

Pennar Industries Limited

(CIN: L27109TG1975PLC001919)

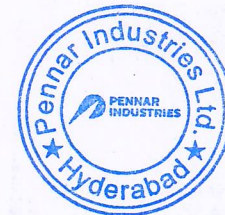
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Statement of Consolidated and Standalone Financial Results for the Quarter and Half year Ended September 30, 2022

(₹ in Lakhs)

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended		Half Year Ended		Year ended		Quarter Ended		Half Year Ended		Year Ended	
		30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>												
	(a) Revenue from operations	83,399	69,998	55,170	1,53,397	1,04,001	2,26,575	63,859	55,726	49,316	1,19,585	95,121	1,99,475
	(b) Other income	1,562	1,102	303	2,664	556	1,706	1,544	1,196	337	2,740	636	1,865
	<b>Total income</b>	<b>84,961</b>	<b>71,100</b>	<b>55,473</b>	<b>1,56,061</b>	<b>1,04,557</b>	<b>2,28,281</b>	<b>65,403</b>	<b>56,922</b>	<b>49,653</b>	<b>1,22,325</b>	<b>95,757</b>	<b>2,01,340</b>
2	<b>Expenses</b>												
	(a) Cost of materials consumed	46,472	50,166	33,215	96,638	62,625	1,29,762	40,686	42,387	32,761	83,073	61,972	1,28,438
	(b) Purchase of traded goods	5,219	1,210	5,930	6,429	9,452	20,832	320	191	528	511	1,315	2,352
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,568	(6,771)	(4,202)	(5,203)	(6,953)	(10,435)	489	(6,513)	(1,802)	(6,024)	(4,106)	(7,566)
	(d) Employee benefits expense	8,862	6,957	5,416	15,819	9,456	20,845	4,102	4,291	3,996	8,393	7,521	15,048
	(e) Finance costs	2,467	2,151	1,971	4,618	3,800	7,838	2,424	2,115	1,720	4,539	3,546	7,508
	(f) Depreciation and amortisation expense	1,561	1,580	1,276	3,141	2,552	5,413	1,352	1,376	1,226	2,728	2,493	5,034
	(g) Other expenses	16,659	13,933	10,765	30,592	21,620	48,435	14,581	11,836	10,264	26,417	21,054	45,961
	<b>Total expenses</b>	<b>82,808</b>	<b>69,226</b>	<b>54,371</b>	<b>1,52,034</b>	<b>1,02,552</b>	<b>2,22,690</b>	<b>63,954</b>	<b>55,683</b>	<b>48,693</b>	<b>1,19,637</b>	<b>93,795</b>	<b>1,96,775</b>
3	<b>Profit before tax (1-2)</b>	<b>2,153</b>	<b>1,874</b>	<b>1,102</b>	<b>4,027</b>	<b>2,005</b>	<b>5,591</b>	<b>1,449</b>	<b>1,239</b>	<b>960</b>	<b>2,688</b>	<b>1,962</b>	<b>4,565</b>
4	<b>Tax expense</b>												
	(a) Current tax	472	573	462	1,045	978	2,186	321	439	390	760	923	1,935
	(b) Deferred tax	43	(107)	(174)	(64)	(421)	(786)	43	(107)	(139)	(64)	(421)	(786)
	<b>Total tax expense</b>	<b>515</b>	<b>466</b>	<b>288</b>	<b>981</b>	<b>557</b>	<b>1,400</b>	<b>364</b>	<b>332</b>	<b>251</b>	<b>696</b>	<b>502</b>	<b>1,149</b>
5	<b>Net Profit for the period (3-4)</b>	<b>1,638</b>	<b>1,408</b>	<b>814</b>	<b>3,046</b>	<b>1,448</b>	<b>4,191</b>	<b>1,085</b>	<b>907</b>	<b>709</b>	<b>1,992</b>	<b>1,460</b>	<b>3,416</b>
	Attributable to:												
	Shareholders of the Company	1,667	1,408	816	3,075	1,458	4,183	1,085	907	709	1,992	1,460	3,416
	Non-Controlling interest	(29)	-	(2)	(29)	(10)	8	-	-	-	-	-	-
6	<b>Other comprehensive income</b>												
	Items that will not be reclassified subsequently to profit or loss												
	(a) Remeasurement of the net defined benefit liability	-	-	-	-	-	(176)	-	-	-	-	-	(176)
	(b) Income tax relating to above items	-	-	-	-	-	44	-	-	-	-	-	44
	Items that will be reclassified subsequently to profit or loss												
	Previous period/year figures have been regrouped/reclassified wherever necessary, to	61	139	-	200	36	(121)	-	-	-	-	-	-
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Other comprehensive income/(loss) net of tax</b>	<b>61</b>	<b>139</b>	<b>-</b>	<b>200</b>	<b>36</b>	<b>(253)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(132)</b>
7	<b>Total comprehensive income/(loss) (5+6)</b>	<b>1,699</b>	<b>1,547</b>	<b>814</b>	<b>3,246</b>	<b>1,484</b>	<b>3,938</b>	<b>1,085</b>	<b>907</b>	<b>709</b>	<b>1,992</b>	<b>1,460</b>	<b>3,284</b>
	Attributable to:												
	Shareholders of the Company	1,728	1,547	816	3,275	1,494	3,930	1,085	907	709	1,992	1,460	3,284
	Non-controlling interests	(29)	-	(2)	(29)	(10)	8	-	-	-	-	-	-
8	<b>Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)</b>	<b>6,747</b>	<b>7,009</b>	<b>7,108</b>	<b>6,747</b>	<b>7,108</b>	<b>7,108</b>	<b>6,747</b>	<b>7,009</b>	<b>7,108</b>	<b>6,747</b>	<b>7,108</b>	<b>7,108</b>
9	<b>Other equity</b>						<b>66,410</b>						<b>65,233</b>
10	<b>Earnings Per Share [Face Value of ₹ 5 per share]* (for the quarterly periods - not annualised)</b>												
	Basic and Diluted Earnings per share (in ₹)	1.18	1.00	0.57	2.18	1.03	2.94	0.79	0.64	0.50	1.43	1.03	2.40



