

PENNAR INDUSTRIES LIMITED
(CIN: L27109TG1975PLC001919)

Regd. Office: Floor No. 3, DHPLVC Silicon Towers, Kondapur, Hyderabad 500084, Telangana, India.
Tel: +91 40 40061621; Fax: +91 40 40061618; E-mail: corporatecommunications@pennarindia.com; Website: www.pennarindia.com
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		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	30-Jun-19	31-Mar-20									
1	Income																			
	(a) Revenue from operations	16,619	45,139	53,783	2,10,655	16,243	45,134	53,473	2,09,766											
	(b) Other Income	276	458	353	2,028	258	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																			
10	Earnings Per Share [Face Value of ₹ 5 per share] (for the quarterly periods - not annualised)	(2.38)	0.06	1.08	3.51	(2.36)	0.06	1.07	3.47											
	Basic and Diluted Earnings per share (in ₹)																			

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 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.
- 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.
- 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:

Particulars	Objects of the issue as per prospectus	Utilisation up to June 30,		Unutilised amount upto June 30, 2020	Total
		2020	June 30, 2020		
A) Repayment/ prepayment, in full or part, of certain working capital facilities availed by the Company	3,400	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	-	1,200
C) General corporate purposes	1,079	1,079	-	-	1,079
D) Share issue expenses	521	517	4	4	1,042
Total	5,800	5,363	437	437	5,800

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.



10 SEGMENT REPORTING:

(₹ in Lakhs)

Particulars	Quarter Ended		30-Jun-19 Unaudited	31-Mar-20 Audited
	30-Jun-20 Unaudited	31-Mar-20 (Refer Note 3)		
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	
Capital employed (Segment assets - Segment liabilities) (See notes below)	Unaudited	Audited	Unaudited	
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.

Place : Hyderabad
Date : August 12, 2020

By order of the Board
for Pennar Industries Limited

Aditya N. Rao
Aditya N. Rao
Vice Chairman & Managing Director

