IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 399 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 156 OF 2015.

Telemetrics Equipments Private Limited

....Petitioner/Transferor Company

AND

COMPANY SCHEME PETITION NO. 400 OF 2015

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 157 OF 2015.

Contech Soft-tech Solutions Private Limited

......Petitioner/Transferee Company

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Section 391 to 394 of the Companies Act, 1956;

AND

In the matter of Scheme of Amalgamation of Telemetrics Equipments Private Limited with Contech Soft-tech Solutions Private Limited and their Respective Shareholders

Called for hearing

Mr. Hemant Sethi, i/b M/s Hemant Sethi & Co. Advocate for the Petitioner Company

Mr. R.C. Master, i/b Mr. A.A Ansari in both the Petitions.

Mr. S. Ramakantha, Official Liquidator in Company Scheme Petition No. 399 of 2015 .

CORAM: K.R. SHRIRAM, J

DATE: 5th DECEMBER 2015

PC:

1. Heard counsel for the parties. No objector has come before the court to oppose the Composite Scheme of Amalgamation and

nor any party has controverted any averments made in the Petition.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956 to the Scheme of Amalgamation of Telemetrics Equipments Private Limited with Contech Soft-tech Solutions Private Limited and their Respective Shareholders.

3. The learned Counsel for Petitioners submit that the Transferor Company is engaged in the business of Original Equipments Manufacturers of entire range of Under Ground Cable Fault Locating Systems and as the leading manufacturers of Cable Test Vans in South Asia. It is now the market leader in design and production of tools and equipment that assist in the diagnosis, fault location and tracing of underground cable faults in power, telecommunication and water pipe networks and exporter of Underground Cable Fault Locating Equipment. The Transferee Company is engaged in the business of Manufacturers of voltage stabilizers, power supplies, null detectors, temperature controllers, breakdown tester, measuring instruments, telecommunications equipments and other instruments making use of semiconductors for industrial research, educational, medical, office, domestic and general use and deals in import of Health Exercise Equipments & export of Electronic Equipments.

4. The rational for the Scheme is that with a view to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to merge and amalgamate all the undertakings of Telemetrics Equipments Private Limited with Contech Soft-tech Solutions Private Limited. The amalgamation of all the undertaking of Amalgamating Company into the Amalgamated Company will facilitate consolidation of all the undertakings in order to enable effective management and unified control of operations. The amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal and regulatory compliances.

5. Learned Counsel for the Petitioners further states that the Board of Directors of the Petitioner Companies have approved the said Scheme of Amalgamation by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

6. The Learned Counsel for the Petitioners further states that the Petitioner Companies have complied with all the directions passed in the respective Company Summons for Direction and that the Company Scheme Petitions have been filed in

consonance with the orders passed in respective Company Summons for Direction.

7. The Learned Counsel appearing on behalf of the Petitioners has stated that the Petitioner Companies have complied with all requirements as per directions of this Court and they have filed necessary affidavit of compliance in the Court. Moreover, the Petitioner Companies undertakes to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and rules made there under whichever is applicable. The said undertaking is accepted.

8. The Official Liquidator has filed his report on 14th September, 2015 stating therein that the affairs of the Transferor Companies have been conducted in a proper manner and that the Transferor Companies may be ordered to be dissolved by this Court.

9. The Regional Director has filed an Affidavit on 18th November, 2015 stating therein, save and except as stated in paragraphs 6(a) to (c) thereof, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 of the said Affidavit, the Regional Director has stated that:-

"6.That the Deponent further submits that:-

(a) *That deponent submits that clause 14.3 of the Scheme provides for adjustment for differences in Accounting Polices between Amalgamating Company and*

Amalgamated Company. In this regard, it is submitted that in addition to compliance of Accounting Standard-14, the Amalgamated shall pass such accounting entries which are necessary in connection with the Scheme to comply with other applicable Accounting Standard such as AS-5,etc.

(b) *Clause 21 of the Scheme states that the name of the Transferee Company viz. Contech Soft-Tch Solutions Private Limited shall be changed to "Telemetrics Equipments India Private Limited". In this connection, Petitioner companies may be directed to comply with the provisions of section 13(2) , (3) & (6) along with section 15 of the Companies Act, 2013 read with section 21/23 of the Companies act, 1956 in respect of filing of necessary forms with the Registrar of Companies and the proposed new name will be allowed subject to its availability of the same, by the Registrar of Companies since under the computerized MCA 21 System of allotting the names, it is systemically not possible to reserve the names. Therefore, the name if available at the time of such applicable , shall be made available by the Registrar of Companies.*

(c) *It is respectfully submitted that the tax implication, if any, arising out the Scheme is subject to final decision of Income Tax Authorities. The approval of the Scheme by this Hon'ble Court may not deter the Income Tax Authority to scrutinize the tax returns filed by the Amalgamated Company after giving effect to the Scheme. The decision of the Income Tax Authority is binding on the Petitioner Companies.*

10. As far as observations made in paragraph 6(a) of Affidavit of the Regional Director is concerned, the Transferee Company

undertakes that in addition to compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme of Amalgamation to comply with any other applicable accounting standards.

11. As far as observations made in paragraph 6(b) of Affidavit of the Regional Director is concerned, the Transferee Company undertakes to comply with the provisions of section 13(2) , (3) & (6) along with section 15 of the Companies Act, 2013 read with section 21/23 of the Companies Act, 1956 in respect of filing of necessary forms with the Registrar of Companies to the extent required and the proposed new name will be allowed subject to its availability of the same at the time of such applicable.

12. As far as observations made in paragraph 6(c) of Affidavit of the Regional Director is concerned, the Transferee Company submits that the Transferee Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme of Amalgamation will be met and answered in accordance with law.

13. The Counsel for the Regional Director on instructions of Mr. M Chandanamuthu, Joint Director (Legal) in the office of Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertaking and

submission given by the Petitioner Company. The said undertakings given by the Petitioner Company are accepted.

14. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

15. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 399 of 2015 and 400 of 2015 are made absolute in terms of the prayer clause (a) of the respective Company Scheme Petitions.

16. The Petitioner Companies are directed to lodge a copy of this order and Scheme duly authenticated by the Company Registrar, High Court, Bombay, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

17. Petitioner is directed to file a copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act 1956 / 2013, whichever is applicable.

18. The Petitioners in both the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western

Region, Mumbai and Petitioner Company in Company Scheme Petition No. 399 of 2015 to pay cost of Rs.10,000/- to the Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from today.

19. Filing and issuance of the drawn up order is dispensed with.

20. All concerned regulatory authorities to act on a copy of this order along with the Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(**K.R. SHRIRAM**, **J**.)

CERTIFICATE

I certify that this Order uploaded is a true and correct copy of original signed order.

Uploaded by: Shankar Gawde, Stenographer