



PENNAR INDUSTRIES LIMITED



Date: 10 November 2017

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001
Scrip code - 513228

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Bandra Kurla Complex
Bandra East, Mumbai - 400051
Scrip code - PENIND

Dear Sirs,

Sub: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') - Scheme of Amalgamation

The Board meeting commenced at 5:30 p.m. and concluded at 6:30 p.m.

This is to inform you that the Board of Directors at its meeting held on 10 November 2017 considered and approved the Scheme of Amalgamation of Pennar Engineered Building Systems Limited ('PEBS' or 'First Transferor Company') and Pennar Enviro Limited ('PEL' or 'Second Transferor Company') with Pennar Industries Limited ('PIL' or 'Transferee Company') and their respective shareholders ('Scheme') pursuant to provisions of section 230 to 232 of the Companies Act, 2013.

The Scheme is subject to necessary statutory and regulatory approvals including the approvals of National Company Law Tribunal, the respective shareholders and creditors, if any, of each of the companies involved in the Scheme.

This intimation has been given under Regulation 30 of the LODR Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September 2015. The relevant information in relation to the above has been enclosed herewith in **Annexure 1**.

Please take the above intimation on records.

Thanking You,

Yours sincerely,

for Pennar Industries Limited

Mirza Mohammed Ali Baig

Company Secretary



Page 1 of 5

Manufacturers of Cold Roll Formed Sections, Sheet Metal Pressed, Fabricated & Machined Components, Precision Electric Resistance Welded Tubes, Cold Drawn electric resistance Welded Tubes, and Fabricated Components & Structures. Design Development, Manufacture of Hydraulic Cylinders

Corp.Office & Works: IDA, Patancheru – 502 319, Sanga Reddy District, Telangana, INDIA.

Tel: +91 8455 242184 to 242193, **Fax:** +91 8455 242424 / 242161, **E-mail:** pilhyd@bsnl.in, **Website:** www.pennarindia.com

Regd.Office: 9th Floor, DHFLVC Silicon Towers, Kondapur, Hyderabad – 500 084.

Tel: +91 40 4006 1621 to 24, **Fax:** +91 40 4006 1618

CIN No: L27109AP1975PLC001919

Annexure 1

DISCLOSURE OF INFORMATION UNDER REGULATION 30 OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SEBI CIRCULAR NO. CIR/CFD/CMD/4/2015 DATED 9 SEPTEMBER 2015

1. Name of the entities forming part of the amalgamation/ merger, details in brief such as size, turnover, etc.;

The scheme of amalgamation approved by the Board of Directors proposes merger of Pennar Engineered Building Systems Limited ('PEBS' or 'First Transferor Company') and Pennar Enviro Limited ('PEL' or 'Second Transferor Company') (hereinafter collectively referred to as 'Transferor Companies') with Pennar Industries Limited ('PIL' or 'Transferee Company') ('Scheme').

Brief details of the entities involved in the Scheme is as follows:

PEBS or First Transferor Company (Company listed on BSE and NSE):

The details of net-worth and turnover of PEBS are as under:

Particulars	Net-worth as at 30 September 2017 (in INR Crores)	Turnover for six months ended 30 September 2017 (in INR Crores)
Standalone	242.90	261.80
Consolidated	Not Applicable	Not Applicable

PEL or Second Transferor Company (Unlisted Company):

The details of net-worth and turnover of PEL are as under:

Particulars	Net-worth as at 30 September 2017 (in INR Crores)	Turnover for six months ended 30 September 2017 (in INR Crores)
Standalone	12.74	46.24
Consolidated	Not Applicable	Not Applicable

PIL or Transferee Company:

The details of net-worth and turnover of PIL are as under:

Particulars	Net-worth as at 30 September 2017 (in INR Crores)	Turnover for six months ended 30 September 2017 (in INR Crores)
Standalone	384.80	606.10
Consolidated	559.48	880.40

2. Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;

Yes. The transaction would fall within the ambit of related party transactions. The transaction is at an arm’s length basis. Post-merger, the shareholders of PEBS and PEL would be issued shares of PIL based on the valuation report issued by independent chartered accountants which is also supported by fairness opinion issued by Category-I merchant banker.

3. Area of business of the entities;

- PEBS, the First Transferor Company is primarily engaged in designing, fabricating and installing pre-engineered steel buildings, supplying structural steel and components for manufacturing industries, warehouses, aircraft hangars, commercial buildings, high-rises, metro stations, stadiums and power plants, among others. It is also engaged in designing, fabricating and installing solar module mounting structures, telecom transmission towers and cold-form buildings for low-cost housing projects.
- PEL, the Second Transferor Company is primarily engaged in the business of design, manufacturing, supply, erection and maintenance of water and waste water treatment plants and EPC contracts. It also manufactures and distributes fuel additives and water treatment chemicals.
- PIL, the Transferee Company is primarily engaged in the business of manufacturing cold rolled steel strips, precision tubes, cold rolled formed sections, electro static precipitators, profiles, railway wagons and coach components, press steel components and road safety systems.

4. Rationale for amalgamation/ merger;

PIL holds ~ 54% stake in PEBS since October 2009. One of PIL's most successful initiatives since its inception, PEBS was set up in 2008 with a vision to emerge as a leader in the pre-engineered buildings and structural steel industry space.

PIL acquired ~51% stake in PEL in 30 November 2012 with the objective of entering new areas of engineering services. PEL has strong references in a range of technologies including desalination, effluent treatment and recycling, demineralization and instrumentation.

Accordingly, the merger would have the following benefits:

- Enable shareholders of all the companies to get direct participation in the promising combined business of PIL, PEBS & PEL
- Further, the merger would offer a greater potential to the combined entity to develop and further grow and diversify with better optimization of funds and efficient utilization of resources.
- Simplification of the management structure leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes.
- Synergies arising out of consolidation of business, such as enhancement of net worth of the combined business which shall lead to better ability to leverage the business including reduction in cost of capital.
- The Transferee Company will have an improved capital structure, which would enable it to access the Capital Market at better terms and will afford easier access to other resources and at a lower cost.
- The merger in general will have beneficial results for the Companies, their shareholders, employees and all concerned.

5. In case of cash consideration- amount or otherwise share exchange ratio;

There is no cash consideration. The share exchange ratio based on valuation report dated 9 November 2017 as issued by Walker Chandiook & Co LLP, Independent Chartered Accountants and the Fairness Opinion dated 9 November 2017 on the valuation report, issued by Keynote Corporate Services Limited, Category 1 Merchant Banker is as under:

- 23 (Twenty-Three) equity shares in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 13 (Thirteen) equity shares of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the First Transferor Company; and

- 1 (One) equity share in the Transferee Company of the face value of Rs. 5/- (Rupees Five) each credited as fully paid-up for every 1 (One) equity share of Rs. 10/- (Rupees Ten) each fully paid-up, held by such member in the Second Transferor Company

6. Brief details of change in shareholding pattern (if any) of listed entity.

Pursuant to sanction of the Scheme, shareholders of the Transferor Companies would be issued and allotted equity shares in the Transferee Company i.e. PIL

The indicative shareholding pattern of PIL pre and post merger would be as under:

Sr. No.	Particulars	Pre-merger	Post-merger
1	Promoter and Promoter Group	36.37%	35.19%
2	Public shareholders	63.63%	64.81%
	Total	100.00%	100.00%