderabad

Date: May 24, 2023