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[Diversified Portfolio]

Pennar Group plans expansion

Engineering enterprise looking at new verticals and acquisitions for growth

Y V PHANI RAJ
HYDERABAD

Hyderabad-based Pennar Group, a diversified multi-product engineering group involved in design, manufacturing, and erection of projects across verticals, is planning to invest substantial amounts in increasing capacity and introducing new products. It is also looking at acquisitions to strengthen its business and has insulated itself from recession through its diversified strategy.

"We cater to industries such as automotive, power, pre-engineered buildings, solar, railways, infrastructure, high-rise buildings, tubes, water treatment. We have started catering to the aerospace sector recently and developing a few components which goes into the defence sector," Sunil Kuram, vice-president, Pennar Industries told *Telangana Today*. He added, "We have identified a few sectors which we can't disclose at this point in time. We have detailed plans to enter new products and new sectors."

Pennar Group has pan-India facilities. The group company Pennar Industries operates units at Patancheru, Isnapur and Velchal in Hyderabad and Chennai and Tarapur in Maharashtra. The Patancheru unit makes products such as railways, cold roll formed sections (CRFS), auto components, solar and electrostatic precipitators.

Isnapur unit makes tubes and cold rolled steel strips (CRSS) products. Velchal facility makes CRFS and solar products. It's Chennai plant makes railway products, hydraulic cylinder assemblies,



CLEAR STRATEGY: The group's turnover last year was Rs 2,043 crore.

Capacity Building



automotive and industrial components. Tarapur facility makes electrostatic precipitators. Pennar Engineered Building Systems (PEBS) operates a plant at Sadashivpet and manufactures pre-engineered buildings.

Pennar Enviro has a plant at Mallapur, Hyderabad where it makes fuel additives and industrial chemicals. Pennar, led by Nrupender Rao, has been serving both global and Indian majors such as ICF, MCF for Railways, Greenko, Azure Power, Sterling & Wilson etc for Solar and global companies such as Hammond research for electrostatic precipitators, besides IFB, Tecumshe and Endurance.

Process-driven

Sharing expansion plans, Sunil said, "At Chennai plant, we are intending to expand capacity of our hydraulic products. At Sadashivpet plant, PEBS Pennar is planning to increase capacity. We are also expanding capacity at Velchal in terms of tubes and other existing products. Velchal plant is a green-field project which has come up a year ago. We are expanding our existing business in that place as our existing factories are short of space."

Explaining the strengths of the company's processes, he said, "We have systems and processes in place which will ensure that the

quality of the output is at global standards. All these processes are regularly checked and updated by internal and external audits along with process training and continual improvement practices. Pennar's strength has been its engineering capability, which forms the company's core.

The group has a strength of 300 design engineers. We employ a large base of mechanical engineers, which is essential for our business. The quality control team with technical back up ensures that the material is thoroughly quality checked as we also export to US and Germany, where the product will be

rejected even if there is a slight error." On the future targets, he says, Pennar has set itself pretty steep targets for growth and is working continuously to achieve and exceed those targets. The group will definitely grow better than last fiscal across our various verticals.

"We also currently cater to global markets through our hydraulic cylinders and engineered tubes. We have a strong global presence through our subsidiary Pennar Global, which will help us penetrate the US market. PEBS has a tie up with NCI Systems of US for a product. Locally we are looking at setting up facilities at a couple of places," he informed.

Pennar Group in the last one month has bagged orders worth Rs 514 crores across its various verticals and subsidiary companies. Of these orders, Pennar Industries has bagged orders worth Rs 306 crores towards segments that include building products, industrial components, hydraulics and railway products from customers such as Thermax, L&T, VRL and Puzzolana.

Pennar Engineered Building Systems has bagged orders worth Rs 208 crores, which include various products such as warehouse, factory buildings, hanger building, components, pipe-rack structures, solar structures and communication towers from customers such as MRF, LNV Technology, Reliance Jio, Grasim Industries and Welspun India. It's turnover last year was Rs 2,043 crores and the company intends to grow at a good pace this fiscal.