



## Pennar Industries Ltd

### PRESS RELEASE

#### PENNAR REPORTS BEST EVER PERFORMANCE WITH 49 % GROWTH IN SALES AND 34% GROWTH IN NET PROFIT

The stand alone results for Pennar Industries for Quarter ended 31st December 2010 and the comparison with the corresponding quarter for last year are given below:

- Sales for Q3 FY'11 Rs. 314.8 Cr. an increase of 49.4% over Q3 FY'10.
- Gross Profit (EBIDTA) for Q3 FY'11 Rs.34 Cr. an increase of 23.6% over Q3 FY'10.
- Net Profit for Q3 FY'11 Rs.18.3 Cr. an increase of 34.8 %over Q3 FY'10.
- Basic EPS Rs. 1.50 (not annualized) and cash EPS of Rs. 1.90(not annualized) per share of Rs.5

Pennar's consolidated net profit for the quarter ended 31<sup>st</sup> December 2010 was Rs. 19.6cr., reflecting the Company's highest ever profit in a Quarter, Gross sales were Rs. 354.3 cr. The EBIDTA and PBT for the quarter were Rs. 38.0 cr and Rs. 31.4 cr respectively. On an annualized basis, consolidated basic EPS and cash EPS for the quarter amounted to Rs. 6.4 and Rs. 8.2 respectively per share of Rs 5/- each.

The consolidated gross sales for nine months ended 31<sup>st</sup> December, 2010 were Rs 984.3 cr., gross profit (EBIDTA) was Rs. 109 cr. and the net profit was Rs 54.8 cr.

Pennar's subsidiary Pennar Engineered Building Systems (PEBS) has completed expansion and doubled the capacity to 60000MT. It has procured orders amounting to over Rs. 300 crore during this calendar year from prestigious customers like L&T, Ultratech, Dr Reddy's, Asian Colour Coated Steel, My Home Cement, Schneider Electric, P&G, Safe Express, Thermax etc.. PEBS plant is the first factory in India to be awarded the Gold Certificate from the Indian Green Building Council. The Company obtained ISO 9001 certification recently.

Pennar Industries has completed the first phase of expansion of its plant at Isnapur, near Hyderabad, to cater to the growing demand from Building, Railways and Pollution Control segments. Work has also commenced at Isnapur and Tarapur plants for putting up additional capacities for doing heavy engineering fabrication work, electro static precipitator electrodes and precision tubes for automobiles.

The guidance for the consolidated performance for the year FY '11 is as follows:

Gross Sales	Rs. 1350 Cr
EBIDTA	Rs. 150 Cr
Net Profit	Rs. 75 Cr
EPS (Basic)	Rs.6.15 per share of Rs. 5/- each

### **About Pennar Industries**

Pennar Industries Ltd is a multi-location, multi-product company, engaged in the manufacture of profiles and components in various grades of steel and stainless steel and caters to Auto, White Goods, Railways and Infrastructure segments.

Pennar has demonstrated continuous growth in sales and profits on a quarter or quarter basis for the last twenty four consecutive quarters

Pennar's subsidiary, Pennar Engineered Building Systems Limited (PEBS) has a 60000 MT per annum capacity manufacturing facility set up at Sadashivpet near Hyderabad. PEBS which commenced commercial production in January 2010, is engaged in the design, manufacture, supply and erection of pre-engineered steel buildings and building components catering to the requirements of factories, ware houses, commercial centers, multi-storied buildings, aircraft hangars and sports complexes.

Pennar currently has six manufacturing plants located at Patancheru, Sadashivpet and Isnapur near Hyderabad, Chennai, Tarapur (Maharashtra) and Hosur (Tamil Nadu) with a total capacity of 275,000 TPA.

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10<sup>th</sup> January 2011

