

Pennar Industries gets NCLT nod for merger of group companies with itself

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Pennar Industries Ltd has received approval from the National Company Law Tribunal (NCLT), Hyderabad, for merger of its subsidiaries – Pennar Engineered Building Systems and Pennar Enviro – with itself.

The proposed merger is expected to create a leaner group structure, result in better synergies and optimisation of costs, and fund utilisation, KM Sunil, Vice-President, Pennar, told *BusinessLine*.

“The move will result in PII having a better capital structure, pooled resources and synchronised growth plans. All this is eventually expected to lead to focused growth, higher profitability and shareholder value creation,” he said.

NCLT Member Judicial K Anantha Padmanabha Swamy, in his order, sanctioned the amalgamation embodied in the scheme and approved the appointed date of the scheme as

April 1, 2018. According to the scheme, the transferor company, Pennar Engineered Building Systems, and Pennar Enviro shall be dissolved without winding up from the date of filing of the certified copy of the NCLT order with the Registrar of Companies.

Pennar Industries, the Hyderabad-based flagship company of the Pennar group, has been directed to take various consequential steps required in

pursuance of the approved scheme of amalgamation.

The whole process of filing with the RoC, seeking its nod and taking follow-up action, after a right swap formula, will take at least 3-4 months. That is when the merged entities will be de-listed.

Following the merger process, Pennar Industries is expected to have an improved capital structure, which will enable it to access the capital markets at better terms and afford access to other resources at lower cost.

