

A foreign company in Piemonte
Focus: Acquisition of local companies by foreign groups

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Roberto Peiretti
Managing Director Italy Tekfor S.p.a (Germany, India)



Tekfor manufactures engineering components primarily for the automotive sector. It has undergone a pre-bankruptcy agreement procedure, during which ownership passed from

the previous German parent company (also subject to the same procedure) to a new Indian stockholder.

Sito web: www.neumayer-tekfor.com

Is this your first experience of restructuring a company under the Italian Bankruptcy Law?

Yes, soon after I joined Tekfor, I had to tackle a restructuring plan under the Bankruptcy Law for the first time. The Group's financial problems, which caused it to sign up to the German bankruptcy procedure known as "Protective Shield", also affected the Italian company, making it necessary to apply the new Bankruptcy Law, modified by the 2012 Development Decree. While the group embarked on a process of M&A, in January 2013 we applied to the Turin Court for a pre-bankruptcy agreement. When all the assets of the Neumayer Tekfor group were acquired by the Indian Amtek group, the debt restructuring plan was approved by the new owners and presented to the Court. A few weeks later the agreement proposed by Tekfor was accepted, and the procedure was concluded in December 2013 with the approval of the creditors.

Do you think the current legislative framework is effective? What deficiencies or problems have you met?

Based on my own experience I would say that the legislative framework is sufficiently effective and fairly streamlined, in fact the whole process was concluded in about 10 months. However I cannot assess the impact and effects of the more recent changes, particularly regarding the pre-deductibility of receivables accruing under a going-concern arrangement, which in our case was fundamental to guarantee the continuity of supplies.

How did employees and top management view this experience?

Recourse to the Bankruptcy Law obviously causes comprehensible anxiety for company personnel at all levels. I think it is fundamental that top management should guarantee direct and constant communications. In our case, we have held periodical informative meetings with all our employees from the start, above all to coincide with significant deadlines.