



PENNAR INDUSTRIES LIMITED

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended December 31, 2017

Rs. in Lakhs

S.No.	Particulars	Quarter ended			Nine months ended	
		31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>1</b>	<b>Income</b>					
a	Revenue from operations (Refer Note 4)	29,940	28,550	26,560	90,555	76,748
b	Other income	147	111	64	315	366
	<b>Total Income</b>	<b>30,087</b>	<b>28,661</b>	<b>26,624</b>	<b>90,870</b>	<b>77,114</b>
<b>2</b>	<b>Expenses</b>					
a	Cost of materials consumed	18,816	17,667	17,945	58,591	49,375
b	Changes in inventories of finished goods, work in progress and stock in trade	1,607	2,308	(1,165)	2,860	(804)
c	Excise duty (Refer Note 4)	-	-	2,037	2,121	6,062
d	Employee benefits expense	1,770	1,665	1,562	5,125	4,505
e	Finance costs	1,001	1,013	811	2,908	2,443
f	Depreciation and amortisation expense	403	348	357	1,043	1,071
g	Other expenses	5,251	4,326	4,227	14,137	11,764
	<b>Total Expenses</b>	<b>28,848</b>	<b>27,327</b>	<b>25,774</b>	<b>86,785</b>	<b>74,416</b>
<b>3</b>	<b>Profit before tax (1 - 2)</b>	<b>1,239</b>	<b>1,334</b>	<b>850</b>	<b>4,085</b>	<b>2,698</b>
<b>4</b>	<b>Tax expense</b>					
a	Current tax	300	187	290	1,001	875
b	Deferred tax	82	375	63	802	347
	<b>Total tax expense</b>	<b>382</b>	<b>562</b>	<b>353</b>	<b>1,803</b>	<b>1,222</b>
<b>5</b>	<b>Net profit for the period (3 - 4)</b>	<b>857</b>	<b>772</b>	<b>497</b>	<b>2,282</b>	<b>1,476</b>
<b>6</b>	<b>Other Comprehensive Income (net of tax)</b>					
	Items that will not be reclassified to profit or loss in subsequent periods					
	(i) (Loss) / Gain on remeasurement of defined benefit plan	(13)	(25)	7	(38)	(46)
	(ii) Income tax relating to the above	7	6	2	13	15
	<b>Total Other Comprehensive Income</b>	<b>(6)</b>	<b>(19)</b>	<b>9</b>	<b>(25)</b>	<b>(31)</b>
<b>7</b>	<b>Total Comprehensive Income (5 + 6)</b>	<b>851</b>	<b>753</b>	<b>506</b>	<b>2,257</b>	<b>1,445</b>
<b>8</b>	Paid up Equity Share Capital (Face value of Rs. 5/- share)	6,017	6,017	6,017	6,017	6,017
<b>9</b>	<b>Earnings per Share</b>					
	Basic and Diluted Earnings per Rs. 5/- share (not annualised) (in Rs.)	0.71	0.64	0.41	1.90	1.23



*Aditya R. Rao*

**Notes:**

1. The above unaudited standalone financial results were reviewed and recommended by the Audit Committee at their meeting held on February 10, 2018 and approved by the Board of Directors at their meeting held on February 12, 2018.

2(a) The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2017 with transition date of April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 - Interim financial reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

2.(b) Pursuant to the Securities and Exchange Board of India ("SEBI") circular CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company has opted to avail the relaxation provided in respect of disclosure requirements for Ind AS compliant results for the Year Ended March 31, 2017. The results for the quarter and nine months ended December 31, 2016 have been recast to Ind AS to the extent applicable to the Company.

2(c) The reconciliation of the financial results for the Quarter and Nine months ended December 31, 2016 to those reported under previous Generally Accepted Accounting Principles ("GAAP") is summarised as follows:

S.No.	Particulars	Rs in Lakhs	
		Quarter ended 31 Dec 2016	Nine months ended 31 Dec 2016
	<b>Net profit after tax as reported under previous GAAP</b>	<b>531</b>	<b>1,610</b>
i.	Recognition of Financial Instruments using effective interest rate	(15)	(40)
ii.	Reversal of amount charged to statement of profit and loss from revaluation reserve	(62)	(187)
iii.	Actuarial (gain) / loss on employee benefits expenses reclassified to Other Comprehensive Income (OCI)	(7)	46
iv.	Tax adjustments	50	47
	<b>Net profit after tax as per Ind-AS before OCI</b>	<b>497</b>	<b>1,476</b>
	Other Comprehensive Income (net of tax)	9	(31)
	<b>Total Comprehensive Income as per Ind-AS</b>	<b>506</b>	<b>1,445</b>

3(a) The Company has entered into a definitive agreement with a third party for transfer of its entire shareholding held in subsidiary, Pennar Renewables Private Limited (PRPL). Pending completion of closing conditions contained in the agreement, the accounting for divestment of stake in PRPL will be given effect to in the subsequent period when the transaction consummates.

3(b) The Board of Directors of the Company have approved a Scheme of Arrangement ("the Scheme") for amalgamation of its subsidiaries, Pennar Engineering Building Systems Limited and Pennar Enviro Limited with the Company, effective from April 1, 2018, subject to necessary statutory and regulatory approvals. The Scheme has been filed with the stock exchanges.

4. The Government of India introduced the Goods & Services Tax (GST) with effect from July 01, 2017. Accordingly, in compliance with Indian Accounting Standards (Ind AS) 18 - 'Revenue', Revenue from Operations for the quarter ended December 31, 2017 and September 30, 2017 is provided net of GST. Revenue from Operations of earlier periods included excise duty which is now subsumed in GST. Revenue from Operations for the nine months ended December 31, 2017 includes excise duty upto June 30, 2017.

5. These unaudited standalone financial results may require adjustments before constituting the final standalone Ind AS financial statements as of and for the year ending March 31, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA/ICAI or changes in the use of one or more optional exemptions from full retrospective application of certain Ind AS as permitted under Ind AS 101.

6. The Company is engaged in the manufacture of various steel products, which in the context of Ind AS 108 - Operating Segments, specified under section 133 of the Companies Act, 2013 is considered as a single business segment of the Company.

7. Comparative figures have been regrouped or reclassified, wherever necessary.

Place : Hyderabad  
Date : February 12, 2018



By order of the Board  
*Aditya N Rao*  
Aditya N Rao  
Vice Chairman and Managing Director