## Balance Sheet:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	Unaudited	Audited	Unaudited	Audited
	As at September 30, 2022	As at March 31, 2022	As at September 30, 2022	As at March 31, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	61,681	56,174	57,563	52,094
Right-of-Use Assets	7,558	6,985	3,838	3,530
Capital work-in-progress	1,471	7,572	544	7,556
Goodwill	688	-	-	-
Other intangible assets	1,194	1,243	1,133	1,173
Financial assets				
(a) Investments	2	2	885	885
(b) Trade receivables	2,195	2,089	2,195	2,089
(c) Loans	-	-	9,682	7,863
(d) Other financial assets	1,190	1,135	1,063	1,009
Income tax assets (net)	1,670	1,333	1,640	1,314
Other non-current assets	740	431	740	431
<b>Total Non-current assets (1)</b>	<b>78,389</b>	<b>76,964</b>	<b>79,283</b>	<b>77,944</b>
<b>Current assets</b>				
Inventories	69,055	64,285	63,744	57,651
Financial assets				
(a) Investments	1,909	4,497	1,909	4,497
(b) Trade receivables	48,126	42,506	46,241	42,420
(c) Cash and cash equivalents	8,641	3,777	1,496	1,600
(d) Bank balances other than cash and cash equivalents	1,622	4,934	1,622	4,934
(e) Loans	-	-	30	30
(f) Other financial assets	6,412	4,349	6,082	4,044
Other current assets	14,032	12,791	12,782	12,335
<b>Total Current assets (2)</b>	<b>1,49,797</b>	<b>1,37,139</b>	<b>1,33,906</b>	<b>1,27,511</b>
<b>Total assets (1+2)</b>	<b>2,28,186</b>	<b>2,14,103</b>	<b>2,13,189</b>	<b>2,05,455</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	6,747	7,108	6,747	7,108
Other equity	66,456	66,410	63,863	65,233
<b>Equity attributable to Shareholders of the Company</b>	<b>73,203</b>	<b>73,518</b>	<b>70,610</b>	<b>72,341</b>
Non-controlling interests	66	95	-	-
<b>Total Equity (1)</b>	<b>73,269</b>	<b>73,613</b>	<b>70,610</b>	<b>72,341</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(a) Borrowings	10,980	9,859	10,980	9,859
(b) Lease Liabilities	4,902	4,464	3,102	2,850
(c) Other financial liabilities	1,218	1,226	1,218	1,226
Provisions	1,549	1,428	1,549	1,428
Deferred tax liabilities (net)	650	695	650	695
Other non-current liabilities	52	79	52	79
<b>Total Non-current liabilities (2)</b>	<b>19,351</b>	<b>17,751</b>	<b>17,551</b>	<b>16,137</b>
<b>Current liabilities</b>				
Financial liabilities				
(a) Borrowings	56,227	48,909	56,053	48,889
(b) Lease Liabilities	1,450	1,306	914	814
(c) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	622	731	622	731
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	52,459	53,634	48,977	49,446
(d) Other financial liabilities	10,837	5,681	6,545	6,028
Other current liabilities	8,494	8,542	7,002	7,416
Provisions	887	778	887	778
Income tax liabilities (net)	4,590	3,158	4,028	2,875
<b>Total Current liabilities (3)</b>	<b>1,35,566</b>	<b>1,22,739</b>	<b>1,25,028</b>	<b>1,16,977</b>
<b>Total Liabilities (2+3)</b>	<b>1,54,917</b>	<b>1,40,490</b>	<b>1,42,579</b>	<b>1,33,114</b>
<b>Total Equity and Liabilities (1+2+3)</b>	<b>2,28,186</b>	<b>2,14,103</b>	<b>2,13,189</b>	<b>2,05,455</b>



