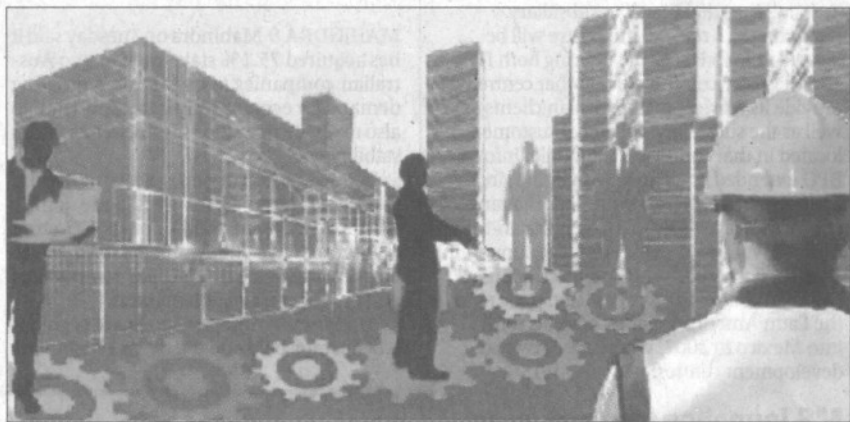


# Pennar to diversify thru inorganic route



**Trushna Udgirkar**  
HYDERABAD

PENNAR Industries, which manufactures auto components and pressed steel products, plans to expand by foraying into verticals like energy and precision engineering through inorganic growth. The company is scouting for acquisitions in the precision engineering segment to cater to customers in defence and nuclear energy apart from in Railways. "The foray should help us diversify our basket and add value-added and specialised products. We are scouting for the right fit and may complete the deal in the next financial year," Pennar group chairman Nrupender Rao told ET.

The two new divisions will be added to its existing verticals, engineering, heavy engineering, infrastructure, building and construction. "As we are almost a debt free company we can opt to raise funds through loans. The acquisitions will, however, be smaller ones ranging between Rs 20

crore to Rs 100 crore in each segment," said Rao. The company has debt of around Rs 25 crore in its books now. The Hyderabad firm also plans to expand its manufacturing facilities located at Chennai and Isnapur by the end of this fiscal.

"We plan to invest around Rs 30 crore in each plant. By revving up the facilities, we would meet the growing demands of our clients in railways, fabricated engineering and other engineering products," he said. Pennar currently has six manufacturing facilities. Due to the slow industrial growth, the company had witnessed a staggered demand in sectors like auto, textiles, infrastructure and road infrastructure.

"While the company expects business to grow in Railways, the other segments are also slowly gaining momentum," he said. Pennar hopes to grow at around 15-20% this fiscal. Last year it had clocked a turnover of Rs 720 crore and hopes to cross the Rs 1,000 crore mark in a fiscal 2011.

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# BUILDING

## Pebs Pennar : We are quite optimistic about our growth prospects

**How has the past year been for the pre-engineered solutions that the company provides, considering the economy overall saw a lump?**

We have completed construction of our plant buildings at Sadashivpet near Hyderabad and started production in September 2009. I derive pride in bringing to your notice that our beginning has been very encouraging and motivating with an attractive order backlog. With the economic confidence returning, I am quite optimistic about our growth prospects.

**Who are your biggest customers and why?**

Some of our big customers are Ultratech, Core Green Sugars, MyHome Cements, Bombay Rayon, Nuziveedu Seeds, HBL Nife, White House, Archid Ply, Radiant Cables etc. Each of these customers has followed stringent evaluation criteria before placing orders on us. All of them are impressed with our engineering strength which is the backbone of any PEB company. Our technical collaboration with NCI Group, USA is an added advantage. Moreover, our parent company, Pennar Industries Limited has had an industry dominating presence for the past 30 years in the manufacture & supply of steel buildings components to reputed customers like L&T, Thermax, ITC, Tata Motors, Murugappa Group etc. We are strategically well positioned in the market with excellent products, highly experienced team and customer friendly services offer.

**Your building solutions have a "Prime Build" and a "Value Build". Could you tell us a bit more about both?**



P.V. RAO, President,  
Pennar Engineered  
Building Systems  
Limited

While "Prime Build" caters to the Customers desiring premium features, "Value Build" is a perfect solution for those who wish to have economy buildings. In "Prime Build", we offer Double Lok ® leak proof standing seam roofing with 10 years warranty, pre-galvanized purlins and shot-blasted surface with epoxy painting.

**The PEB sector is also fast changing thanks to evolving technology. How do you keep abreast of the same?**

We have got the latest versions of engineering software and proven product range. We are planning to tie-up with some of the leading players in USA/Europe for some more value addition aiming at better cycle times, storage systems and architectural versatility.

**What is the company doing to increase awareness about PEB solutions in the country?**

We are participating in seminars, exhibitions, various steel forums etc and also meeting the key decision makers like Consultants, Architects, and Institutional Customers etc to convince them about the advantages of PEB system. The per capita consumption of steel in India is about 38 kgs where as it is to a tune of about 200 kgs in USA, Europe, Russia, Japan etc. It is a challenge to all PEB players in India to educate the people about the advantages of steel buildings, especially the pre-engineered buildings, compared to concrete buildings.

P.V. RAO  
PRESIDENT

## HIL: Largest manufacturer of roofing sheets

### PROFILE OF HYDERABAD INDUSTRIES LTD

Hyderabad Industries Limited, a C.K Birla Group Company is a multi crore enterprise involved in providing quality building products to the nation for well over sixty years.

HIL is the largest manufacturer of AC roofing sheets in India and markets it under the brand name of CHARMINAR.

In 1947, Hyderabad Industries Ltd. (HIL) was born as an infant in the world of FibreCement industry. Today run by a team of dedicated professionals has grown from pioneer to an organization occupying an eminent position in the industrial scene of India. Company has the backing of the vast experience and expertise, both organizational and technical, of one of the largest business houses in India, the Birla's.

### HIL's green products

With issues of depletion of fertile soil, emission of fossil fumes, global warming becoming the key concern across the world there is a need to switch over to products and methods that meet these concerns. Technologies and materials used has to confirm to stringent environment norms.

HIL has strived to develop and offer to our valued customers several such products:

### AEROCON BLOCKS :

Aerocon Block is a Autoclaved Aerated Concrete light weight building blocks used for construction of walls. The major raw material used for producing blocks is Fly ash which is a waste from thermal power plants. Aerocon Blocks production is 100 percent recyclable where by all its production waste is recycled and does not contain any toxic substances, reduces emission of CO2

Aerocon Block is a good thermal