



## KRANTI INDUSTRIES LIMITED

Date: December 20, 2023

To,  
The Manager,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001

Script Code: 542459  
Script Symbol: KRANTI

Subject: Update on the Scheme of Merger by Absorption between of Wonder Precision Private Limited (“Transferor Company”) with Kranti Industries limited (“Company”/“Transferee Company”) and their respective shareholders.

Dear Sir/Madam,

Further to our communication dated 27<sup>th</sup> May, 2023 and pursuant to Regulation 30 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant amendment thereto from time to time, we would like to inform that Hon’ble NCLT, Mumbai Bench has issued the order giving directions on December 19, 2023, in the matter of “Scheme of Merger by Absorption” of Wonder Precision Pvt Ltd (“Transferor Company”) with Kranti Industries Limited (“Transferee Company”) and their respective shareholders, in the case no. C.A. (CAA)/190/MB/2023 dispensing with the meeting of the Equity Shareholders of the Transferor Company, meeting of secured and unsecured creditors of the transferor and transferee Company respectively and the copy of the same is enclosed herewith for your reference.

We request you to take on record the enclosed copy of the order uploaded on NCLT website.

Thanking you,

For and on behalf of  
**KRANTI INDUSTRIES LIMITED**

**BHAVESH SELARKA**  
(Company Secretary & Compliance officer)  
Membership No.: A42734

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT-V**

**C.A. (CAA)/190/MB/2023**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder;

AND

In the matter of Scheme of Merger by Absorption of Wonder Precision Private Limited (**WPPL** or '**Transferor Company**') with Kranti Industries Limited (**'KIL'** '**Transferee Company**') and their respective shareholders

**Wonder Precision Private Limited** ) ... First Applicant Company /  
CIN - U27109PN1986PTC039913 Transferor Company

**Kranti Industries Limited** ) ... Second Applicant Company /  
CIN: L29299PN1995PLC095016 Transferee Company

*(Hereinafter the First and Second Applicant Companies are collectively referred to as 'Applicant Companies')*

**Order Dated:19.12.2023**

**Coram:**

K.R. Saji Kumar, Hon'ble Member (Judicial)  
Madhu Sinha, Hon'ble Member (Technical)

**Appearances: (Physical)**

For the Petitioner: Adv. Ajit Singh Tawar a/w Adv, Kushal Kumar



**ORDER**

*Per: Madhu Sinha, Member (Technical)*

1. The Learned Counsel for the Applicant Companies submits that the present Scheme is a Scheme of Merger by Absorption of Wonder Precision Private Limited (**'WPPL'** or **'Transferor Company'**) with Kranti Industries Limited (**'KIL'** **'Transferee Company'**) and their respective shareholders (**"the Scheme"**) under Sections 232 read with Section 230 of the Companies Act, 2013.
2. The Learned Counsel for the Applicant Companies submits that the **First Applicant Company is engaged in the business** of export, import, manufacture, assemble, produce, exhibit, use manipulate, work, distribute, buy, sell, or otherwise deal in all kinds of metals, tools, jigs, doles, moulds, fixtures, mechanical instruments and devices, agricultural implements, automotive parts, gauges, appliances, apparatus, lathes, sharpeners, drillers, grindere, boaring machines, slotters, milling machines, scientific and precision instruments and to carry out forging, foundry, press work, profile work, engineering fabrication and erection works. The Transferor Company is a wholly owned subsidiary of the Transferee Company.
3. The Learned Counsel for the Applicant Companies submits that **the Second Applicant Company is engaged in the business** of manufacturing, processing, assembling, exporting, importing, buying, selling, dealing in mechanical, electrical, electronics, computers, agricultural, and metal products, consumer products, tools, measuring instruments, machine tools, appliances, machineries, components, accessories, and spare parts including automotive parts, alloys, nut bolts, gauges bearing, steel rounds, nails, hand tools and all types of hardware items for use in connection therewith.



4. The Learned Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Companies in their respective meetings held on 27<sup>th</sup> day of May, 2023 have approved the proposed Scheme.
5. The Appointed Date for the Scheme is 1<sup>st</sup> day of April, 2023.
6. The Learned Counsel for the Applicant Companies further submits that **the Rationale for the Scheme** are as follows:  
**The Transferor Company, is an unlisted company and the Transferee Company, listed on BSE Limited,** both are a part of the same group. Further, the Transferor Company is a wholly owned subsidiary of the Transferee Company. The proposed Scheme would be in the best interest of the Transferor and Transferee Company and their respective shareholders, employees, creditors and other stakeholders which would help in achieving operational efficiency and streamlining the business operations. Further, this Scheme is expected, inter alia, to result in the following benefits:
  - a. Consolidation and simplification of group structure;
  - b. Achieving operational and management efficiencies;
  - c. Elimination of multiple entities independently undertaking various projects and thereby eliminating duplication of administrative functions and reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by the Transferor Companies;
  - d. Enable pooling of resources of Transferor and Transferee Company to their common advantage, resulting in more productive utilization of resources and achieving economies of scale.
  - e. Reduction in compliances and statutory filings with various government departments.
  - f. Achieving economies of scale.



