IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICITON
COMPANY SCHEME PETITION NO. 806 OF 2014
CONNECTED WITH
COMPANY SUMMONS FOR DIRECTION NO. 180 OF 2014

In the matter of Sections 391 to 394 of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Tata Steel Limited

AND

In the matter of the Scheme of Amalgamation between Tata Steel Limited (Transferee Company) and Tata Metaliks Limited (Transferor Company 1) and Tata Metaliks DI Pipes Limited (Transferor Company 2) (formerly known as Tata Metaliks Kubota Pipes Limited) and their respective shareholders and creditors.

Tata Steel Limited)
(CIN: L27100MH1907PLC000260))
A public limited company under)
Act No.VI of 1882 of the Legislative)
Council of India, having its)

Registered office at Bombay)
House, 24, Homi Mody Street,)
Fort, Mumbai 400 001) …Petitioner

Called for hearing:-

Mr. Rohan Agrawal i/b M/s Argus Partners, Advocates for the Petitioner.
Dr. G. R. Sharma i/b Shri A.A. Ansari for Regional Director.

CORAM: S.C. GUPTE J.
DATE: 21st August, 2015

PC:

1. Heard learned counsel for the Petitioner. None appears before the Court to oppose the Scheme and nor any party has controverted any averments made in the Petitions.

2. The sanction of the Court is sought under Sections 391 to 394 of the Companies Act, 1956, to the Scheme of Amalgamation between Tata Steel Limited (hereinafter referred to as "**Transferee Company**") and Tata Metaliks Limited (hereinafter referred to as **"Transferor Company 1"**) and Tata Metaliks DI Pipes Limited (formerly Tata Metaliks Kubota Pipes Limited) (hereinafter referred to as **"Transferor Company 2"** or collectively referred to as **"Transferor Companies"**) and their respective shareholders and creditors, whereby, inter alia, the entire business of the Transferor Companies shall stand transferred to the Transferee Company with effect from the Appointed Date in the manner as set out in the Scheme without any further act or deed pursuant to the

provisions of Section 391 to 394 of the Companies Act, 1956 ("the Act").

3. The learned counsel for the Petitioner states that the main object of the Transferee Company is to carry on the businesses of trade in ironmasters, steel makers, steel converters, and manufacturers of ferro – manganese, colliery proprietors, coke, manufacturers, miners, smelters, engineers, tin plate makers and iron founders. The Transferor Company 1 is primarily engaged in the business of manufacturing and trading in pig iron and its products. The Transferor Company 2 is primarily engaged in the business of manufacturing and trading in ductile iron pipes, fittings and its accessories.

4. The learned counsel for the Petitioner further states that the Composite Scheme of Amalgamation between the Transferee Company and the Transferor Companies and their respective shareholders and creditors will result into following benefits namely:

   a) Integration of operations causing reduction of operational costs. Thus, allowing the Transferee Company to carry on business, more economically.

   b) Synergy benefits arising out of single value chain;

   c) Sustained availability of raw material , common facilities of man power, office space and other infrastructure, thus resulting in optimum use of facilities;

d) Greater and unfettered access of cash flow, when deployed more efficiently, will maximize shareholder value;

e) Enhancement of fund raising opportunities resulting into cost efficiency coupled with greater financial flexibility.

5. The Transferee Company has approved the said Composite Scheme of Amalgamation by passing the Board Resolution which is annexed to the Company Scheme Petition.

6. The learned Counsel for the Petitioner states that the Petitioner Company has complied with all the directions passed in the Company Summons for Direction and that the Company Scheme Petition has been filed in consonance with the orders passed in the Company Summons for Directions.

