

Dated: 22nd May, 2024
Place: Bengaluru

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai-400 001 BSE Scrip code: 513228	The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East, Mumbai - 400 051 NSE Symbol: PENIND
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Dear Sir/Madam,

Sub : Audited Financial Results for the Quarter and year ended 31st March, 2024

Ref: Regulations 30 and 33 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015

We wish to inform that at the meeting of the Board of Directors of the company commenced at 4:30 p.m. and concluded at 8:45 p.m. on Wednesday the 22nd day of May, 2024, the following are attached herewith:

- 1) Approved audited financial results (Standalone and Consolidated) for the quarter and year ended 31st March, 2024.
- 2) Auditors Report (Standalone and Consolidated) issued by the Statutory Auditors of the Company for the year ended 31st March, 2024.

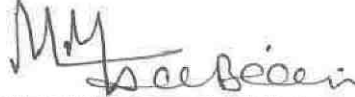
Kindly take the same on your records.

The same will be made available on the Company's website viz., www.pennarindia.com.

Thanking you,

Yours faithfully,

for Pennar Industries Limited



Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058

**PENNAR INDUSTRIES LIMITED**

Corporate Office & Works : IDA, Patancheru - 502319, Sangareddy District, Telangana State, INDIA.

Tel : +91 8455 242184 to 242193, Email : corporatecommunications@pennarindia.com, Website : www.pennarindia.com

Regd. Office: 2-91/14/8/PIL/10&11, 7th Floor, White Fields, Kondapur, Serilingampally, Hyderabad - 500084, Rangareddy Dist. Telangana, India.

Tel : +91 40 41923108

CIN No: L27109TG1975PLC001919

PENMAR INDUSTRIES LIMITED
(CIN: L27109TG1975PLC001919)

Regd. Office: 2-91/14/9/PII/10&11, 7th Floor whitefields, Kondapur, Serilingampally, K.V Ranga Reddy District Hyderabad 500084, Telangana, India.
Tel: +91 40 40061618; E-mail:corporatecommunications@penmarindia.com; Website:www.penmarindia.com

Statement of Consolidated and Standalone Financial Results for the Quarter and Year Ended March 31, 2024

