

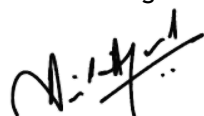
**Independent Auditor's Review Report on unaudited standalone financial results for the quarter of Pennar Industries Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**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 June 30, 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 recognized 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 recognized 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.
5. The Statement for the quarter ended June 30, 2022, was reviewed by predecessor auditor whose report dated August 09, 2022, expressed an unmodified conclusion on that Statement.

Our conclusion 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: 23214198BGXCSR4707



Place: Hyderabad  
Date: August 09, 2023

**Independent Auditor’s Review Report on unaudited consolidated financial results for the quarter 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’) and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the ‘Group’) for the quarter ended June 30, 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 recognized 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.

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
I	Pennar Global Inc. (USA) (PGI)	Wholly owned subsidiary
II	Pennar GmbH (Germany) (Pennar GmbH)	Wholly owned subsidiary
III	Pennar Metals Private Limited (India) (w.e.f. June 22,2023)	Wholly owned subsidiary
IV	Enertech Pennar Defense and Engineering Systems Private Limited (India) (Enertech)	Subsidiary
V	Pennar Global Metals Inc. (USA) (PGM)	Step Subsidiary (Subsidiary of PGI)
VI	Ascent Buildings LLC. (USA) (Ascent)	Step Subsidiary (Subsidiary of PGI)
VII	Pennar Global Investment LLC (USA)	Step Subsidiary (Subsidiary of PGI)
VIII	Cadnum SARL, (France)	Step Subsidiary (Subsidiary of Pennar GmbH)

# MSKA & Associates

Chartered Accountants

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 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 Ind AS 34 and other recognized 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.
6. We did not review the interim financial information of four subsidiaries included in the Statement, whose financial information reflects total revenues of Rs.18,006 lakhs, total net profit after tax and total comprehensive income of Rs.919 lakhs for the period from April 01, 2023 to June 30, 2023 as considered in the Statement. This interim financial information 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 are based solely on the reports 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.

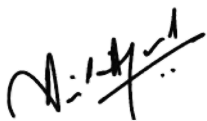
7. The Statement includes the interim financial information of four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs.761 lakhs and total net profit after tax and total comprehensive income of Rs.8 lakhs for the period from April 01, 2023 to June 30, 2023 as considered in the Statement. These interim financial information 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 such management prepared unaudited interim financial information. According to the information and explanations given to us by the Management, this interim financial information are not material to the Group.

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

8. The Statement for quarter ended June 30, 2022, was reviewed by predecessor auditor whose report dated August 09, 2022 expressed an unmodified conclusion on that statement.

Our conclusion 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: 23214198BGXCSS5028



Place: Hyderabad  
Date: August 09, 2023



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

Regd. Office: Floor No. 3, DHFLVC 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 Financial Results for the Quarter Ended June 30, 2023**

