

Press release  
For immediate release



**Pennar consolidated Q4FY14 Revenues at Rs308Cr; up 12.6% QoQ**  
**Q4FY14 EBITDA margin up 180 bps at 9.8%QoQ**

**PIL returns to growth and PEBS drives margin**

**Hyderabad, May 07, 2014:** Pennar Industries Limited is one of India’s leading industrial organizations offering specialized engineered steel solutions announced today their unaudited financial results for the quarter and year ended 31<sup>st</sup> March, 2014.

*Commenting on the results and performance, Aditya Rao, Vice – Chairman & Managing Director of Pennar Industries Limited, said: “I am happy to share that Pennar is rapidly evolving as an engineering enterprise with a robust focus on high value products straddled across various industries and business verticals. Our focus is slowly tilting toward high margin products like building engineering systems, tubes and tubular products solar energy to name a few. Alongside, we have also strategically focussed on broad-basing our customer base across all verticals and subsidiaries. Although the contributory macro dynamics has seen little change, any upside in this will only benefit out business. We remain committed to creating value continuously for our valuable shareholders and stakeholders and believe PIL will return to strong growth this fiscal”.*

**CONSOLIDATED FINANCIAL HIGHLIGHTS:**

(Rs. Crore)	Q4		y-o-y	Q3				y-o-y
	FY2014	FY2013	Growth (%)	FY2014	Growth (%)	FY14	FY13	Growth (%)
Gross Sales	352.6	345.9	1.9%	315.7	11.7%	1,236.4	1,277.4	(3.2)%
Net Sales	308.0	305.1	1.0%	273.6	12.6%	1,074.5	1,118.2	(3.9)%
EBITDA	30.1	29.9	0.6%	22.0	37.0%	89.8	116.5	(22.9)%
EBITDA Margin (%)	9.8%	9.8%		8.0%		8.4%	10.4%	
Cash Profit	14.3	12.2	16.9%	13.0	9.9%	48.7	59.8	(18.6)%
Cash Profit Margin (%)	4.6%	4.0%		4.7%		4.5%	5.3%	
Net Profit	7.4	8.9	(16.6)%	6.4	16.7%	25.9	41.9	(38.0)%
Net Profit Margin (%)	2.4%	2.9%		2.3%		2.4%	3.7%	
Basic EPS (Rs)	0.60	0.73	(17.8)%	0.53	13.7%	2.14	3.43	(37.6)%

## SEGMENTAL PERFORMANCE:

(Rs. Crore)	Sales						EBITDA				EBITDA Margin (%)				
	Q4		y-o-y	Q3		Q4		y-o-y	Q3		Q4		y-o-y	Q3	
	FY14	FY13	Growth (%)	FY14	Growth (%)	FY14	FY13	Growth (%)	FY14	Growth (%)	FY14	FY13	Growth (%)	FY14	Growth (%)
Steel Products	106.8	133.7	(20)%	100.0	6.8%	5.3	8.0	(33.8)%	5.9	(10.7)%	5.0%	6.0%	(102)	5.9%	(97)
Tubes	34.5	28.5	21%	34.5	(0.1)%	1.4	1.5	(7.3)%	2.1	(32.5)%	4.0%	5.3%	(123)	6.0%	(194)
Industrial Components	14.3	19.5	(27)%	13.0	9.8%	2.1	1.4	48.6%	1.7	26.1%	14.6%	7.2%	741	12.7%	188
Systems and Projects	34.2	48.7	(30)%	36.3	(5.9)%	4.2	6.4	(35.2)%	3.7	11.6%	12.1%	13.1%	(99)	10.3%	190
<b>Total Standalone</b>	<b>189.7</b>	<b>230.4</b>	<b>(17.7)%</b>	<b>183.8</b>	<b>3.2%</b>	<b>12.9</b>	<b>17.3</b>	<b>(25.3)%</b>	<b>13.4</b>	<b>(3.3)%</b>	<b>6.8%</b>	<b>7.5%</b>	<b>(70)</b>	<b>7.3%</b>	<b>(46)</b>
Pre-Engineered Buildings	122.3	88.3	38%	97.9	24.9%	15.7	12.7	23.7%	8.6	82.3%	12.9%	14.4%	(154)	8.8%	405
Pennar Enviro	10.4	1.6	542%	2.2	367.6%	0.2	0.1	32.1%	0.1	25.9%	1.6%	7.8%	(620)	6.0%	(436)
<b>Sub Total</b>	<b>322.4</b>	<b>320.3</b>	<b>0.7%</b>	<b>283.9</b>	<b>13.6%</b>	<b>28.8</b>	<b>30.1</b>	<b>(4.4)%</b>	<b>22.1</b>	<b>30.2%</b>	<b>8.9%</b>	<b>9.4%</b>	<b>(47)</b>	<b>7.8%</b>	<b>114</b>
Regrouping Adjustments	(14.4)	(15.2)		(10.3)		1.3	(0.3)		(0.2)						
<b>Total Consolidated</b>	<b>308.0</b>	<b>305.1</b>	<b>1.0%</b>	<b>273.6</b>	<b>12.6%</b>	<b>30.1</b>	<b>29.9</b>	<b>0.6%</b>	<b>22.0</b>	<b>37.0%</b>	<b>9.8%</b>	<b>9.8%</b>	<b>(3)</b>	<b>8.0%</b>	<b>174</b>

