

Pennar Industries gets NCLT nod to merge subsidiaries

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Pennar Industries Ltd has received the approval of the National Company Law Tribunal, Hyderabad, to merge its subsidiaries Pennar Engineered Building Systems Ltd and Pennar Enviro Ltd with itself.

As per the scheme, shareholders of PEBS Pennar will get 23 shares of Pennar Industries for 13 shares held and shareholders of Pennar Enviro will get one share of Pennar Industries for every one share held.

Effective date

The NCLT has approved the appointed date of the scheme (effective date) to be April 1, 2018.

KM Sunil, Vice-President, Corporate Strategy, said, "The merger is expected to create a leaner group structure, result in better synergies and optimisation of costs and improved fund

utilisation. It will also result in PIL having a better capital structure, pooled resources and synchronised growth plans. This will eventually lead to focused growth, higher profitability and shareholder value creation."

The process after the approval from NCLT takes two to three months to get the new shares (as per the swap ratio) traded on the stocks exchange platform.

Record date

Further trading in PEBS will be suspended after the record date to be fixed by the board of directors at the board meeting. The record date will be intimated in due course.

The Hyderabad-based Pennar Industries is a value-added engineering products and solutions company and has a strong presence across growth sectors in India through four business units.