Sl. No	Particulars	Consolidated results						Standalone results					
		Quarter Ended		Year Ended		Quarter Ended		Quarter Ended		Year Ended		Year Ended	
		31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24
		Refer Note:3	Unaudited	Refer Note:3	Audited	Audited	Refer Note:3	Unaudited	Refer Note:3	Audited	Audited	Audited	
1	Income												
	(a) Revenue from operations	82,280	74,475	66,843	313,057	2,89,462	65,938	58,466	55,579	2,45,773	2,29,830		
	(b) Other Income	1,648	613	238	4,031	3,343	1,271	587	27	3,772	3,727		
	Total income	83,928	75,088	67,081	3,17,088	2,92,805	67,209	59,053	55,606	2,49,545	2,32,557		
2	Expenses												
	(a) Cost of materials consumed	49,698	44,431	41,272	1,94,930	1,76,631	40,296	36,210	38,100	1,57,552	1,54,354		
	(b) Purchase of traded goods	736	731	1,074	2,901	10,116	345	689	428	1,859	1,376		
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,394	52	(1,843)	(4,059)	(6,607)	698	(473)	(2,173)	(5,790)	(8,110)		
	(d) Employee benefits expense	8,015	7,163	8,184	30,997	31,031	4,136	3,666	3,273	15,806	15,374		
	(e) Finance costs	2,617	3,147	2,287	11,536	9,121	2,592	3,095	2,241	11,402	8,943		
	(f) Depreciation and amortisation expense	1,597	1,755	1,726	6,650	6,497	1,336	1,488	1,458	5,610	5,598		
	(g) Other expenses	15,954	14,502	11,318	60,991	56,172	15,399	12,302	10,541	55,128	49,064		
	Total expenses	80,011	71,781	64,018	3,03,946	2,82,961	64,802	56,977	53,868	2,41,567	2,26,599		
3	Profit before tax (1-2)	3,917	3,307	3,063	13,142	9,844	2,407	2,076	1,738	7,978	5,958		
4	Tax expense												
	(a) Current tax	1,231	704	579	3,546	2,449	835	434	354	2,255	1,689		
	(b) Deferred tax	(195)	66	99	(239)	(148)	(212)	107	96	(304)	(151)		
	Total tax expense	1,036	770	678	3,307	2,301	623	541	450	2,051	1,538		
5	Net Profit for the period (3-4)	2,881	2,537	2,385	9,835	7,543	1,784	1,535	1,288	5,927	4,420		
	Attributable to:												
	Shareholders of the Company	2,861	2,539	2,334	9,834	7,542	1,784	1,535	1,288	5,927	4,420		
	Non-controlling interest	20	(2)	51	1	1	-	-	-	-	-		
6	Other comprehensive income/(loss)												
	Items that will not be reclassified subsequently to profit or loss	(287)	-	90	(287)	90	(287)	-	90	(287)	90		
	(a) Remeasurement of the net defined benefit liability	72	-	(23)	72	(23)	72	-	(23)	72	(23)		
	(b) Income tax relating to above items	-	-	-	-	-	-	-	-	-	-		
	Items that will be reclassified subsequently to profit or loss	110	35	192	229	397	-	-	-	-	-		
	(a) Exchange differences in translation of foreign operations	-	-	-	-	-	-	-	-	-	-		
	(b) Income tax relating to above items	(105)	35	259	14	464	(215)	-	67	(215)	67		
	Total other comprehensive income (5+6)	2,776	2,572	2,644	9,849	8,007	1,569	1,535	1,355	5,712	4,487		
7	Other comprehensive income for the year attributable to:												
	Shareholders of the Company	2,756	2,574	2,593	9,848	8,006	1,569	1,535	1,355	5,712	4,487		
	Non-controlling interests	20	(2)	51	1	1	-	-	-	-	-		
8	Paid up equity share capital [Face Value of ₹ 5 per share] (Refer note 4)	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747	6,747		
9	Other equity												
	Earnings Per Share [Face Value of ₹ 5 per share]*	2.12	1.88	1.75	7.29	5.49	1.32	1.14	0.95	4.39	3.22		
10	Basic and Diluted Earnings per share (in ₹)												



