

Independent Auditor's Review Report on unaudited standalone financial results for the quarter and year to date of Pennar Industries Limited 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

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Pennar Industries Limited** (the "Company") for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Regulations").
2. This Statement, which is the responsibility of the Company's Management and has been approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ("Ind AS 34") and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons 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 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 Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Ananthkrishnan Govindan
Partner
Membership No.: 205226
UDIN: 24205226BKEAAF8631



Place: Hyderabad
Date: February 09, 2024

Independent Auditor’s Review Report on unaudited consolidated financial results for the quarter and year to date financial results of Pennar Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors Pennar Industries Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **Pennar Industries Limited** (the “Holding Company”), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the “Group”) for the quarter ended December 31, 2023 and the year to-date results for the period from April 01, 2023 to December 31, 2023 (the “Statement”), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Regulations”).
2. 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 in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 ‘Interim Financial Reporting’ prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder (“Ind AS 34”) and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. 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 Engagement (SRE) 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’ issued by the Institute of Chartered Accountants of India. A review of interim financial information matters and making inquiries, primarily of persons 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 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. This Statement includes the results of the Holding Company and the following entities:

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Pennar Global Inc. (USA) (PGI)	Wholly owned subsidiary
2	Pennar GmbH (Germany) (Pennar GmbH)	Wholly owned subsidiary
3	Pennar Metals Private Limited (India) (w.e.f. June 22, 2023)	Wholly owned subsidiary
4	Enertech Pennar Defense and Engineering Systems Private Limited (India)	Subsidiary
5	Pennar Global Metals Inc. (USA)	Step Subsidiary (Subsidiary of PGI)
6	Ascent Buildings LLC. (USA)	Step Subsidiary (Subsidiary of PGI)
7	Pennar Global Investment LLC (USA)	Step Subsidiary (Subsidiary of PGI)
8	Cadnum SARL (France)	Step Subsidiary (Subsidiary of Pennar GmbH)

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 auditor 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 Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.



MSKA & Associates

Chartered Accountants

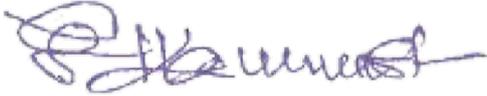
6. We did not review the interim financial information of Four subsidiaries included in the Statement, whose interim financial information reflects total revenues of Rs. 17,751 lakhs and Rs.55,467 lakhs, total net profit after tax and total comprehensive income of Rs. 1,065 lakhs and Rs. 2,940 lakhs for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, respectively, as considered in the Statement. This interim financial information's have been reviewed by other auditor 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 report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

7. The Statement includes the interim financial information of Four subsidiaries which has not been reviewed by their auditors, whose interim financial information total revenue of Rs. 703 lakhs and Rs. 2,456 lakhs, total net (loss) after tax and total comprehensive (loss) of Rs. 62 lakhs and Rs. 128 lakhs for the quarter ended December 31, 2023 and for the period from April 01, 2023 to December 31, 2023, respectively, as considered in the Statement. This interim financial information has 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 such management prepared unaudited interim financial information. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Ananthakrishnan Govindan
Partner
Membership No.: 205226
UDIN: 24205226BKEAAG2977



Place: Hyderabad
Date: February 09, 2024

PENMAR INDUSTRIES LIMITED
(CIN: L27109TG1975PLC001919)

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Statement of Consolidated and Standalone Financial Results for the Quarter and Nine months Ended December 31, 2023

