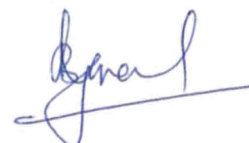


**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM
STANDALONE FINANCIAL RESULTS**

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

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **PENNAR INDUSTRIES LIMITED** ("the Company"), for the quarter ended June 30, 2022 ("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
UDIN: 22201193AOQGLY2003

Place: Hyderabad
Date: August 09, 2022

**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 Unaudited Consolidated 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, 2022 ("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:
 - Pennar Industries Limited, India (PIL) - Parent Company
 - Pennar Global Inc., USA (PGI) - Wholly Owned Subsidiary
 - Enertech Pennar Defense and Engineering Systems Private Limited, India (Enertech) - Subsidiary
 - Pennar GmbH, Germany (Pennar GmbH) - Wholly Owned Subsidiary
 - Pennar Global Metals Inc., USA (PGM) - Subsidiary of PGI
 - Ascent Buildings LLC., USA (Ascent) - Subsidiary of PGI
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 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.

Deloitte Haskins & Sells LLP

6. We did not review the interim financial information of three subsidiaries included in the unaudited consolidated financial results, whose interim financial information reflect total revenues of ₹ 17,702 lakhs, total net profit after tax and total comprehensive income of ₹ 520 lakhs, for the quarter ended June 30, 2022, as considered in the Statement. These interim 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 Consolidated Results included in the Statement is not modified in respect of this matter.

7. The unaudited consolidated financial results includes the interim financial information of two subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of ₹ 313 lakhs, total net profit after tax and total comprehensive income of ₹ 11 lakhs, for the quarter ended June 30, 2022, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our Conclusion on the Consolidated Results included in the Statement is not modified in respect of our reliance on the interim 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
UDIN: 22201193AOQGHL9968

Place: Hyderabad
Date: August 09, 2022

PENNNAR INDUSTRIES LIMITED

(CIN: L27109TG1975PLC001919)

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

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

Statement of Consolidated and Standalone Financial Results for the Quarter Ended June 30, 2022

Sl. No	Particulars	Consolidated results				Standalone results			
		Quarter Ended		Year Ended	Quarter Ended		Year Ended		
		30-Jun-22	31-Mar-22	31-Mar-22	30-Jun-22	31-Mar-22	31-Mar-22		
		Unaudited	(Refer note 3)	Unaudited	Unaudited	(Refer note 3)	Unaudited	Audited	
1	Income								
	(a) Revenue from operations	69,998	69,277	226,575	55,726	58,922	45,805	199,475	
	(b) Other income	1,102	709	1,706	1,196	748	299	1,865	
	Total income	71,100	69,986	228,281	56,922	59,670	46,104	201,340	
2	Expenses								
	(a) Cost of materials consumed	50,166	35,189	129,762	42,387	34,776	29,211	128,438	
	(b) Purchase of traded goods	1,210	5,209	20,832	191	456	787	2,352	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6,771)	2,584	(10,435)	(6,513)	1,580	(2,304)	(7,566)	
	(d) Employee benefits expense	6,957	5,909	20,845	4,291	3,802	3,525	15,048	
	(e) Finance costs	2,151	2,093	7,838	2,115	2,055	1,826	7,508	
	(f) Depreciation and amortisation expense	1,580	1,525	5,413	1,376	1,302	1,267	5,034	
	(g) Other expenses	13,933	15,304	48,435	11,836	14,205	10,790	45,961	
	Total expenses	69,226	67,813	222,690	55,683	58,176	45,102	196,775	
3	Profit before tax (1-2)	1,874	2,173	5,591	1,239	1,494	1,002	4,565	
4	Tax expense								
	(a) Current tax	573	490	2,186	439	351	533	1,935	
	(b) Deferred tax	(107)	11	(786)	(107)	11	(282)	(786)	
	Total tax expense	466	501	1,400	332	362	251	1,149	
5	Net Profit for the period (3-4)	1,408	1,672	4,191	907	1,132	751	3,416	
	Attributable to:								
	Shareholders of the Company	1,408	1,654	4,183	907	1,132	751	3,416	
	Non-controlling interest	-	18	8	-	-	-	-	
6	Other comprehensive income								
	Items that will not be reclassified subsequently to profit or loss								
	(a) Remeasurement of the net defined benefit liability	-	(176)	(176)	-	(176)	-	(176)	
	(b) Income tax relating to above items	-	44	44	-	44	-	44	
	Items that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	139	(145)	(121)	-	-	-	-	
	(b) Income tax relating to above items	-	-	-	-	-	-	-	
	Total Other comprehensive income / (loss), net of tax	139	(277)	(253)	-	(132)	-	(132)	
	Attributable to:								
	Shareholders of the Company	139	(277)	(253)	-	(132)	-	(132)	
	Non-controlling interests	-	-	-	-	-	-	-	
7	Total comprehensive income (5+6)	1,547	1,395	3,938	907	1,000	751	3,284	
	Attributable to:								
	Shareholders of the Company	1,547	1,377	3,930	907	1,000	751	3,284	
	Non-controlling interests	-	18	8	-	-	-	-	
8	Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)								
9	Other equity								
10	Earnings Per Share [Face Value of ₹ 5 per share] (for the quarterly periods - not annualised)								
	Basic and Diluted Earnings per share (in ₹)	1.00	1.16	2.94	0.64	0.79	0.53	2.40	