Particulars	Consolidated		Standalone	
	Audited		Audited	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
ASSETS				
Non-current assets				
Property, plant and equipment	60,833	62,825	55,479	57,590
Right-of-use assets	7,928	8,142	4,298	4,457
Capital work-in-progress	21,763	1,825	18,068	1,005
Other intangible assets	960	1,088	873	1,041
Financial assets				
(a) Investments	286	2	8,071	885
(b) Trade receivables	1,708	3,085	1,708	3,085
(c) Loans	-	-	-	9,761
(d) Other financial assets	1,966	1,876	1,224	1,019
Income tax assets (net)	1,787	1,289	1,719	1,267
Other non-current assets	3,136	1,845	3,136	1,015
Total Non-current assets (1)	1,00,367	81,977	94,576	81,125
Current assets				
Inventories	82,517	78,270	79,374	73,664
Financial assets				
(a) Investments	1,873	2,697	1,873	2,697
(b) Trade receivables	49,455	36,346	44,666	36,329
(c) Cash and cash equivalents	8,978	14,298	540	2,310
(d) Other bank balances	5,256	2,961	5,256	2,960
(e) Loans	-	-	2,918	-
(f) Other financial assets	6,925	5,493	7,878	6,300
Other current assets	8,635	9,780	8,004	9,488
Total Current assets (2)	1,63,639	1,49,845	1,50,509	1,33,748
Total assets (1+2)	2,64,006	2,31,822	2,45,085	2,14,873
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6,747	6,747	6,747	6,747
Other equity	80,903	71,055	72,070	66,358
Equity attributable to Shareholders of the Company	87,650	77,802	78,817	73,105
Non-controlling interests	97	96	-	-
Total Equity (1)	87,747	77,898	78,817	73,105
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(a) Borrowings	13,482	9,881	13,396	9,760
(a i) Lease Liabilities	3,443	4,779	2,845	3,512
(b) Other financial liabilities	374	563	374	563
Provisions	1,451	1,201	1,451	1,201
Deferred tax liabilities (net)	256	567	292	567
Other non-current liabilities	-	23	-	23
Total Non-current liabilities (2)	19,006	17,014	18,358	15,626
Current liabilities				
Financial liabilities				
(a) Borrowings	59,913	52,238	59,859	52,149
(a i) Lease Liabilities	1,710	1,626	1,080	1,132
(b) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	815	540	815	540
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	78,268	57,857	73,025	55,255
(c) Other financial liabilities	3,881	7,905	2,042	3,736
Other current liabilities	6,437	11,528	5,663	9,147
Provisions	1,580	1,012	1,580	1,012
Income tax liabilities (net)	4,649	4,204	3,846	3,171
Total Current liabilities (3)	1,57,253	1,36,910	1,47,910	1,26,142
Total Liabilities (2+3)	1,76,259	1,53,924	1,66,268	1,41,768
Total Equity and Liabilities (1+2+3)	2,64,006	2,31,822	2,45,085	2,14,873



Statement of Cash flows for the year ended March 31, 2024

[₹ in Lakhs]

	Consolidated		Standalone	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Cash flow from operating activities:				
Profit before tax	13,142	9,844	7,978	5,958
Adjustments for:				
Depreciation and amortisation expense	6,650	6,497	5,610	5,598
Loss on sale/scrap of property, plant and equipments (net)	6	18	6	18
Profit on sale of investment	(130)	(20)	(130)	(20)
Net gain arising from financial instruments designated as FVTPL	(67)	(46)	(67)	(46)
Unrealised Exchange differences (net)	(111)	(513)	(154)	(1,137)
Provision for receivables and other liabilities no longer required, Written back	(2,248)	(810)	(2,248)	(810)
Provision for Credit impaired trade and other receivables, loans and advances (net)	12	1,387	12	1,387
Trade and other receivables written off	1,307	1,923	1,289	1,867
Provision for credit impaired advances	615		615	
Finance costs	11,536	9,121	11,402	8,943
Interest income	(574)	(420)	(969)	(1,008)
Operating profit before working capital changes:	30,138	26,981	23,344	20,750
Changes in working capital:				
Trade payables	22,892	4,791	20,293	5,054
Other liabilities	(9,348)	4,775	(5,412)	315
Provisions	539	471	531	97
Trade receivables	(12,889)	2,252	(8,107)	2,255
Inventories	(4,247)	(13,985)	(5,710)	(16,013)
Other assets	(1,014)	476	(1,761)	552
Cash generated from operations	26,071	25,761	23,178	13,010
Direct taxes paid (net of refunds)	(3,599)	(1,349)	(2,032)	(1,346)
Net cash flow from operating activities (A)	22,472	24,412	21,146	11,664
Cash flows from investing activities:				
Purchase of property, plant and equipments, including capital work-in-progress and capital advances	(24,661)	(7,131)	(21,609)	(3,594)
Proceeds from sale of property, plant and equipments	14	25	-	25
Long term Investments	(284)	-	(284)	-
Investment in subsidiary			(1)	
Net (Increase) decrease in current investments	1,021	1,866	1,021	1,866
Inter-corporate deposits/ loans (net)	-	-	(58)	(1,094)
Movement in other bank balances	(2,295)	1,973	(2,294)	1,973
Interest received	530	469	1,751	437
Net cash used in investing activities (B)	(25,675)	(2,798)	(21,474)	(387)
Cash flow from financing activities:				
Proceeds from long term borrowings	9,722	7,500	9,721	7,500
Repayment of long term borrowings	(6,299)	(6,207)	(6,299)	(6,207)
Proceed from short-term borrowings(net)	7,772	1,975	7,842	1,786
Payment towards buyback of shares including transaction costs	-	(3,723)	-	(3,723)
Interest and other borrowing costs paid	(10,833)	(8,515)	(10,808)	(8,466)
Interest on lease liabilities	(624)		(515)	
Repayment of lease liability	(1,968)	(2,289)	(1,382)	(1,458)
Net cash used in financing activities (C)	(2,230)	(11,259)	(1,441)	(10,568)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(5,433)	10,355	(1,769)	709
Cash and cash equivalents at the beginning of the year	14,298	3,777	2,309	1,600
Effect of exchange differences on translation of foreign currency cash and cash equivalents	113	166	-	-
Cash and cash equivalents at the end of the year	8,978	14,298	540	2,309

