

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY SCHEME PETITION NO. 860 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 863 OF 2014.

Precicut Technologies Private Limited ...Petitioner/ Amalgamating Company 1

AND

COMPANY SCHEME PETITION NO. 861 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 864 OF 2014

Aurangabad Motor Manufacturers Limited..Petitioner/ Amalgamating Company 2

AND

COMPANY SCHEME PETITION NO. 862 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 865 OF 2014

Deccan Carbon Products Limited..Petitioner/ Amalgamating Company 3

AND

COMPANY SCHEME PETITION NO. 863 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 866 OF 2014

Waluj Investments & Trading Company Private Limited..Petitioner/ Amalgamating
Company 4

AND

COMPANY SCHEME PETITION NO. 864 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 867 OF 2014

Aurangabad Electricals Limited..Petitioner/ Amalgamated / Demerged Company

AND
COMPANY SCHEME PETITION NO. 865 OF 2014.

CONNECTED WITH

COMPANY SUMMONS FOR DIRECTION NO. 868 OF 2014
BG Fastening and Engineering Industries Limited..Petitioner/ Resulting Company

In the matter of the Companies Act 1956;

AND

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

AND

In the matter of Scheme of Arrangement
between Precicut Technologies Private
Limited (Petitioner Company or
Amalgamating Company 1) AND
Aurangabad Motor Manufacturers
Limited (Amalgamating Company 2)
AND Deccan Carbon Products Limited
(Amalgamating Company 3) AND Waluj
Investments & Trading Company
Private Limited (Amalgamating
Company 4) AND Aurangabad
Electricals Limited (Amalgamated
Company / Demerged Company) AND
BG Fastening and Engineering
Industries Limited (Resulting Company)
AND their respective shareholders and
Creditors

Called for Hearing

Mr. Hemant Sethi i/b Hemant Sethi & Co., Advocates for the Petitioners in
all the Petitions.

Mr. P.S. Jetly, i/b Mr H.P. Chaturvedi for Regional Director in all the Company Scheme Petitions.

Mr. S Ramakantha Official Liquidator, present in Company Scheme Petitions No. 860 to 863.

CORAM: S.J. Kathawalla, J.

DATE: 13th March, 2015

1. Heard the learned counsel for the Petitioner Companies. No objector has come before the court to oppose the Scheme 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 Arrangement between Precicut Technologies Private Limited (Petitioner Company or Amalgamating Company 1) AND Aurangabad Motor Manufacturers Limited (Amalgamating Company 2) AND Deccan Carbon Products Limited (Amalgamating Company 3) AND Waluj Investments & Trading Company Private Limited (Amalgamating Company 4) AND Aurangabad Electricals Limited (Amalgamated Company / Demerged Company) AND BG Fastening and Engineering Industries Limited (Resulting Company) AND their respective shareholders and Creditors.
3. Learned Counsel for the Petitioners states that the Amalgamating Company 1 is presently engaged in the business of manufacturing and retailing of electrical components for automobile and engineering industry, the Amalgamating Company 2 is presently engaged in the business of investment in shares of group companies, the Amalgamating Company 3 is presently engaged in the business of manufacture of Sand Cores and investment in shares of Group Company, the Amalgamating Company 4 is presently engaged in the business of investment in shares of group companies and the Amalgamated Company is presently engaged in the business of

manufacturing automotive components such as aluminum castings, high tensile steel fasteners and auto electrical components and generation of electricity through wind mills. The Resulting Company is presently engaged in the business of manufacturing and retailing of electrical components for automobile and engineering industry.

4. The proposed Scheme of Arrangement between Precicut Technologies Private Limited (Petitioner Company or Amalgamating Company 1) AND Aurangabad Motor Manufacturers Limited (Amalgamating Company 2) AND Deccan Carbon Products Limited (Amalgamating Company 3) AND Waluj Investments & Trading Company Private Limited (Amalgamating Company 4) AND Aurangabad Electricals Limited (Amalgamated Company / Demerged Company) AND BG Fastening and Engineering Industries Limited (Resulting Company) would result into following benefits namely Cost savings in terms of economies of scale, sourcing benefits, vendor rationalization, standardization and simplification of business processes and productivity improvements, Attribution of appropriate risk and valuation to different business based on their respective risk return profile and cash flows, Enhancing the efficiency of the balance sheet, greater visibility on the performance of individual business, Opportunities for strategic partnership and flexibility of fund raising capability for future growth and expansion and to create a structure geared to take advantage of growth opportunities and the businesses and activities of the respective companies will be carried on more economically, conveniently and advantageously under the Scheme and the same will have beneficial results for the said companies, their shareholders and all concerned.
5. The Petitioner Companies have approved the said Scheme by passing Board Resolutions which are annexed to the respective Company Scheme Petitions.

