



PENNAR INDUSTRIES LIMITED



March 1, 2013



Dear Shareholder,

I am pleased that your Company has performed well in a difficult operating environment. This was demonstrated improved financial performance in the Q3 FY2013 results, despite weaknesses across both the manufacturing and capital goods sectors.

Pennar's subsidiary, Pre-Engineered Buildings Systems (PEBS), continues to enjoy a high degree of acceptance among its customers and is growing from strength to strength in its design and engineering capabilities. PEBS has received a number of orders from new customers as well as a sizeable component of the order book from its repeat customers, a true reflection of the quality of the product offerings and service.

The Company's recent investments in the Tubes and Solar businesses have started yielding encouraging results. We are also seeing growth in the Industrial Components division. In order to maximise the company's potential, we are widening our product portfolio, geographic coverage and customer reach. Further, the Company is leveraging its multi-locational manufacturing capacity to gain competitive advantage in its Engineering Profiles division.

Pennar Enviro Limited which deals with fuel additives for the treatment of solid fuels to enhance the specific performance requirements of the fuel has started offering turnkey solutions for the design ,supply ,erection and commissioning of water treatment projects. It also offers solutions for water Treatment Plants, Sewage Treatment plants Effluent treatment plants etc. It has aggressive growth plans in water and water treatment industry.

Mr. Suhas Baxi, has recently joined as the President and CEO of your company. He was most recently the CEO and MD of Demag Cranes India, a subsidiary of Demag Cranes AG (Germany), a world leader in material handling systems. He has previously worked with Thermax for fourteen years in various capacities. Mr. Baxi, aged 46, has a diverse experience of over 24 years in different industries and geographies including India, North America and Asia Pacific.

Within a short time of joining, Mr. Baxi has initiated a 100-day plan entitled Power@Pennar, focused on growth, operational efficiency and the future direction of the Company. This plan launches twenty projects aimed at bringing out the intrinsic potential that the Company. This plan is clearly laying the foundation for future growth of the Company.

The consolidated order book of Rs. 460 Crore at the end of Q3 FY2013, indicates an encouraging trend towards topline growth over the next two quarters.

The rating agency CARE has reaffirmed the ratings for Pennar Industries Limited CARE A for Long-term facilities and CARE A1 for short-term facilities. d CARE A for Long-term facilities a for short-term facilities

Management reiterates their strong commitment to enhance shareholder value. We are thankful for your continued trust and support, and look forward to a bright future for your Company.

Yours Sincerely,

Nrupender Rao
Executive Chairman

Floor No -1, DHFLVC Silicon Towers, Kondapur, Hyderabad - 500084, India.
Tel: +91 (040) 23117043 / 45, Fax: +91 (040) 23117041
Email: corporetcommunications@pennarindia.com, Website: www.pennarindia.com