

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

**C.A. (CAA) No. 28 of 2022**

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

And

In the matter of Scheme of Merger by Absorption of Starlite Lighting Limited ('First Applicant Company'/ 'Transferor Company'/ 'SLL') with Bajaj Electricals Limited ('Second Applicant Company'/ 'Transferee Company'/ 'BEL') and their respective Shareholders.

**Starlite Lighting Limited** )

Public Limited Company incorporated )  
under the Companies Act, 1956 having its )  
Registered Office situated at Gat No. 423- )  
426, Mumbai-Agra Highway, Post )  
Wadivarhe - 422403, Taluka - Igatpuri, )  
District - Nashik, Maharashtra, India. )  
CIN: U31300MH1995PLC090213. )

)... **First Applicant Company/  
Transferor Company**

**Bajaj Electricals Limited** )

Public Limited Company incorporated )  
under the Indian Companies Act, 1913 )  
having its Registered Office situated at )  
45/47, Veer Nariman Road, Mumbai - )  
400001, Maharashtra, India. )  
CIN: L31500MH1938PLC009887. )

)... **Second Applicant Company/  
Transferee Company**

(SLL and BEL hereinafter collectively referred to as '**the Applicant Companies**')

**Order delivered on 21.02.2022**



**Coram:**

Hon'ble Shri. H.V. Subba Rao, Member (Judicial)

Hon'ble Shri. Chandra Bhan Singh, Member (Technical)

***Appearance (through video conferencing):***

For the Petitioner Companies : Mr. Ajit Singh Tawar i/b Ajit Singh Tawar & Co., Advocates

**ORDER**

1. The Counsel for the Applicant Companies submits that the present Scheme is a Scheme of Merger by Absorption of Starlite Lighting Limited (Transferor Company) with Bajaj Electricals Limited (Transferee Company) and their respective Shareholders (the "Scheme") under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.
2. The Counsel for the Applicant Companies further submits that the First Applicant Company is engaged in the business of manufacture of different consumer electrical products including: (i) lighting products including compact fluorescent lamps (CFLs) and light emitting diode (LED) of various shapes, sizes, lumens etc.; and (ii) consumer electrical appliances like water heaters (storage and instant), mixers, food processors, juicers, hand blenders, room heaters (oil filled radiators), fans etc. The Second Applicant Company is engaged in the business of diversified range of products and services including sales, distribution and marketing of electrical appliances, manufacture of fans and high masts, poles and towers and products relating to industrial, commercial, and domestic lighting, undertaking turnkey, commercial and rural lighting projects, design, manufacture, erection and commissioning of high masts, poles and towers.
3. The Counsel for the Applicant Companies submits that the Board of Directors of the Applicant Companies in their respective meetings held on 25<sup>th</sup> May, 2021 has approved the proposed Scheme. The Board

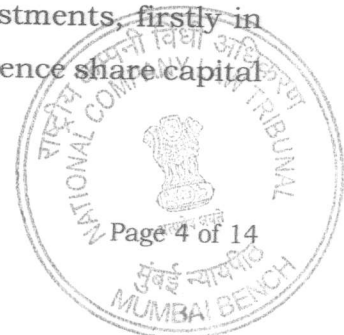


Resolution approving the Scheme for the Applicant Companies was annexed as "Annexure E (Colly)" to the Company Scheme Application.

4. The Appointed Date in the Scheme is 1<sup>st</sup> Day of April, 2021.
5. The Authorised, Issued, Subscribed and Paid-up Share Capital of the Applicant Companies is as under:
  - a. The Authorised Share Capital of the First Applicant Company as on 31<sup>st</sup> March, 2021 is ₹1,02,50,00,000/- divided into 5,75,00,000 Equity Shares of ₹10/- each and 4,50,00,000 Preference Shares of ₹10/- each. The Issued, subscribed and paid up Share Capital of the First Applicant Company as on 31<sup>st</sup> March, 2021 is ₹ 57,50,00,000/- divided into 1,25,00,000 Equity Shares of ₹10/- each, 1,00,00,000 9% cumulative redeemable preference shares of ₹10/- each 50,00,000 9% non-convertible cumulative redeemable preference shares of ₹10/- each and 3,00,00,000 0% non-convertible redeemable, non-cumulative preference shares of ₹10/- each.
  - b. Subsequent to 31<sup>st</sup> March 2021 there has been a change in the Issued, Subscribed and Paid-up share capital of the First Applicant Company, the Issued, subscribed and paid up Share Capital of the First Applicant Company as on 30<sup>th</sup> September, 2021 is ₹1,02,50,00,000/- divided into 5,75,00,000 Equity Shares of ₹10/- each, 1,00,00,000 9% cumulative redeemable preference shares of ₹10/- each, 50,00,000 9% non-convertible cumulative redeemable preference shares of ₹10/- each and 3,00,00,000 0% non-convertible redeemable, non-cumulative preference shares of ₹10/- each.
  - c. The Authorised Share Capital of the Second Applicant Company as on 31<sup>st</sup> March, 2021 is ₹40,00,00,000/- divided into 20,00,00,000 Equity Shares of ₹2/- each. The Issued, subscribed and paid up Share Capital of the Second Applicant Company as on 31<sup>st</sup> March, 2021 is ₹22,90,73,238/- divided into 11,45,36,619 Equity Shares of ₹2/- each.