## BUSINESS HIGHLIGHTS FOR Q4FY14:

**Steel Products:** This segment added 9 new customers in the quarter. The vertical also developed a new Z-shape sheet piling product.

**Systems & Projects:** This vertical continues to see good traction from the Railways where we are making good headway with coach manufactures and expect this to continue. Performance remains stable in rail coach business with sales of Rs.22 crores in Q4FY14 vs. Rs.13crores in Q4FY13. Stainless steel items for coaches will provide new opportunities. With planned forays into solar pump structures and strategic tie ups with major EPC companies, the solar business is expected to double in the coming year.

**Tubes:** For the year this vertical's performance exceeded expectation with a 30% growth in billing and a plant utilization of 85%. The CDW segment grew by 58% in sales in the final quarter and with new investments in plant expansions, and is expected to grow by ~60% in FY15.

**Industrial Components:** New products like Bead Plates for Air Spring, Guide Bracket Assembly and Rotor cup for Yamaha were introduced in this vertical. The White goods segment and automotive segment showed marginal signs of growth. A strong pipeline in the Hydraulics business has been generated. Better growth expectation by automotive players and increasing global sourcing from India will generate additional revenues for this business.

**Pre-Engineered Buildings (PEBSL):** PEBSL continues to bag repeat and new orders from reputed clientele. Repeat orders came from clients such as Reliance, Schindler India, Ultratech, L&T and Volvo. The current order backlog stands at Rs.330crores. The business added new products, engineering services during the quarter. New customers and products formed 60% of revenues for the fourth quarter.

**Pennar Enviro:** This subsidiary has added 4 new customers this quarter and currently has 18 customers in Water Projects and +200 customers in Chemicals and O&M. Its order book is up ~50%QoQ to Rs.50crores in Q4FY14. It has a market share of 2% in the Water Projects segment and 1.5% share in the Water Treatment Chemicals segment.

## ABOUT PENNAR INDUSTRIES LIMITED:

Pennar Industries (NSE: PENIND, BSE: 513228) is one of India's leading industrial organizations offering specialized engineered steel solutions. The Company has a strong presence across growth sectors in India through four business units, Steel Products, Tubes, Industrial Components and Systems & Projects, and two subsidiary companies, Pennar Engineered Building Systems Limited and Pennar Enviro Limited. All of Pennar's manufacturing units are ISO 9001:2008-certified and the Company has presence across 10 industry verticals. Pennar has over 30 years of rich experience and more than 1,000 precision engineered products, 2,500 tools and dies, over 600 customers and six manufacturing plants located at Patancheru, Sadashivpet and Isnapur in AP, Chennai and Hosur in Tamil Nadu, Tarapur in Maharashtra.

For more information, please visit [www.pennarindia.com](http://www.pennarindia.com)

For further enquiries, please contact:

Pennar Industries

[investorrelations@pennarindia.com](mailto:investorrelations@pennarindia.com)

### Safe Harbour:

*This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Pennar's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Pennar undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.*

## Q4FY14 CONFERENCE CALL INVITATION:

**Dolat Capital will host the Q4FY14 conference call of the Pennar Group on May 8, 2014 at 11 am.**

Details are given below –

<b>Primary Number:</b>	<b>+91 22 6746 5816</b>
<b>Secondary Number:</b>	<b>+91 22 3938 1006</b>
<b>International Toll Free Numbers:</b>	<b>USA : 1 866 746 2133</b> <b>UK : 0 808 101 1573</b> <b>Singapore : 800 101 2045</b> <b>Hong Kong : 800 964 448</b>
<b>Date:</b>	<b>Thursday, 8 May 2014</b>
<b>Time:</b>	<b>11:00 AM to 12:00 PM</b>