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"

(Page 3 of 5)



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 May 20, 2024 and approved by the Board of Directors at their meeting held on May 22, 2024. The Statutory Auditors have issued an unmodified audit opinion on the financial results for the year ended March 31, 2024 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 2024.
3. The figures for the current quarter and quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 2024 and March 2023, respectively and the year to date figures up to third quarter ended December 31, 2023 and December 31, 2022 respectively.

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 Note 5)	India	Subsidiary	100%

5. 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)

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.



8. SEGMENT REPORTING :

(₹ in Lakhs)

Particulars	Quarter Ended		Year Ended	
	31-Mar-24 (Refer Note 3)	31-Dec-23 Unaudited	31-Mar-24 (Refer Note 3)	31-Mar-23 Audited
Segment revenue				
Diversified engineering	44,669	38,060	38,203	1,64,137
Custom designed building solutions & auxiliaries	40,316	38,779	32,567	1,51,129
Total	84,985	76,839	70,770	3,01,630
Less: Inter segment revenue	2,705	2,364	3,927	12,168
Revenue from operations	82,280	74,475	66,843	2,89,462
Segment results				
Diversified engineering	4,082	4,326	5,049	14,969
Custom designed building solutions & auxiliaries	4,049	3,883	2,027	14,635
Total	8,131	8,209	7,076	29,604
Less:				
Depreciation and amortization expense	1,597	1,755	1,726	6,650
Finance costs	2,617	3,147	2,287	11,536
Profit before tax	3,917	3,307	3,063	9,844
			As at	
Capital employed (Segment assets - Segment liabilities) (See notes below)	31-Mar-24 Audited	31-Dec-23 Unaudited	31-Mar-24 Audited	31-Mar-23 Audited
Segment assets				
Diversified engineering	1,96,350	1,93,204	1,93,204	1,70,184
Custom designed building solutions & auxiliaries	67,656	63,702	63,702	61,638
Total Segment Assets	2,64,006	2,56,906	2,56,906	2,31,822
Segment liabilities				
Diversified engineering	1,20,116	1,17,720	1,17,720	88,611
Custom designed building solutions & auxiliaries	56,143	54,234	54,234	55,313
Total Segment Liabilities	1,76,259	1,71,954	1,71,954	1,43,924

Notes:

i. Segment information is presented for the "unconsolidated 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 allocates 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: May 22, 2024



By order of the Board
for Penuar Industries Limited
CIN: L27109TG1975PLC001949
Aditya N. Das
Vice Chairman & Managing Director

Independent Auditor's Report on Standalone Audited Annual Financial Results of the 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
Report on the Audit of Standalone Financial Results**

Opinion

We have audited the accompanying statement of standalone annual financial results of **Pennar Industries Limited** (hereinafter referred to as the "Company") for the year ended March 31, 2024 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit including other comprehensive income and other financial information of the Company for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management and Board of Directors' Responsibilities for the Standalone Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, issued thereunder and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and