NOTES :

- The consolidated and standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The above consolidated and standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on August 08, 2022 and approved by the Board of Directors at their meeting held on August 09, 2022. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2022.
- The figures for the quarter ended March 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 2022 and year to date figures up to third quarter ended December 31, 2021.
- The Board of Directors, at its meeting held on March 09, 2022, approved Buyback of the Company's fully paid-up equity shares of face value of ₹ 5 each from the eligible equity shareholders of the Company other than promoters, promoter group and persons who are in control of the company, at a price not exceeding ₹ 50 per equity share (Maximum Buyback price), for an aggregate amount not exceeding ₹ 4,000 lakhs (Maximum Buyback size) excluding the transaction charges, payable in cash from the open market route through the stock exchange mechanism under the Buyback Regulations and the Companies Act.

As at June 30, 2022, the scheme of Buyback was open, the Company bought back 19,90,000 equity shares as of that date, resulting in total cash consideration of ₹ 928.5 lakhs (including ₹ 195 lakhs towards buyback related costs and tax on Buyback). Out of the 19,90,000 equity bought back, the Company extinguished 18,40,000 equity shares as at June 30, 2022 and the remaining shares were subsequently extinguished in the month of July 2022 as per records of depositories. In line with the requirements of Companies Act, 2013, an amount of ₹ 829 lakhs has been utilized from securities premium account for the Buyback. Further, capital redemption reserve of ₹ 99.50 lakhs representing the nominal value of shares brought back, has been created in accordance with Section 69 of the Companies Act, 2013.

- The consolidated financial results include the results of the following Group companies:

Name of the Company	Country of Incorporation	Nature of relationship	% Holding
Enertech Pennar Defense and Engineering Systems Private Limited	India	Subsidiary	51%
Pennar GmbH	Germany	Subsidiary	100%
Oneworks BIM Technologies Private Limited (upto August 31, 2021) (Refer note 6)	India	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%

- During the quarter ended September 30, 2021, the Parent Company had disposed off its investment in Oneworks BIM Technologies Private Limited for a consideration of ₹ 62 lakhs resulting in a profit of ₹ 1 lakh. Oneworks did not have any significant operations and the financial results of Oneworks are not material to the group.

- On November 10, 2021, the board had given in-principle approval to its wholly owned subsidiary Pennar GmbH to acquire 100% stake in Cadnum SARL (Cadnum) subject to regulatory approvals. Cadnum is an engineering & precision machining company based out of Villebret, France. On July 13, 2022, Pennar GmbH has entered into a share purchase agreement with Cadnum for the proposed investment for a consideration of 1,80,000 Euros.

- The details of funds raised through Initial Public Offer (IPO) by the erstwhile entity Pennar Engineered Building Systems Limited (PEBS) during the financial year 2015-2016, and utilisation of said funds as at June 30, 2022 are as follows:

Particulars	Objects of the issue as per prospectus		Utilisation upto		Unutilised amount upto	
			June 30, 2022		June 30, 2022	
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		377		423	
C) General corporate purposes	1,079		1,079		-	
D) Share issue expenses	521		517		4	
Total	5,800		5,373		427	

As on June 30, 2022, unutilised funds have been temporarily invested in in mutual funds and other bank balances.

- 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.



10. SEGMENT REPORTING :

Particulars	Quarter Ended			Year Ended 31-Mar-22 Audited
	30-Jun-22	31-Mar-22 (Refer note 3)	30-Jun-21 Unaudited	
	Unaudited			
Segment revenue				
Diversified engineering	35,797	44,579	27,300	135,521
Custom designed building solutions & auxiliaries	37,947	28,795	24,481	104,462
Total	73,744	73,374	51,781	239,983
Less : Inter segment revenue	3,746	4,097	2,950	13,408
Revenue from operations	69,998	69,277	48,831	226,575
Segment results				
Diversified engineering	2,378	3,877	2,684	12,327
Custom designed building solutions & auxiliaries	3,227	1,914	1,324	6,515
Total	5,605	5,791	4,008	18,842
Less:				
Depreciation and amortisation expense	1,580	1,525	1,276	5,413
Finance costs	2,151	2,093	1,829	7,838
Profit before tax	1,874	2,173	903	5,591
			As at	
		30-Jun-22	31-Mar-22	30-Jun-21
		Unaudited	Audited	Unaudited
Capital employed (Segment assets - Segment liabilities) (See notes below)				
Segment assets				
Diversified engineering		140,221	140,043	123,074
Custom designed building solutions & auxiliaries		81,721	74,060	69,556
Total Segment Assets		221,942	214,103	192,630
Segment liabilities				
Diversified engineering		83,091	84,126	78,880
Custom designed building solutions & auxiliaries		64,587	56,364	43,410
Total Segment Liabilities		147,678	140,490	122,290

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

Aditya N. Rao
Vice Chairman & Managing Director

Place: Hyderabad
Date: August 09, 2022