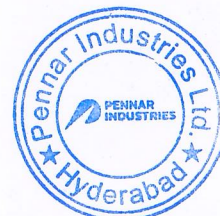
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**Statement of Cash flows for the period ended September 30, 2022**

(₹ in Lakhs)

	Consolidated		Standalone	
	Unaudited	Audited	Unaudited	Audited
	September 30, 2022	March 31, 2022	September 30, 2022	March 31, 2022
<b>Cash flow from operating activities:</b>				
<b>Profit before tax</b>	4,027	5,591	2,688	4,565
Adjustments for:				
Depreciation and amortisation expense	3,141	5,413	2,728	5,034
(Profit)/Loss on sale/scrap of property, plant and equipments (net)	(9)	9	(9)	9
Profit on sale of investment	(5)	(15)	(5)	(15)
Net gain arising from financial instruments designated as FVTPL	(9)	(11)	(9)	(11)
Exchange differences (net)	1,339	102	679	258
Liabilities no longer required written back	(744)	(604)	(744)	(604)
Trade and other receivables written off	42	-	42	-
Provision for doubtful trade and other receivables, loans and advances (net)	1,221	2,413	1,221	2,413
Finance costs	4,618	7,838	4,539	7,508
Interest income	(144)	(420)	(443)	(625)
<b>Operating profit before working capital changes:</b>	<b>13,477</b>	<b>20,316</b>	<b>10,687</b>	<b>18,532</b>
<i>Changes in working capital:</i>				
Trade payables	783	11,007	166	7,779
Other liabilities	2,959	6,042	265	4,159
Provisions	230	221	229	221
Trade receivables	(8,328)	(2,797)	(6,529)	(695)
Inventories	(4,770)	(15,630)	(6,093)	(10,825)
Other assets	(3,321)	1,355	(2,244)	2,781
<b>Cash generated from operations</b>	<b>1,030</b>	<b>20,514</b>	<b>(3,519)</b>	<b>21,952</b>
Direct taxes paid (net of refunds)	(337)	(1,021)	(326)	(1,003)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>693</b>	<b>19,493</b>	<b>(3,845)</b>	<b>20,949</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(1,889)	(5,748)	(1,332)	(2,142)
Proceeds from disposal of investment in subsidiary	-	62	-	62
Proceeds from sale of property, plant and equipments	-	70	-	70
Payment towards acquisition of Business	(144)	-	-	-
Proceeds from sale of current investments (net)	2,602	(2,713)	2,602	(2,713)
Inter-corporate deposits/ loans (net)	-	792	(1,159)	(6,401)
Movement in other bank balances	3,312	(2,751)	3,312	(2,751)
Interest received	109	442	150	459
<b>Net cash from/(used in) investing activities (B)</b>	<b>3,990</b>	<b>(9,846)</b>	<b>3,573</b>	<b>(13,416)</b>
<b>Cash flow from financing activities:</b>				
Proceeds from long term borrowings	5,500	3,853	5,500	3,853
Repayment of long term borrowings	(2,834)	(5,934)	(2,834)	(5,908)
Proceed/(repayment) of short-term borrowings(net)	5,732	2,277	5,578	2,392
Payment towards buyback of shares including transaction costs	(3,313)	(32)	(3,313)	(32)
Interest and other borrowing costs paid	(4,093)	(7,001)	(4,116)	(6,983)
Repayment of lease liability	(811)	(2,386)	(647)	(1,253)
<b>Net cash from/(used in) financing activities (C)</b>	<b>181</b>	<b>(9,223)</b>	<b>168</b>	<b>(7,931)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A + B + C)</b>	<b>4,864</b>	<b>424</b>	<b>(104)</b>	<b>(398)</b>
Cash and cash equivalents at the beginning of the period	3,777	3,353	1,600	1,998
Cash and cash equivalents at the end of the period	<b>8,641</b>	<b>3,777</b>	<b>1,496</b>	<b>1,600</b>

**Note:** The above statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows"



**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 November 07, 2022 and approved by the Board of Directors at their meeting held on November 09, 2022. The Statutory Auditors have issued an unmodified conclusion in respect of the limited review for the quarter and Half year ended September 30, 2022.
- The figures for the current quarter ended September 2022 are the balancing figures between the unaudited figures in respect of the period ended September 2022 and period to date figures up to first quarter ended June 30, 2022.
- 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), 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.