- g. Combined capital resources would strengthen the financial position of the merged entity and result in increasing leveraging capacity of the merged entity i.e. its capacity to borrow funds for business purposes.
  - h. Synchronizing of efforts to achieve uniform corporate policy.
  - i. Ease in decision making.
  - j. To reflect the consolidated net worth of these companies in one balance sheet.
7. The Learned Counsel for the Applicant Companies submits that since the Transferor Company is a wholly owned subsidiary of Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company (held directly and jointly with individuals) and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument, or deed.
8. The Authorized, Issued, Subscribed and Paid-up Share Capital of the First Applicant Company as on 31<sup>st</sup> March, 2023 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorized Capital</b>	
1 000 equity shares of ₹ 100 each	1,00,000
<b>Total</b>	<b>1,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
1 000 equity shares of ₹ 100 each	1,00,000
<b>Total</b>	<b>1,00,000</b>



9. The Authorized, Issued, Subscribed and Paid-up Share Capital of the Second Applicant Company as on 31<sup>st</sup> March, 2023 is as under:

<b>Particulars</b>	<b>Amount (Rs.)</b>
<b>Authorized Capital</b>	
1,50,00,000 Equity shares of ₹ 10 each	15,00,00,000
<b>Total</b>	<b>15,00,00,000</b>
<b>Issued, Subscribed and Paid – up Capital</b>	
1,05,62,400 Equity shares of ₹ 10 each	10,56,24,000
<b>Total</b>	<b>10,56,24,000</b>

10. The Learned Counsel for the Applicant Companies submits that as on 31<sup>st</sup> day of March, 2023, there are **2 (Two) Equity shareholders in the First Applicant Company** and both of the Equity Shareholders of the First Applicant Company **have given their consent in writing** to the proposed Scheme. The Consent Affidavits of the Equity Shareholders are annexed to the Company Scheme Application. In view of the Consent Affidavits provided by both the Equity Shareholders of the First Applicant Company, the meeting of the Equity Shareholders of the First Applicant Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is hereby dispensed with.

11. The Learned Counsel for the First Applicant Company submits that as on 31<sup>st</sup> day of March, 2023, **the First Applicant Company does not have any Secured Creditors**, therefore, the question of convening and holding of the meeting of Secured Creditors of the First Applicant Company does not arise. The certificate dated 14<sup>th</sup> day of June, 2023 as issued by Messrs. Siddharth Bogwat & Associates, Statutory Auditors of the First Applicant Company verifying no secured creditors of



the First Applicant Company as on 31<sup>st</sup> day of March, 2023 is annexed to the Company Scheme Application.

12. The Learned Counsel for the Applicant Companies submits that the **First Applicant Company have 5 (Five) Unsecured Creditors** aggregating to Rs.6,08,098/- (Six Lacs Eight Thousand Ninety-Eight Rupees) as on 31<sup>st</sup> March, 2023. The certificate dated 14<sup>th</sup> day of June, 2023 as issued by Messrs. Siddharth Bogwat & Associates, Statutory Auditors of the First Applicant Company verifying the list of unsecured creditors of the First Applicant Company as on 31<sup>st</sup> day of March, 2023 is annexed to the Company Scheme Application. **All the unsecured creditors have given their consent affidavit** to the Proposed Scheme and for dispensing with the Tribunal convened meeting which is attached to the Company Scheme Application. In view of the fact that 100% in value of the Unsecured Creditors of the First Applicant Company has given the Consent Affidavit, the meeting of the Unsecured Creditors of the First Applicant Company for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is hereby dispensed with.

13. The Learned Counsel for the Transferee Company submits that the equity share capital of the Transferee Company is listed on BSE Limited (“**BSE**”) accordingly its equity shares are (widely and publicly) traded on nation-wide terminals. The requirement of obtaining observation/no-objection letters, as stipulated under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), read with the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21 and Master circular dated November 23, 2021, bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 issued by SEBI (“**SEBI Scheme Circular**”) is not applicable. Further, in accordance with the provisions of Regulation 37(6) of SEBI LODR, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 read with the circular dated March



10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, the Transferee Company has provided adequate disclosures to the Stock Exchanges and the same is provided by the Transferee Company a copy of such disclosure is annexed to the Application as “Annexure M”.

