



Press release

For immediate release

Pennar Industries' FY16 Gross Sales at Rs. 1,484 Crores

EBITDA up 25% YoY at Rs. 151 Crores

PAT up 22% YoY at Rs. 44 Crores

Hyderabad, May 20, 2016: Pennar Industries Limited - one of India's leading industrial organizations offering specialized, engineered steel solutions, announced today their audited financial results for the quarter and year ended 31st March, 2016.

CONSOLIDATED FINANCIAL PERFORMANCE:

(Rs. Crore)	Consolidated							
	Q4		y-o-y Growth (%)	Q3	q-o-q Growth (%)	Year		y-o-y Growth (%)
	FY2016	FY2015		FY2016		FY2016	FY2015	
Gross Sales	397.1	417.2	(4.8)%	384.8	3.2%	1,484.2	1,449.8	2.4%
Net Sales	352.4	368.6	(4.4)%	343.7	2.5%	1,310.1	1,270.8	3.1%
EBITDA	52.4	47.2	11.2%	38.3	36.8%	151.3	120.9	25.2%
EBITDA Margin (%)	14.9%	12.8%		11.2%		11.6%	9.5%	
Cash Profit	20.6	22.7	(9.5)%	18.5	11.1%	65.0	62.5	4.1%
Cash Profit Margin (%)	5.8%	6.2%		5.4%		5.0%	4.9%	
Net Profit	16.3	16.0	1.5%	12.6	29.2%	43.9	35.9	22.1%
Net Profit Margin (%)	4.6%	4.3%		3.7%		3.3%	2.8%	
Basic EPS (Rs)	1.35	1.33	1.6%	1.05	28.7%	3.64	2.98	22.3%

STANDALONE FINANCIAL PERFORMANCE:

(Rs. Crore)	Standalone						
	Q4		y-o-y Growth (%)	Q3	Year		y-o-y Growth (%)
	FY2016	FY2015		FY2016	FY2016	FY2015	
Gross Sales	271.4	267.4	1.5%	252.8	988.0	954.1	3.6%
Net Sales	243.2	234.3	3.8%	225.8	873.7	829.4	5.4%
EBITDA	24.5	24.1	1.5%	20.6	80.9	70.4	15.0%
EBITDA Margin (%)	10.1%	10.3%		9.1%	9.3%	8.5%	
Cash Profit	10.5	12.8	(17.9)%	11.0	40.0	39.5	1.2%
Cash Profit Margin (%)	4.3%	5.5%		4.9%	4.6%	4.8%	
Net Profit	9.3	9.0	2.6%	7.6	27.0	21.3	26.7%
Net Profit Margin (%)	3.8%	3.9%		3.4%	3.1%	2.6%	
Basic EPS (Rs)	0.77	0.75	2.6%	0.63	2.25	1.77	26.9%

SEGMENT FINANCIAL PERFORMANCE (STANDALONE):

(Rs. Crore)	Sales						EBITDA					EBITDA Margin (%)		
	Q4		y-o-y Growth (%)	Q3		Q4	FY15	y-o-y Growth (%)	Q3		Q4	FY15	Q3	
	FY16	FY15		FY16	Growth (%)				FY16	Growth (%)				FY16
Steel Products	91.0	89.9	1.3%	77.3	17.8%	5.6	6.6	(14.9)%	4.9	14.1%	6.2%	7.3%	6.4%	
Tubes	41.2	35.8	15.0%	33.9	21.6%	3.4	2.7	23.2%	2.6	32.0%	8.2%	7.7%	7.5%	
Industrial Components	17.6	17.8	(1.5)%	12.6	39.8%	3.0	2.8	7.1%	1.9	60.6%	17.3%	15.9%	15.1%	
Systems and Projects	86.2	81.7	5.4%	94.8	(9.1)%	12.4	11.3	10.4%	11.0	12.7%	14.4%	13.8%	11.6%	
Scrap Sales	7.3	9.0		7.4		0.0	0.0		0.0					
Total Standalone	243.2	234.3	3.8%	225.8	7.7%	24.4	23.4	4.4%	20.4	19.9%	10.1%	10.0%	9.0%	
Total Consolidated	352.4	368.7	(4.4)%	343.6	2.5%	52.4	47.2	11.2%	38.3	36.8%	14.9%	12.8%	11.2%	

PENNNARINDUSTRIESLIMITED

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BUSINESS HIGHLIGHTS FOR Q4FY16:

Systems & Projects: For Railways segment repeat orders were booked from Integral Coach Factory, Modern Coach Factory, Texmaco Rail & Engineering Ltd., Hindustan Engineering India Ltd., and BEML Ltd. In the Solar vertical, 2 new customers, Sun Mount Engineering and Simha Solutions, were added during the quarter. Some of the major customers include Sterling & Wilson, L & T, Mahindra Susten, Nuevosol, Sun Edison, Acme and Tata Power India Ltd, among others. The following major orders were received during the quarter from – Nuevosol, Sun Mount, L&T and Belectric. Additionally, a new product - 2mm thickness Bare Galvalume Hat sections - was added.