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2010**

Rs. In Lakhs

S.No	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended		Nine Months Ended		Quarter Ended		Nine Months Ended	
		31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.03.2010 (Audited)	31.12.2010 (Unaudited)	31.12.2010 (Unaudited)	31.03.2010 (Audited)
1	<b>Gross Sales</b>	31,482.93	21,065.48	87,212.39	60,082.59	86,113.88	35,436.08	98,430.33	89,011.73
	Less : Excise Duty	2,768.52	1,516.81	7,664.96	4,317.43	6,317.85	3,127.94	8,669.80	6,511.45
	Less : Sales Tax	956.62	636.99	2,729.04	1,831.68	2,666.73	1,072.75	3,047.36	2,753.05
	<b>Net Sales</b>	27,757.79	18,911.68	76,818.39	53,933.48	77,129.30	31,235.39	86,713.17	79,747.23
2	<b>Expenditure</b>								
a	Increase / decrease in stock in trade and work in progress	(8.62)	(275.62)	690.23	(691.70)	(2,495.96)	(8.62)	690.23	(3,007.45)
b	Consumption of Raw Material	20,436.99	13,731.04	55,574.68	39,123.76	57,516.69	22,162.67	60,986.84	59,044.88
c	Employees Cost	692.81	609.10	2,069.43	1,797.47	2,575.67	974.10	2,777.57	3,107.99
d	Depreciation	290.45	253.00	831.86	767.00	1,239.05	340.86	981.13	1,285.14
e	Other Expenditure	3,228.46	2,089.89	8,626.47	5,982.61	8,631.04	4,302.85	11,350.67	9,510.93
f	<b>Total</b>	24,640.09	16,407.41	67,792.67	46,979.14	67,466.49	27,771.86	76,786.44	69,941.49
	<b>Profit from Operations before Depreciation, Other Income, Interest &amp; Taxes ( E B I D T )</b>	3,408.15	2,757.27	9,857.58	7,721.34	10,901.86	3,804.39	10,907.86	11,090.88
3	<b>Income, Interest &amp; Taxes ( 1 - 2 )</b>								
4	Other Income	3,117.70	2,504.27	9,025.72	6,954.34	9,662.81	3,463.53	9,926.73	9,805.74
5	Profit before Interest & Taxes ( 3 + 4 )	8.58	6.00	30.51	24.00	41.72	8.58	36.16	49.86
6	Interest	3,126.28	2,510.27	9,056.23	6,978.34	9,704.53	3,472.11	9,962.89	9,855.60
7	<b>Profit from ordinary activities before Tax ( 5 - 6 )</b>	224.59	278.60	832.59	891.70	1,137.11	329.03	1,190.98	1,299.09
8	<b>Tax expense</b>	2,901.69	2,231.67	8,223.64	6,086.64	8,567.42	3,143.08	8,771.91	8,556.51
a	Deferred Tax Liability	192.61	268.00	577.84	804.00	1,272.00	202.61	607.84	1,279.67
b	Income Tax	875.51	603.54	2,460.41	1,639.26	2,288.40	925.78	2,572.68	2,293.73
c	Fringe Benefit Tax	-	-	-	4.00	-	-	-	-
9	<b>Profit from ordinary activities after Tax and before Minority Interest ( 7 - 8 )</b>	1,068.12	871.54	3,038.25	2,447.26	3,560.40	1,128.39	3,180.52	3,573.40
10	Minority Interest	-	-	-	-	-	47.41	106.85	5.58
11	<b>Profit from ordinary activities after Tax and after Minority Interest ( 9 - 10 )</b>	1,833.57	1,360.13	5,185.39	3,639.38	5,007.02	2,014.69	5,591.39	4,983.11
12	<b>Cash Profit</b>	2,328.44	1,890.28	6,630.44	5,237.83	7,554.67	2,522.56	7,108.86	7,578.94
13	Paid up Equity Share Capital ( Face value of Rs. 5/- per equity share )	6101.20	6178.23	6101.20	6178.23	6,101.20	6,101.20	6,101.20	6101.20
14	Reserves excluding revaluation reserves	-	-	-	-	11,035.05	-	-	11,005.57



**PENMAR INDUSTRIES LIMITED**  
**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31.12.2010**

Rs. In Lakhs

S.No	Particulars	STANDALONE						CONSOLIDATED		
		Quarter Ended		Nine Months Ended		Year Ended	Quarter Ended	Nine Months Ended		Year Ended
		31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.12.2010 (Unaudited)	31.12.2009 (Unaudited)	31.03.2010 (Audited)	31.12.2010 (Unaudited)	31.12.2010 (Unaudited)	31.03.2010 (Audited)	
15	Basic Cash Earnings per Rs. 5/- Share (not annualised)	1.91	1.53	5.43	4.24	6.04	2.07	5.83	6.06	
16	Basic Earnings per Rs. 5/- Share (not annualised)	1.50	1.10	4.25	2.95	4.00	1.61	4.49	3.98	
17	Public Shareholding	7,48,14,166	7,78,99,500	7,48,14,166	7,78,99,500	7,63,58,970	7,48,14,166	7,48,14,166	7,63,58,970	
18	- Number of Shares	61.31	63.04	61.31	63.04	62.58	61.31	61.31	62.58	
	- Percentage of Shareholding									
	- Promoter & Promoter group Shareholding									
	a) Pledged / Encumbered									
	- Number of Shares	1,06,50,000	25,00,000	1,06,50,000	25,00,000	1,06,50,000	1,06,50,000	1,06,50,000	1,06,50,000	
- Percentage of Shares (as a % of the total share holding of promoters & promoter group)	22.56	5.47	22.56	5.47	23.32	22.56	22.56	23.32		
- Percentage of Shares (as a % of the total share capital of the company)	8.73	2.02	8.73	2.02	8.73	8.73	8.73	8.73		
b) Non - Encumbered										
- Number of Shares	3,65,59,834	4,31,65,048	3,65,59,834	4,31,65,048	3,50,15,030	3,65,59,834	3,65,59,834	3,50,15,030		
- Percentage of Shares (as a % of the total share holding of promoters & promoter group)	77.44	94.53	77.44	94.53	76.68	77.44	77.44	76.68		
- Percentage of Shares (as a % of the total share capital of the company)	29.96	34.94	29.96	34.94	28.69	29.96	29.96	28.69		

**Notes**

- The above financial results as reviewed by the Audit Committee were taken on record by the Board of Directors in their meeting held on 10.01.2011. The statutory auditors will be conducting a limited review of the above standalone financial results for the quarter ended 31st December 2010.
- The company is engaged in the manufacture of various steel products which is its Primary Segment which in the context of Accounting Standard 17 is considered as a single segment.
- Previous quarter/year figures have been regrouped or rearranged, wherever necessary.
- Number of investor complaints for the quarter ended 31st December, 2010 :  
 Beginning - 3, Received - 8, Disposed off - 9, Pending - 2  
 The same have been resolved as on date.
- The consolidated figures for the quarter and nine months ended 31.12.2010 includes the results of the subsidiary, Penmar Engineered Building Systems Limited, which has been approved by their board. The consolidated figures for the period ended 31.12.2009 are not given as the subsidiary commenced its commercial production on 1st January 2010.
- First phase of expansion of the Isapur plant has been completed and work has begun on the second phase.
- Expansion of the Pre Engineered Buildings Plant is completed and the increased capacity is 60,000 TPA.

Place : Hyderabad  
 Date : 10.01.2011

FOR PENMAR INDUSTRIES LIMITED

By order of the Board

M. S. Srinivas Reddy