

Punjab Tractors Ltd to merge with Mahindra & Mahindra Ltd

Farm

Author : mahindraadmin Category : Farm Published : 7/30/2008

Mumbai: The Board of Directors of M&M and PTL today unanimously approved a scheme of amalgamation of Punjab Tractors Limited (PTL), an M&M subsidiary, with Mahindra & Mahindra Ltd. Mahindra owns a majority stake in Punjab Tractors Limited and had earlier acquired 63.33% stake in PTL in July 2007. MHFL, a wholly owned subsidiary of M&M, currently holds 1.31% of PTL, and is also in the process of being merged into M&M.

Under this amalgamation scheme, pursuant to provisions of Sections 391 to 394 and other relevant provisions of the Companies Act, 1956, PTL will be merged into M&M and all its assets and liabilities will be transferred to M&M at book values. The Appointed Date under this scheme is 1st August 2008. Upon the scheme becoming effective, M&M will transfer all the equity shares held by it in PTL to a Trust, of which M&M is the beneficiary. M&M will issue its shares to PTL shareholders as on record date, based on the swap ratio determined by independent valuers.

Mr. Anand Mahindra, Vice-Chairman and Managing Director, Mahindra Group, said, 'PTL is a strategic fit for M&M and its amalgamation with M&M will significantly add to shareholder value. Bringing these two businesses under a single entity will also result in a common management focus, help achieve greater integration benefits and reduce overall administrative costs.'

An independent valuation exercise has been conducted jointly by Ernst & Young and N. M. Raiji & Company. Based on this exercise, the share exchange ratio for the amalgamation has been arrived at. Equity shares of M&M will be issued to the shareholders of PTL in the ratio of 1 (one) equity share of Rupees 10 each of M&M for every 3 (three) equity shares of Rupees 10 each held in PTL.

The Scheme as approved by the Board is subject to such consents and approvals, as may be required including that of the shareholders and the High Courts of Bombay and Punjab & Haryana.

About The Mahindra Group

The US \$6 billion Mahindra Group is among the top 10 industrial houses in India. Mahindra & Mahindra is the only Indian company among the top tractor brands in the world. Mahindra's Farm Equipment Sector has recently won the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. Mahindra is the market leader in multi-utility vehicles in India. It made a milestone entry into the passenger car segment with the Logan.

The Group has a leading presence in key sectors of the Indian economy, including the financial services, trade and logistics, automotive components, information technology, and infrastructure development.

Mahindra's Farm Equipment Sector has recently won the Japan Quality Medal, the only tractor company worldwide to be bestowed this honour. It also holds the distinction of being the only tractor company worldwide to win the Deming Prize. The US based Reputation Institute recently ranked Mahindra among the top 10 Indian companies in its Global 200: The World's Best Corporate Reputation list.

Tags :

[Punjab Tractors](#)