6. The learned Advocate for the Petitioners state that Petitioner Companies have complied with all directions passed in company summons for Directions and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company summons for Directions.
7. Counsel appearing on behalf of the Petitioners has stated that they have complied with all requirements as per directions of this Court and they have filed necessary affidavits of compliance in the Court. Moreover, Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956 / 2013 and the Rules made there under. The said undertakings given by the Petitioner Companies are accepted.
8. The Official Liquidator has filed his report on 13th February 2015 stating that the affairs of the Transferor Companies have been conducted in a proper manner and that Transferor Companies may be ordered to be dissolved.
9. The Regional Director has filed an Affidavit on 25th February, 2015 stating therein that save and except as stated in paragraph 6(a) & (b) of the said affidavit, it appears that the Scheme is not prejudicial to the interest of shareholders and public.

In paragraph 6(a) and 6(b) of the said affidavit, it is stated that:

6. That the deponent further submits that :-

(a) *Clause 4.1 of the scheme defines appointed date which states that the appointed date is the effective date as defined in clause 4.1.3 of the scheme. It is observed that there is no mention of a specific date as appointed date.*

The specific date is required in as much as to ascertain what is the value of assets and liabilities as on appointed date are going to be transferred to Resulting Company from Demerged

Company and also to ascertain the correctness of consideration payable by the Resulting Company to the shareholders of Demerged Company. In view of the above the petitioner company may be directed to clarify the same.

- (b) That the deponent further submits that the tax issue if any arising out of this scheme shall be subject to final decision of the Income Tax Authority and approval of Scheme by Hon'ble High Court may not deter the Income Tax authority to scrutinize the tax returns filed by the Petitioner Company after giving effect to amalgamation. The decision of the Income Tax Authority is binding on the Petitioner Company.*

10. As far as observations made in paragraph 6(a) of Affidavit of the Regional Director is concerned, the Petitioner Company through its Counsel clarifies that the Resulting Company has communicated vide its letter dated 19th February 2015 to the Regional Director about the same and has undertaken to keep 1st of March 2015 as the Appointed Date for Demerger of the Fastener Business from Amalgamated Company to Resulting Company.
11. As far as observations made in paragraph 6(b) of Affidavit of the Regional Director is concerned, the Petitioner Company submits that the Petitioner Company is bound to comply with all applicable provisions of the Income Tax Act and all tax issues arising out of the Scheme of Arrangement will be met and answered in accordance with law.
12. 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.

13. 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.
14. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 860 to 865 of 2014 filed by the Petitioner Companies are made absolute in terms of prayer clause (a).
15. The Petitioner Companies to lodge a copy of this order and the Scheme and form of minutes, duly authenticated by the Company Registrar, High Court (O.S.), 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.
16. Petitioner Companies are directed to file a copy of this order along with a copy of the Scheme and form of minutes with the concerned Registrar of Companies, electronically, along with E-Form INC 28 in addition to physical copy as per the provisions of the Companies Act 1956 / 2013.
17. The Petitioner Companies in all the Company Scheme Petitions to pay costs of Rs.10,000/- each to the Regional Director, Western Region, Mumbai and Petitioner Companies in Company Scheme Petition No. 860 to 863 of 2014 to pay costs of Rs.10,000/- each to Official Liquidator, High Court, Bombay. Costs to be paid within four weeks from the date of the order.
18. Filing and issuance of the drawn up order is dispensed with.
19. All concerned regulatory authorities to act on a copy of this order along with Scheme duly authenticated by the Company Registrar, High Court (O. S.), Bombay.

(S.J. Kathawalla. J.)