As at September 30, 2022, the scheme of Buyback was closed, the Company bought back 72,16,000 equity shares as of that date, resulting in total cash consideration of ₹ 3,755 lakhs (including ₹ 745 lakhs towards buyback related costs and tax on Buyback). Out of the 72,16,000 equity shares bought back, the Company extinguished 72,16,000 equity shares as at September 30, 2022 as per records of depositories. In line with the requirements of Companies Act, 2013, an amount of ₹ 3,394 lakhs has been utilized from securities premium account for the Buyback. Further, capital redemption reserve of ₹ 361 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%
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 (With effect from September 08, 2022)	France	Step-down Subsidiary	100%

- 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.

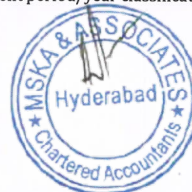
During the current quarter, the Group has completed acquisition of 100% equity share capital of Cadnum SARL for total consideration of 1,80,000 Euros. The transaction was accounted in accordance with Ind AS 103 - Business combinations ("Ind AS 103") and the initial accounting was provisionally determined as at September 30, 2022

- 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 September 30, 2022 are as follows:

Particulars	Objects of the issue as per prospectus	Utilisation up to Sep 30, 2022		Unutilised amount up to Sep 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	800	377	423		
C) General corporate purposes	1,079	1,079	-		
D) Share issue expenses	521	517	4		
<b>Total</b>	<b>5,800</b>	<b>5,373</b>	<b>427</b>		

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

- Previous period/year figures have been regrouped/reclassified wherever necessary, to confirm to the current period/year classification.



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9 Segment reporting

(₹ in Lakhs)

Particulars	Quarter Ended			Half-year Ended		Year Ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Segment revenue</b>						
Diversified engineering	43,117	35,797	31,121	78,914	58,421	1,35,521
Custom designed building solutions & auxiliaries	41,974	37,947	27,532	79,921	52,013	1,04,462
<b>Total</b>	<b>85,091</b>	<b>73,744</b>	<b>58,653</b>	<b>1,58,835</b>	<b>1,10,434</b>	<b>2,39,983</b>
Less : Inter segment revenue	1,692	3,746	3,483	5,438	6,433	13,408
<b>Revenue from operations</b>	<b>83,399</b>	<b>69,998</b>	<b>55,170</b>	<b>1,53,397</b>	<b>1,04,001</b>	<b>2,26,575</b>
<b>Segment results</b>						
Diversified engineering	4,569	2,378	2,386	6,947	5,070	12,327
Custom designed building solutions & auxiliaries	1,612	3,227	1,963	4,839	3,287	6,515
<b>Total</b>	<b>6,181</b>	<b>5,605</b>	<b>4,349</b>	<b>11,786</b>	<b>8,357</b>	<b>18,842</b>
Less :						
Depreciation and amortisation expense	1,561	1,580	1,276	3,141	2,552	5,413
Finance costs	2,467	2,151	1,971	4,618	3,800	7,838
<b>Profit before tax</b>	<b>2,153</b>	<b>1,874</b>	<b>1,102</b>	<b>4,027</b>	<b>2,005</b>	<b>5,591</b>
	<b>As at</b>					
	<b>30-Sep-22</b>	<b>30-Jun-22</b>	<b>30-Sep-21</b>	<b>31-Mar-22</b>		
	Unaudited	Unaudited	Unaudited	Audited		
<b>Capital employed (Segment assets - Segment liabilities)</b> (See notes below)						
<b>Segment assets</b>						
Diversified engineering	1,61,700	1,40,221	1,27,430	1,40,043		
Custom designed building solutions & auxiliaries	66,486	81,721	69,862	74,060		
<b>Total Segment Assets</b>	<b>2,28,186</b>	<b>2,21,942</b>	<b>1,97,292</b>	<b>2,14,103</b>		
<b>Segment liabilities</b>						
Diversified engineering	91,553	83,091	76,569	84,126		
Custom designed building solutions & auxiliaries	63,364	64,587	49,532	56,364		
<b>Total Segment Liabilities</b>	<b>1,54,917</b>	<b>1,47,678</b>	<b>1,26,101</b>	<b>1,40,490</b>		

**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 : November 09, 2022



By order of the Board  
for Pennar Industries Limited

*Aditya N. Rao*

Aditya N. Rao

Vice Chairman & Managing Director