ANNOUNCEMENT TO THE SHAREHOLDERS OF PENNAR INDUSTRIES LIMITED

This Announcement ("Announcement") is being issued by Karvy Investor Services Limited ("Karvy"), the Manager to the Offer, on behalf of M/s Thapati Trading Private Limited, M/s Palguna Consultants Private Limited ("Acquirers") and the Persons Acting in Concert ("PACs") with the Acquirers.

This Announcement is in continuation of, and should be read in conjunction with, the original Public Announcement ("PA") dated 12th December 2005, the revised Public Announcement ("Revised PA") dated 17th February 2006 and the Letter of Offer dated 22nd February 2006 to the shareholders ("Shareholders") of M/s Pennar Industries Limited ("PIL").

1. **UPWARD REVISION OF OFFER PRICE:** As per the PA, the Offer Price was Rs.6.75 per equity share of Rs.5/- each for acquiring up to 1,67,21,496 equity shares of PIL. The offer size was revised to 1,84,71,496 equity shares at the same offer price of Rs.6.75 per equity share of Rs.5/- each vide a Revised PA. Vide Board Resolutions dated 14.03.2006, both the Acquirers have voluntarily decided to revise the Offer Price upwards to Rs.10/- per equity share of Rs.5/- each to acquire up to 1,84,71,496 equity shares of Rs.5/- each of PIL.
2. No equity shares of PIL have been purchased or sold by the Acquirers or PACs since the PA, the Revised PA and the Date of the Letter of Offer.
3. Consequent to the upward revision in the Offer Price, assuming full acceptance, the total consideration of the offer would be Rs.1847.15 lakhs. Mr. C.V. Koteswara Rao, Partner, M/s Ramasamy Koteswara Rao & Co., Chartered Accountants, Flat No.222, Amrutha Ville Apartments, Left wing, Opp. Yashoda Hospital, Rajbhavan Road, Somajiguda, Hyderabad-500 082, Membership No.28353 has vide certificate dated 14.03.2006 certified that the Acquirers have adequate resources to meet the financial obligation relating to the offer in view of the Revised Offer Price.

   The Acquirers had created an escrow account with IDBI Bank Limited, Commercial Bank SBU, Mahavir House, Basheerbagh Square, Hyderabad 500 029 and had deposited a sum of Rs.282.18 lakhs and had also deposited a further sum of Rs.30 lakhs pursuant to the increase in Offer Size as per the Revised PA.

   After the upward revision of the offer price to Rs.10/- per equity share, the Acquirers have deposited a further sum of Rs.150.08 lakhs in the escrow account.

   The acquirers had, while opening the said escrow account, empowered Karvy Investor Services Limited, Manager to the Offer, to operate the said escrow account, a lien on the account has been marked in favour the Manager to the Offer and they are empowered to realize the value of the escrow account.
4. All other terms and conditions of the Offer remain unchanged. The Acquirers and Directors of the Acquirers accept the responsibility for the information contained in this Announcement and also for the obligations of the acquirer laid down in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
5. Public Announcement dated 12th December 2005, Revised Public Announcement dated 17th February 2006, the Letter of Offer dated 22nd February 2006 with Form of Acceptance cum acknowledgement and Form of Withdrawal and this Announcement are also available on SEBI's website at www.sebi.gov.in.

Issued on behalf of the Acquirers and PACs by : Manager to the Offer

KARVY INVESTOR SERVICES LIMITED

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Place: Hyderabad
Date : 14.03.2006

Size : 12 cms. x 13 cms.