

Pennar Engineered Building Systems Limited – Initial Public Offer opens on August 25, 2015

Price band fixed at Rs 170 – Rs 178

Hyderabad, August 18, 2015: Pennar Engineered Building Systems Limited (“**PEBS**” or the “**Company**”), one of the leading custom designed building systems solutions providers in India, will open its initial public offer on August 25, 2015, which consists of a fresh issue aggregating up to Rs. 580 million and an offer for sale of up to 5,516,141 equity shares of the Company of face value of Rs 10 each (“**Equity Shares**”) by Zephyr Peacock India Fund III Limited, Zephyr Peacock India III Fund, Usha Ramani Potluri, Vikram Chachra and Eight Finance Private Limited (the “**Issue**”) at a price band of Rs 170- Rs 178. The Issue will constitute at least 25% of the fully diluted post issue paid up Equity Share Capital of the Company.

The Issue closes on August 27, 2015. The Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, allocate up to 60.00% of the portion reserved for the qualified institutional bidders to anchor investors in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Anchor investors shall bid on Monday, August 24, 2015, i.e., one working day prior to the Bid/Issue opening date. The minimum bid lot is 80 Equity Shares and bids can be made in multiples of 80 Equity Shares thereafter. The Issue will be through the book building process. Motilal Oswal Investment Advisors Private Limited, Axis Capital Limited and Karvy Investor Services Limited are the book running lead managers to the Issue, while Karvy Computershare Private Limited is the registrar to the Issue. The Equity Shares are proposed to be listed on BSE Limited and the National Stock Exchange of India Limited. BSE Limited shall be the designated stock exchange for the purposes of the Issue.

The Issue proceeds will be used for repayment/prepayment, in full or part, of certain working capital facilities availed by the Company, financing the procurement of infrastructure (including software and hardware) for the expansion of design and engineering services of the Company and for general corporate purposes. As of March 31, 2015, the total outstanding debt of PEBS was Rs 405.73 million (short-term and long-term, including current maturities of long-term borrowings) with the total borrowings to shareholders’ fund ratio of 0.316:1.

The promoter of PEBS is Pennar Industries Limited (“**PIL**”). Incorporated in 1975, PIL is engaged in the business of manufacturing precision engineering products such as precision tubes, railway wagons/coaches, sheet metal components, road safety systems, solar module mounting structures, hydraulic products, auto components, etc. The equity shares of PIL are presently listed on the NSE, BSE and MCX.

PEBS commenced its business in January 2010 and as of June 30, 2015, has completed designing, manufacturing, supply and assembly of 83,967 MT covering sqm area of 18,58,552 pre-engineered buildings in various sectors including warehousing, retail and manufacturing; design, supply and erection of solar module mounting structures for generation of solar power; design, manufacturing, supply and erection of structural steel buildings and cold form buildings. In addition to providing design and engineering services for the projects which are designed, manufactured and supplied by us, the Company has also provided design and engineering services for projects being executed by others.

In fiscal 2011, 2012, 2013, 2014 and 2015, revenues from operations (net) stood at Rs. 1,461.20 million, Rs 2,458.55 million, Rs 2,869.95 million, Rs 3,643.29 million and Rs 4,462.28 million, respectively.

Disclaimer: *Pennar Engineered Building Systems Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its equity shares and has filed a red herring prospectus dated August 13, 2015 (“RHP”) with the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad. The RHP is available on the website of the SEBI at www.sebi.gov.in as well as on the websites of the Book Running Lead Managers at www.motilaloswal.com, www.axiscapital.co.in and www.karvy.com, respectively. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see the section titled “Risk Factors” on page 15 of the RHP.*

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