14. The Learned Counsel for the Transferee Company submit that the scheme does not affect the rights and interests of the members or the creditors of the Transferee Company and does not involve any re-organization of the share capital of the Transferee Company. Pursuant to the Scheme, all assets of the Transferor Companies would be transferred to the Transferee Company. The assets and liabilities of Transferor Company will be appropriated under the Scheme by the Transferee Company and the shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are being issued and there is no change in the capital structure. Further, the net worth of the Transferee Company is positive. The assets of the Transferee Company are more than sufficient to discharge its liabilities. Further, post amalgamation, the creditors of the Transferee Company are also not likely to be affected by the Scheme being approved.

15. The Learned Counsel for the Applicant Companies submits that the **Second Applicant Company has 61 (Sixty-One) Unsecured Creditors** aggregating to Rs.14,70,49,745/- (Fourteen Crores Seventy Lakhs Forty-Nine Thousand Seven Hundred and Forty-Five Rupees) as on 31<sup>st</sup> March, 2023. Of which 35 Unsecured Creditors (in value) aggregating to Rs.14,24,66,565/- constituting **96.88% have given Consent Affidavits / No objection to the proposed Scheme** and for dispensing with the Tribunal convened meeting. The consent affidavits are attached in the Company Scheme Application. In view of the fact that more than 90% in value of the Unsecured Creditors of the Second Applicant Company have given the Consent Affidavits, the meeting of the Unsecured Creditors of the Second Applicant





Company for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is hereby dispensed with.

16. The Learned Counsel for the Applicant Companies submits that the **Second Applicant Company have 5 (Five) Secured Creditors** aggregating to Rs.25,28,39,221/- (Twenty-Five Crores Twenty-Eight Lacs Thirty Nine Thousand Two Hundred and Twenty One Rupees) as on 31<sup>st</sup> March, 2023. **All the Secured creditors have given their consent affidavit / NOC to the Proposed Scheme** and for dispensing with the Tribunal convened meeting which is attached in the Company Scheme Application. In view of the fact that 100% in value of the Secured Creditors of the Second Applicant Company has given the Consent Affidavit / No Objection Certificate, the meeting of the Secured Creditors of the Second Applicant Company for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) is hereby dispensed with.

17. The Applicant Companies are directed to serve notices along with the copy of the Scheme upon the –

- a. Central Government through the office of Regional Director (Western region), Mumbai.
- b. Jurisdictional Registrar of Companies, Maharashtra.
- c. Jurisdictional Income Tax Authority within whose jurisdiction the Applicant Company's assessment are made;

S. No.	Name of Company	PAN
1.	Wonder Precision Private Limited	AAACU2355B
2.	Kranti Industries Limited	AAACK8713H

and the Nodal Authority in the Income Tax Department having jurisdiction over such authority i.e. Pr. CCIT, Mumbai, Address: - 3rd Floor, Aayakar Bhawan, Mahrishi Karve Road, Mumbai – 400 020, Phone No. 022-22017654 [E-mail: [Mumbai.pccit@incometax.gov.in](mailto:Mumbai.pccit@incometax.gov.in)];



- d. Jurisdictional GST Authority(s) (proper officer), within whose jurisdiction such companies are assessed to tax under GST law

S. No.	Name of Company	GSTIN
1.	Wonder Precision Private Limited	27AAACU2355B1ZQ
2.	Kranti Industries Limited	27AAACK8713H1ZI

- e. The Securities and Exchange Board of India, in case of Transferee Company  
f. The BSE Limited, in case of Transferee Company  
g. Any other Sectoral/Regulatory Authorities relevant to the Applicant Companies or their business under the provisions of Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

18. The Transferor Company are also directed to serve the Copy of Scheme upon Official Liquidator, pursuant to section 230(5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016. This Tribunal is appointing N.B Shah & Associates having address at 702, Skyline, Wealth Space, Above KIA Motors, Vidyavihar West, Mumbai-400086 to assist the Official Liquidator to scrutinize books of Accounts of the Applicant Companies for the last five years on a remuneration of Rs. 2,50,000/- excluding taxes. If no response is received by the concerned Tribunal from Official Liquidator within 30 days it may be presumed that Official Liquidator, High Court, Bombay, has no objection to the proposed Scheme.

19. The Notice shall be served through by Registered Post-AD/Speed Post/ Hand Delivery or email along with copy of scheme and state that “If no response is received by the Tribunal from the concerned Authorities within 30 days of the date of receipt of the notice it will be presumed that the concerned Authorities has no objection to the proposed Scheme”. It is clarified that notice service through courier shall be taken on record only in cases where it is supported with Proof of Delivery having acknowledgement of the notice.



20. The Applicant Companies will file Affidavit of Service in the Registry with regard to the directions given in this Order and do report to this Tribunal that the directions regarding the issue of notices have been duly complied with.

21. Ordered accordingly. C.A.(CAA)/190/MB/2023 is **allowed**.

SD/-

**Madhu Sinha**

**Member (Technical)**

/Aakansha/

SD/-

**K.R. Saji Kumar**

**Member (Judicial)**