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Pennar arm to set up pre-fab unit in Rajasthan



Betting big: Mr Nrupender Rao (right), Chairman, Pennar Engineered Building Systems Limited, announcing the company's new project in Hyderabad on Tuesday. (From left) Mr J. V. Ramana Raju, Head-Marketing, and Mr P. V. Rao, Executive Director. —Photo: P.V. Sivakumar.

To invest Rs 65 crore initially in new facility

Hyderabad, Sept. 13:

Pennar Engineered Building Systems Ltd (PEBS), a subsidiary of the Rs 1,370-crore Pennar Industries Ltd, is planning to set up a manufacturing facility in Rajasthan to cater to the north Indian market, besides ramping up capacity at its Hyderabad unit.

The Pennar Group is betting big on this business, as the Rs 4,000-crore pre-engineered building market in India is growing at 15-20 per cent, since the logistics, warehousing and manufacturing sectors are increasingly shifting from concrete to the pre-engineered segment.

Investment

PEBS will be investing about Rs 65 crore initially on its proposed Rajasthan facility, which will have a capacity of 30,000 tonnes per annum to start with and will be later expanded to

60,000 TPA. “We are not very strong in the North, as we have to spend Rs 4,000 to Rs 5,000 per tonne on freight to reach those markets. We intend to have the new facility ready by next fiscal,” Mr Nrupender Rao, Chairman, Pennar Industries Ltd, told mediapersons here.

Having recently doubled the capacity of its Hyderabad unit to 60,000 TPA, the company is in the process of adding fresh capacity of 30,000 TPA at a cost of about Rs 25 crore. This is expected to be wrapped up within the next six months.

New Order

It just bagged a Rs 23.5 crore order for constructing Reliance Retail's first of the proposed 15 distribution centres in Pune, with the project to be completed within five months. The Reliance project involves 40,000 sft of space.

“Last fiscal, we clocked sales worth Rs 165 crore and this year we are gearing up to reach Rs 250 crore. Our target is to cross Rs 500 crore in the next two years,” Mr P.V. Rao, Executive Director, said.

The company, which exported products worth Rs 18 crore to Africa, is evaluating the option of setting up a facility there.

It also plans to launch a new product that will go into pre-engineered green buildings.

<http://www.thehindubusinessline.com/companies/article2450464.ece>



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Pennar Engineered to set up second facility in Rajasthan

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Hyderabad, Sep 13 (PTI) Pennar Engineered Building Systems (PEBS) is mulling to set up its second manufacturing facility in Rajasthan besides expanding the capacity of its existing plant here, a senior executive said today. PEBS, part of the city-based Pennar Industries, is engaged in manufacturing pre-fabricated buildings. According to P V Rao, Executive Director of PEBS, they are in talks with the Government of Rajasthan for land. "The proposed facility will have 30,000 tonne per annum capacity. We are in talks with the Government for land. It is likely to materialise next year," he said at a press conference. The company has Rs 90-crore worth of capex plans over the next two years, including Rs 15 crore for Hyderabad facility, Rao said, adding the city plant's capacity will be expanded to 90,000 tonne from the existing 60,000 tonne. PEBS is poised to double its revenues in this fiscal (FY12) to Rs 250 crore, he said. To a query on exports, Rao said last year the company exported Rs 18-crore worth of material to mostly African countries. "We are currently exploring the African markets. We may set up a plant there in future if required." Meanwhile, the company has received a Rs 23.5-crore order from Reliance Retail for installation of 4 lakh sft pre-engineered steel building at Pune. "This new order for Reliance Retail distribution centre has come from L&T for whom we are preferred suppliers. We are expecting some more orders from Reliance in future as they are planning to set up six more such centres," Rao said. PEBS customers include L&T, P&G, Reddy's Laboratories, HCC, Toyota, Schneider Electric and Bosch.

<http://ibnlive.in.com/generalnewsfeed/news/pennar-engineered-to-set-up-second-facility-in-rajasthan/821968.html>