MSKA & Associates

Chartered Accountants

maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



MSKA & Associates

Chartered Accountants

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion 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: 24205226BKEAJA9643



Place: Hyderabad

Date: May 22, 2024

Independent Auditor's Report on Consolidated Audited Annual Financial Results of the 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
Report on the Audit of Consolidated Financial Results**

Opinion

We have audited the accompanying Statement of Consolidated annual financial results of **Pennar Industries Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group"), for the year ended March 31, 2024 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements / financial results of the subsidiaries, the aforesaid Statement:

(i) includes the annual financial results of 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	Enertech Pennar Defense and Engineering Systems Private Limited, India	Subsidiary
IV	Pennar Metals Private Limited	Wholly Owned 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	Cadnum SARL, France	Step Subsidiary (Subsidiary of Pennar GmbH)
VIII	Pennar global Investments LLC	Step Subsidiary (Subsidiary of PGI)

(ii) is presented in accordance with the requirements of the Listing Regulations in this regard; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the net profit including other comprehensive income and other financial information of the Group, for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.



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Management and Board of Directors' Responsibilities for the Consolidated Financial Results

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 on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that gives a true and fair view of the net profit, and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in accordance with the applicable Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and is in compliance with the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

1. The Statement includes the audited financial results of Eight subsidiaries, whose Financial Statements reflect total assets of Rs. 37,568 lakhs as at March 31, 2024, total revenue of Rs. 77,421 lakhs, total net profit after tax of Rs. 3,908 lakhs, and total comprehensive income of Rs. 3,908 lakhs for the period from April 01, 2023 to March 31, 2024 and net cash outflow of Rs. 3,664 lakhs for the year ended as on date respectively, as considered in the Statement, which have been audited by the other auditors whose reports on financial statements of these entities have been furnished to us by the management and our opinion 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 reports of such other auditors and the procedures performed by us are as stated in paragraph above.

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

2. The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.



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Our opinion 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.: 2025226
UDIN:24205226BKEAIZ7802



Place: Hyderabad
Date: May 22, 2024

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 513228	The National Stock Exchange of India Limited Bandra Kurla Complex, Bandra East Mumbai - 400 051 Scrip Symbol: PENIND
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Sub: Confirmation by the Company on non-qualification as a Large Corporate, under the criteria(s) specified in Para 3.2 of SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/172 October 19, 2023

With reference to the above mentioned subject, we hereby state that Pennar Industries Limited:

- a) has its equity shares listed on BSE Limited and on the National Stock Exchange of India Limited in terms of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015; and
- b) as on 31st March, 2024, has no outstanding long-term borrowing of Rs. 1000 Crores or above, where outstanding long-term borrowings means any outstanding borrowing with original maturity of more than 1 year and excludes the following:
 - i. External Commercial Borrowings;
 - ii Inter-Corporate Borrowings involving the holding company and/ or subsidiary and/ or associate companies;
 - iii. Grants, deposits or any other funds received as per the guidelines or directions of Government of India;
 - iv. Borrowings arising on account of interest capitalization; and
 - v. Borrowings for the purpose of schemes of arrangement involving mergers, acquisitions and takeovers; and
- c) as on 31st March, 2024, does not have a credit rating of "AA"/"AA+"/"AAA", where credit ratings are of the unsupported bank borrowing or plain vanilla bonds of an entity, which have no structuring/ support built in.

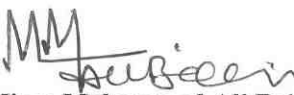
We hereby confirm that as on 31st March, 2024, our Company, Pennar Industries Limited is not a Large Corporate as we do not have 'outstanding long-term borrowing of Rs. 1000 Crores or above' and we do not have 'credit rating of "AA"/"AA+"/"AAA"'.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

for Pennar Industries Limited



Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
ACS 29058



PENNAR INDUSTRIES LIMITED

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