Industrial Components: Some of the major customers for this vertical include Emerson Climate Technologies, Tecumseh, India Nippon Electricals, Endurance, Wabco, FSTVS, Xylem and Bailey, among others. There has been an expansion in the business with existing customers like WABCO and FSTVS. For white goods, the intake was low but a new component has been added which will increase revenue for this segment. The Bailey business is expected to increase with new cylinder variants. The order from Bailey was executed and the RFQ pipeline now stands at Rs. 3 crores. The capacity utilization in the Chennai and Patancheru plants stood at 90% and 65%, respectively. Going forward, based on success with Bailey, we are in the process of developing a hydraulic requirement from Cargotec. We are actively working on new projects like the Yoke (Comstar), Torque Arm (Bonfiglioli), Strainer (Xylem), Agri-components (TAFE), Rollers (HP), Beadplate (Firestone - USA), Piston, NPP and APP (Knorr Bremse - Czech) and Hydraulic Cylinders (Cargotec), all of which are expected to add to the growth of this vertical.

Tubes: With over 218 customers, covering sectors like Auto, Power, Gen Engineering, Textile, Earth Moving Equipment, major names include VECV, Mahindra, Gabriel, Endurance, Bajaj, Hyundai, TVS, Thermax, Reiter, LMW, ISGEC, Rajwest, Hindalco, Tata Vendors and others. 70% of the orders were received from the regular major OEAs in the form of monthly schedules and the balance 30% were project-based orders. During the quarter, we added about 10 new customers - Tenneco, Rajshriya, Sigma Electric, SPIC, Mega Rubber, Kerala Automobiles, Thai Summit, Indian Rubber, Susira and Presscomp. Approximately 5% of the total billed quantity is from new customers added in Q4. In the CDW segment, out of the installed capacity of 800MT/month, we are operating at 700/MT and in the ERW segment, out of the installed capacity of 3000/MT, we are operating at 2600MT. In the quarter, we booked a trial order for one container of CDW. We have submitted CDW samples to seven of our export customers and sample validations and approvals are in progress. We are focusing more on the CDW business expansion. The plant expansion will increase capacity by 25% and is expected to be operational by December 2016. In Q1, we are targeting to get the approval of TFF from major OEAs as well as a trial order for the Propeller Shaft. We are also likely to add a couple of export customers in the first quarter.

Steel Products: In the CRFS segment, some orders received include Hamon (Collecting Electrodes & Duoratrodes), Helious Infra (Collecting Electrodes & Discharge Electrodes), Bhavani Erectors, Elecon EPC Projects (Roofing Sheets), Gammon India (Roofing Sheets), L&T and RR Construction (Sheet Piles). A few repeat orders from IVRCL, Pheonix Construction & Powermech Projects, for various projects were also booked. Some of the major customers include Thermax, Alstom, L&T, Ashok Leyland, VECV, Prabha Eng., Schwing Stetter, Johnson Lifts, Logon Infra, Power Mech, Rithwik Projects, among others. During the quarter, one new customer was added. In the CRSS segment, we booked orders from regular customers as per given monthly

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schedules. We also received orders from IFB Industries, LGB, Toshiba and Luk India. During the quarter, 7 new customers - Shrivari energy, Bhushan Power & Steel, Thiraviam Engineering, Bhavani Erectors, Elecon EPC Projects, CIPL JVK and Eminent Engineers - were added. Some of the vertical's major customers include Toshiba, IFB Industries Ltd, LGB, LUK India, HBL, MIBA, Managal Precision, Bimetal, Rose Engineering and JM Frictech.

Pennar Engineered Building Systems Limited: During the quarter, we received major orders from L&T Construction, TVS Infrastructure, Gamesa, My Home, Hetero Drugs, Annora Pharma, Himedia Laboratories, SRR Projects, RKV Developers, Indus Projects, Ashapura Group, Avenue Supermarts, etc. In Engineering Services, we received new orders from Tekla Structures and Dollar General. We are presently increasing manpower at the Vishakhapatnam office to provide engineering services to our US-based clients. Additionally, we have also taken a third-party factory in Baroda for production on a Job-work basis model. Orders in and around Madhya Pradesh, Gujarat and North are being manufactured at this facility. We are evaluating various options for setting up a permanent facility.

Pennar Enviro Limited: During the quarter, we received new orders from Hetero Labs, Gammesa, Lanco Infratech Ltd, Illioss Power and Snehi Engineers. We received repeat orders from Hetero, Lanco, Mishra Dattu Nigam Ltd. and Balaji Paper & Newsprint. During the quarter, we added 3 new customers in the Projects business, 6 new customers in the Chemicals business and 4 new customers in the O&M business. We got repeat orders from our existing clients and also took an order in the Engineering sector. Going forward, we will focus on the municipal segment and large-value orders via the joint venture route.

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. 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, Isnapur and Mallapur near Hyderabad, Chennai in Tamil Nadu and Tarapur in Maharashtra.

For more information, please visit www.pennarindia.com

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Disclaimer:

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

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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.

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Date:	Monday, 23 May 2016
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