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

8. The Regional Director has filed his Affidavit on 23rd April, 2015, inter alia, stating therein that save and except as stated in paragraphs 6 (a) to 6 (f) of the said Affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraphs 6 (a) to 6 (f) of the said Affidavit, the Regional Director has stated that:

a. *"Clause 30 of the Scheme provides for adjustment for differences in Accounting Policies between Transferor Companies and Transferee Company. In this regard, it is submitted that in addition to compliance of Accounting Standard-14, the Transferee Company shall pass such accounting entries which are necessary in connection with Scheme to comply with other applicable Accounting Standard as well.*

b. *The Registered office of the Transferor Companies is situated in the State of West Bengal. Hence, the present Scheme of Amalgamation between the Transferor companies and Transferee Company will be subject to the condition of obtaining similar approval from Hon'ble Court of Calcutta in respect of Transferor companies.*

c. *The Shares of 1st Transferor Company are held by Foreign Body Corporate/Non Resident Indian. Hence, while giving effect to the Scheme, by issuing new shares by the Transferee Company has to comply with the provisions of FEMA/RBI regulations as applicable in this regard.*

d. *It is respectfully submitted that the tax implication, if any, arising out of 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 Transferee Company after giving effect to the Scheme. The decision of the*

Income Tax Authority is binding on the Petitioner Company.

e. *It is further submitted before the Hon'ble High Court that one of the shareholders of M/s. Tata Steel Limited viz. Mr. Mukesh Mohan Chandiramani vide his letter dt. 02.03.2015 addressed to the Chairman of the Transferee company endorsing copy to the Central Government, called for information relating to this Scheme. Copy of the said letter is annexed hereto and marked as Exhibit-'D'. Those documents are forming part of the records of the Transferor companies and Transferee company and hence relevant information may be made available by the petitioner company if he is entitled to receive the same from the aforesaid companies (if he is a shareholder of those companies).*

f. *Clause 50 of the Scheme provides for Modification and Amendments to Scheme wherein the Board of Directors of Transferor Company and Tansferee Company have been authorized to make any amendments to Scheme, if necessary, after the Scheme is approved by the Hon'ble High Court. Such liberty shall not be exercised by Board of Directors without obtaining prior approval from the Hon'ble High Court. The Petitioner Company may be directed to undertake to this effect.*

9. In so far as observation made in paragraph 6(a) of the Affidavit of Regional Director is concerned, the Petitioner/Transferee Company through the Counsel undertakes to comply and follow the accounting treatment such as AS-14, AS-5 and other applicable

accounting standards which are necessary in connection with the scheme.

10. As far as observation made in paragraph 6(b) of the affidavit of Regional Director is concerned, the Counsel for the Petitioner clarifies that present Scheme of Amalgamation between the Transferor Company and Transferee Company will be subject to the condition of obtaining similar approval from Hon'ble High Court of Calcutta in respect of Transferor Companies and have applied to the Hon'ble Calcutta High Court and is pending for approval.

11. In so far observations made in paragraph 6(c) of the Affidavit of the Regional Director is concerned, the Petitioner through their Counsel undertakes that while giving effect to the Scheme, the Transferee Company shall comply with the provisions of FEMA/RBI regulations as applicable in this regard.

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

13. As far as the observations made in paragraph 6(e) of the Affidavit of the Regional Director is concerned, the Petitioner through their counsel submits that the information sought by Mr. Mukesh Mohan Chandiramani (shareholder of M/s. Tata Steel Limited) vide his letter dated 02/03/2015, has been already provided in the Notice published as directed by the Hon'ble Court in the Convened Meeting of The Equity Shareholders, Further, Mr. Mukesh Mohan Chandiramani has casted his vote in favour of the scheme in the Court convened Meeting held on 16th May, 2014.Enclosed herewith is the voting results of the Court convened Meeting.

14. As far as observations made in paragraph 6(f) of the Affidavit of the Regional Director is concerned, the Petitioner through their counsel submits that they will obtain all the necessary approvals from the Hon`ble High Court before making any modification to the scheme.

15. It is clarified that the approval of the Scheme by this Court shall not deter the Income Tax Authority to scrutinize the returns filed by the Transferee Company after giving effect to the scheme.

16. The Learned Counsel for Regional Director on instructions of Mr. Chandramutthu, Regional Director, Ministry of Corporate Affairs, Western Region, Mumbai, states that they are satisfied with the undertakings given by the Petitioner Company. The said undertakings given by the Petitioner Company are accepted.

17. 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.

18. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition is made absolute in terms of prayer clauses (a), (c) and (e).

19. The Transferee Company is directed to lodge a copy of this order and the 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 the order.

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

21. The Petitioner to pay costs of Rs.10,000/- to the Regional Director, Western Region, Mumbai.

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

(S.C. Gupte J.)