₹ In Lakhs

Sl. No	Particulars	Consolidated results				Standalone results			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30-Jun-23 Unaudited	31-Mar-23 Refer Note:3	30-Jun-22 Unaudited	31-Mar-22 Audited	30-Jun-23 Unaudited	31-Mar-23 Refer Note:3	30-Jun-22 Unaudited	31-Mar-22 Audited
<b>1</b>	<b>Income</b>								
	(a) Revenue from operations	74,889	66,843	69,998	2,89,462	57,986	55,579	55,726	2,28,830
	(b) Other income	1,179	238	1,102	3,343	1,293	27	1,196	3,727
	<b>Total income</b>	<b>76,068</b>	<b>67,081</b>	<b>71,100</b>	<b>2,92,805</b>	<b>59,279</b>	<b>55,606</b>	<b>56,922</b>	<b>2,32,557</b>
<b>2</b>	<b>Expenses</b>								
	(a) Cost of materials consumed	49,253	41,272	50,166	1,76,631	40,102	38,100	42,387	1,54,354
	(b) Purchase of traded goods	443	1,074	1,210	10,116	241	428	191	1,376
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,226)	(1,843)	(6,771)	(6,607)	(3,416)	(2,173)	(6,513)	(8,110)
	(d) Employee benefits expense	8,052	8,184	6,957	31,031	3,987	3,273	4,291	15,374
	(e) Finance costs	2,785	2,287	2,151	9,121	2,740	2,241	2,115	8,943
	(f) Depreciation and amortisation expense	1,642	1,726	1,580	6,497	1,386	1,458	1,376	5,598
	(g) Other expenses	14,174	11,318	13,933	56,172	12,498	10,541	11,836	49,064
	<b>Total expenses</b>	<b>73,123</b>	<b>64,018</b>	<b>69,226</b>	<b>2,82,961</b>	<b>57,538</b>	<b>53,868</b>	<b>55,683</b>	<b>2,26,599</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>2,945</b>	<b>3,063</b>	<b>1,874</b>	<b>9,844</b>	<b>1,741</b>	<b>1,738</b>	<b>1,239</b>	<b>5,958</b>
<b>4</b>	<b>Tax expense</b>								
	(a) Current tax	819	579	573	2,449	507	354	439	1,689
	(b) Deferred tax charge/(benefit)	(55)	99	(107)	(148)	(55)	96	(107)	(151)
	<b>Total tax expense</b>	<b>764</b>	<b>678</b>	<b>466</b>	<b>2,301</b>	<b>452</b>	<b>450</b>	<b>332</b>	<b>1,538</b>
<b>5</b>	<b>Net Profit for the period/year (3-4)</b>	<b>2,181</b>	<b>2,385</b>	<b>1,408</b>	<b>7,543</b>	<b>1,289</b>	<b>1,288</b>	<b>907</b>	<b>4,420</b>
	Attributable to:								
	Shareholders of the Company	2,181	2,334	1,408	7,542	1,289	1,288	907	4,420
	Non-controlling interest	-	51	-	1	-	-	-	-
<b>6</b>	<b>Other comprehensive income</b>								
	Item that will not be reclassified subsequently to profit or loss								
	(a) Remeasurement of the net defined benefit liability	-	90	-	90	-	90	-	90
	(b) Income tax relating to above item	-	(23)	-	(23)	-	(23)	-	(23)
	Item that will be reclassified subsequently to profit or loss								
	(a) Exchange differences in translation of foreign operations	40	192	139	397	-	-	-	-
	(b) Income tax relating to above item	-	-	-	-	-	-	-	-
	<b>Total other comprehensive income for the period/year, net of taxes</b>	<b>40</b>	<b>259</b>	<b>139</b>	<b>464</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>67</b>
<b>7</b>	<b>Total comprehensive income for the period/year (5+6)</b>	<b>2,221</b>	<b>2,644</b>	<b>1,547</b>	<b>8,007</b>	<b>1,289</b>	<b>1,355</b>	<b>907</b>	<b>4,487</b>
	<b>Total comprehensive income for the period/year attributable to:</b>								
	Shareholders of the Company	2,221	2,635	1,547	8,006	1,289	1,355	907	4,487
	Non-controlling interest	*	9	*	1	-	-	-	-
<b>8</b>	<b>Paid up equity share capital [Face Value of ₹ 5 per share]</b>								
<b>9</b>	<b>Other equity</b>	6,747	6,747	7,009	6,747	6,747	6,747	7,009	6,747
<b>10</b>	<b>Earnings Per Share [Face Value of ₹ 5 per share] (For the period not annualised)</b>								
	Basic and Diluted Earnings per share (in ₹)	1.62	1.75	1.00	5.49	0.96	0.95	0.64	3.22

\* Less than a Lakh.

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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 August 07, 2023 and approved by the Board of Directors at their meeting held on August 09, 2023. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2023.
3. The figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 2023 and year to date figures up to to third quarter ended December 31, 2022 .

4 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 Notes5)	India	Subsidiary	100%

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

6 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.





7. SEGMENT REPORTING:

Particulars	Quarter Ended			Year Ended	
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23	
	Unaudited	Refer note	Unaudited	Audited	Audited
<b>Segment revenue</b>					
Diversified engineering	38,052	38,203	35,797	1,51,129	
Custom designed building solutions & auxiliaries	38,628	32,567	37,947	1,50,501	
<b>Total</b>	<b>76,680</b>	<b>70,770</b>	<b>73,744</b>	<b>3,01,630</b>	
Less: Inter segment revenue	1,791	3,927	3,746	12,168	
<b>Revenue from operations</b>	<b>74,889</b>	<b>66,843</b>	<b>69,998</b>	<b>2,89,462</b>	
<b>Segment results</b>					
Diversified engineering	4,073	5,049	2,378	14,969	
Custom designed building solutions & auxiliaries	3,299	2,027	3,227	10,493	
<b>Total</b>	<b>7,372</b>	<b>7,076</b>	<b>5,605</b>	<b>25,462</b>	
Less:					
Depreciation and amortisation expense	1,642	1,726	1,580	6,497	
Finance costs	2,785	2,287	2,151	9,121	
<b>Profit before tax</b>	<b>2,945</b>	<b>3,063</b>	<b>1,874</b>	<b>9,844</b>	
		<b>As at</b>			
		<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>30-Jun-22</b>	
		Unaudited	Audited	Unaudited	
<b>Capital employed (Segment assets - Segment liabilities) (See notes below)</b>					
<b>Segment assets</b>					
Diversified engineering	1,75,736		1,70,184	1,40,221	
Custom designed building solutions & auxiliaries	62,466		61,638	81,721	
<b>Total Segment Assets</b>	<b>2,38,202</b>		<b>2,31,822</b>	<b>2,21,942</b>	
<b>Segment liabilities</b>					
Diversified engineering	1,01,804		98,611	83,091	
Custom designed building solutions & auxiliaries	56,364		55,313	64,587	
<b>Total Segment Liabilities</b>	<b>1,58,168</b>		<b>1,53,924</b>	<b>1,47,678</b>	

**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.



Place : Hyderabad

Date : August 09, 2023



By order of the Board  
for Pennar Industries Limited

*Aditya N Rao*

Aditya N Rao  
Vice Chairman & Managing Director