

Pennar hunts for domestic buys

Mumbai: Hyderabad-based Pennar Industries, a major player in the metal and pre-engineered products, is scouting for domestic acquisitions this fiscal with a view to gaining a strong foothold in the sunrise nuclear engineering and defence sectors as well as the rapidly-growing domestic auto industry.

"We are looking at acquiring a company manufacturing steel sheets used in auto, nuclear and defence sectors. The investment would be around Rs 100 crore. We are looking at closing the deal this fiscal," Pennar Industries founder chairman Nrupendra Rao said. He, however, refused to divulge any further details.

The BSE-listed flagship company of the Rs 1,100 crore Pennar group currently has 5 manufacturing units in Hyderabad, Chennai, Tarapur, Ishinapur and Hosur.

The company is also looking at expanding its capacity at its Chennai unit from 30,000 tonnes per annum to 50,000 tonnes per annum by December-end, Rao said.

The company has transformed from a cold-rolled steel manufacturer to pre-built engineering product-

maker by adding to its portfolio value-added products like engineering components, road safety systems, rail wagon components and coach profiles.

The company early this year floated a subsidiary PEBS Pennar to make pre-engineered building systems. The unit is located in Hyderabad. "We have so far bagged orders worth rs 155 crore from our elite clients such as L&T, HCC, P&G, Dr Reddy's, Ultratech, JSW and Archidply. We are making pre-engineered buildings for these firms and more are in the pipeline," Rao said. The company has executed orders worth Rs 70 crore and the rest will be delivered in the current fiscal.

"We have been growing at 15-20 per cent annually for the last three years and expect the same growth this year. From the new subsidiary we expect 15 per cent of the total sales this fiscal. We expect the subsidiary to grow at 30 per cent YoY and touch the Rs 500 crore mark by FY14," Rao said.

With the new subsidiary, Pennar group that also deals in chemical business expects a Rs 1,200 crore turnover in the current financial year, Rao added. PTI