₹ In Lakhs

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended		Nine months Ended		Year Ended		Quarter Ended		Nine months Ended		Year Ended	
		31-Dec-23 Unaudited	30-Sep-23 Unaudited	31-Dec-22 Unaudited	31-Dec-23 Unaudited	31-Mar-23 Audited	31-Dec-23 Unaudited	30-Sep-23 Unaudited	31-Dec-22 Unaudited	31-Dec-23 Unaudited	31-Dec-22 Unaudited	31-Mar-23 Audited	
1	Income	74,475	81,413	69,222	2,30,777	2,22,619	2,89,462	63,383	53,666	1,73,251	1,73,251	2,28,830	
	(a) Revenue from operations	613	591	791	2,383	3,455	3,343	621	960	3,700	3,727	3,727	
	(b) Other income	75,088	82,004	70,013	2,33,160	2,26,074	2,92,805	64,004	54,626	1,76,951	1,76,951	2,32,557	
2	Expenses	44,431	51,548	38,721	1,45,232	1,35,359	1,76,631	40,944	33,181	1,16,254	1,16,254	1,54,354	
	(a) Cost of materials consumed	731	991	2,613	2,165	9,042	10,116	584	437	1,514	1,376	1,376	
	(b) Purchase of traded goods	52	(2,279)	439	(5,453)	(4,764)	(6,607)	(2,599)	87	(5,937)	(5,937)	(8,110)	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	7,163	7,767	7,028	22,982	22,847	31,031	3,666	3,708	11,670	12,101	15,374	
	(d) Employee benefits expense	3,147	2,987	2,216	8,919	6,834	9,121	2,975	2,163	6,702	6,702	8,943	
	(e) Finance costs	1,755	1,656	1,630	5,053	4,771	6,497	1,400	1,412	4,140	4,140	5,598	
	(f) Depreciation and amortisation expense	14,502	16,361	14,612	45,037	45,204	56,172	14,929	12,106	39,729	38,523	49,064	
	(g) Other expenses	71,781	79,031	67,259	2,23,935	2,19,293	2,82,961	62,250	53,094	1,72,731	1,72,731	2,26,599	
3	Profit before tax (1-2)	3,307	2,973	2,754	9,225	6,781	9,844	1,754	1,532	4,220	4,220	5,958	
4	Tax expense	704	792	825	2,315	1,870	2,449	434	575	1,335	1,335	1,689	
	(a) Current tax	66	(55)	(183)	(44)	(247)	(148)	107	(183)	8	(247)	(151)	
	(b) Deferred tax charge/(credit)	770	737	642	2,271	1,623	2,301	541	392	1,088	1,088	1,538	
5	Total tax expense	2,537	2,236	2,112	6,954	5,158	7,543	1,535	1,140	3,132	3,132	4,420	
	Net Profit for the period/year (3-4)	2,539	2,253	2,133	6,973	5,208	7,542	1,319	1,140	4,143	4,143	4,420	
	Attributable to:	(2)	(17)	(21)	(19)	(50)	1	-	-	-	-	-	
	Shareholders of the Company												
	Non-controlling interest												
6	Other comprehensive income												
	Item that will not be reclassified subsequently to profit or loss												
	(a) Remeasurement of the net defined benefit liability						90					90	
	(b) Income tax relating to above item						(23)					(23)	
	Item that will be reclassified subsequently to profit or loss												
	(a) Exchange differences in translation of foreign operations	35	44	5	119	205	397						
	(b) Income tax relating to above item												
	Total other comprehensive income for the period/year.net of taxes	35	44	5	119	205	397						
	Total comprehensive income for the period/year (5+6)	2,572	2,280	2,117	7,073	5,363	8,007	1,319	1,140	4,143	4,143	4,487	
7	Total comprehensive income for the period/ year attributable to:												
	Shareholders of the Company	2,574	2,297	2,138	7,092	5,413	8,006	1,319	1,140	4,143	4,143	4,487	
	Non-controlling interest	(2)	(17)	(21)	(19)	(50)	1						
8	Paid up equity share capital [Face Value of ₹ 5 per share]	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	
9	Other equity												
10	Earnings Per Share [Face Value of ₹ 5 per share](For the period not annualised)												
	Basic and Diluted Earnings per share (in ₹)	1.88	1.67	1.56	5.17	3.74	5.49	0.97	0.84	3.07	2.27	3.22	



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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 February 07, 2024 and approved by the Board of Directors at their meeting held on February 09, 2024. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter and Nine months ended December 31, 2023.

3 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	France	Step-down Subsidiary	100%
Pennar Global Investments LLC	USA	Step-down Subsidiary	100%
Pennar Metals Private Limited (w.e.f. June 22, 2023)(Refer Note 4)	India	Subsidiary	100%

4 The Company has incorporated Pennar Metals Private Limited, as Wholly owned subsidiary on June 22, 2023 and subscribed share capital ₹1. Lakh (comprising 10,000 number of equity shares of ₹ 10 each).

5 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.



6 SEGMENT REPORTING :

Particulars	Quarter Ended		Nine months Ended			Year Ended
	31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment revenue						
Diversified engineering	38,060	43,356	34,012	1,19,468	1,12,926	1,51,129
Custom designed building solutions & auxiliaries	38,779	40,668	38,013	1,18,075	1,17,934	1,50,501
Total	76,839	84,024	72,025	2,37,543	2,30,860	3,01,630
Less: Inter segment revenue	2,364	2,611	2,803	6,766	8,241	12,168
Revenue from operations	74,475	81,413	69,222	2,30,777	2,22,619	2,89,462
Segment results						
Diversified engineering	4,326	4,212	2,973	12,611	9,920	14,969
Custom designed building solutions & auxiliaries	3,883	3,404	3,628	10,586	8,467	10,493
Total	8,209	7,616	6,601	23,197	18,387	25,462
Less: Depreciation and amortisation expense	1,755	1,656	1,630	5,053	4,771	6,497
Finance costs	3,147	2,987	2,216	8,919	6,834	9,121
Profit before tax	3,307	2,973	2,755	9,225	6,782	9,844
	As at					
	31-Dec-23	30-Sep-23	31-Dec-22	31-Dec-23	31-Dec-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Capital employed (Segment assets - Segment liabilities) (See notes below)						
Segment assets						
Diversified engineering	1,93,204	1,80,876	1,52,680	1,80,876	1,52,680	1,70,184
Custom designed building solutions & auxiliaries	63,702	65,146	68,950	65,146	68,950	61,638
Total Segment Assets	2,56,906	2,46,022	2,21,630	2,46,022	2,21,630	2,31,822
Segment liabilities						
Diversified engineering	1,17,720	1,06,143	83,429	1,06,143	83,429	98,611
Custom designed building solutions & auxiliaries	54,234	57,480	62,670	57,480	62,670	55,313
Total Segment Liabilities	1,71,954	1,63,623	1,46,099	1,63,623	1,46,099	1,53,924

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.



By order of the Board
for Pennar Industries Limited



Aditya N. Rao
Aditya N. Rao
Vice Chairman & Managing Director
(DIN: 01307343)

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Place : Hyderabad

Date : February 09, 2024