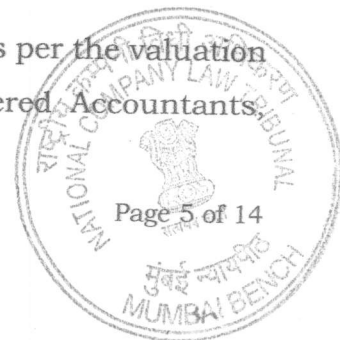


- d. Subsequent to 31<sup>st</sup> March 2021 there has been a change in the Issued, Subscribed and Paid-up share capital of the Second Applicant Company, the Issued, subscribed and paid up Share Capital of the Second Applicant Company as on 30<sup>th</sup> September, 2021 is ₹ 22,94,81,918/- divided into 114,740,959 Equity Shares of ₹2/- each.
6. The Counsel for the Applicant Companies further submits that the rationale for the Scheme are as follows:
- a. SLL is a manufacturer of different consumer electrical products such as lighting products including CFLs and LED; also, manufacturer of consumer electrical appliances like water heaters, mixers including new models, food processors, juicers, hand blenders, room heaters (oil filled radiators), fans etc.
- b. SLL has manufacturing plant located at Wadivarhe, Igatpuri, Nashik, which is a major emerging industrial city in the State of Maharashtra, with good geographical location and has a great connectivity of roads. The plant is located at prime location which is easily accessible.
- c. BEL is part of the globally renowned Bajaj Group of Companies, one of the largest Indian conglomerates with business interests across several sectors. BEL business is spread across – consumer products (appliances, fans, lighting etc.), and EPC (illumination, transmission towers and power distribution), in India and outside India.
- d. SLL and BEL are engaged in the similar line of business i.e. manufacturing and distribution of consumer products, lighting and allied products which complement to each other.
- e. SLL is presently an Original Equipment Manufacturer (“OEM”) vendor for BEL and BEL is the largest customer of products manufactured by SLL. Merger is in line with BEL’s strategic decision to increase in-house manufacturing and reduce dependency on OEM vendors.
- f. Since the year 2007, BEL has made strategic investments, firstly in the equity share capital of SLL and later in the preference share capital



of SLL from time to time. Further, BEL has also provided several long-term and short-term loans, as well as trade advances to SLL over the years. Also, BEL has given corporate guarantees to lenders for loans availed by SLL from its lenders. Accordingly, the Merger of SLL with BEL will enable consolidation of business of SLL into BEL for strategic and commercial considerations.

- g. SLL has a good production line, which manufactures good quality products and has a skilled, competent and experienced labour force which are required for manufacturing such products. BEL will reap long-term benefits by absorbing such production line and skilled labour force including safeguarding the intellectual property and designs of certain products which are proposed to be launched in markets with its unique fit, finish and features, which can distinguish its products from competitors.
  - h. Merger of SLL with BEL will lead to a more efficient utilization of capital, greater business synergies, superior deployment of brand promotion, sales and distribution strategies and create a consolidated and diversified base for future growth.
  - i. The Merger will result in administrative and operational rationalization and promote organizational efficiencies with the achievement of greater economies of scale, reduction in overheads and improvement in various other operating parameters.
  - j. There is no likelihood that any creditor of the Transferor Company or the Transferee Company will be prejudiced as a result of the Scheme. The Scheme will neither impose any additional burden on the shareholders of the Transferor Company, nor will it adversely affect the interests of any of the shareholders or creditors of the Transferor Company and Transferee Company. Further, the Scheme is only for the Merger of the Transferor Company with the Transferee Company and is not an arrangement with the creditors of any of the entities involved.
7. The Counsel for the Applicant Companies state that as per the valuation report of the M/s. R V Shah & Associates, Chartered Accountants,



Registered Valuer (IBBI/RV/06/2018/10240), the consideration proposed is as under:

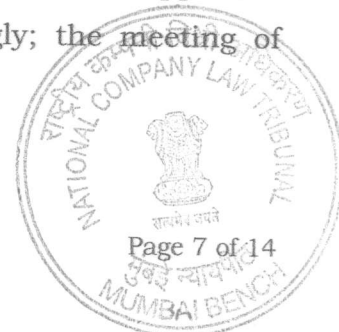
*“The Transferee Company shall without any further act or deed, issue and allot 1 (one) equity share of face value of ₹2 (Rupees Two Only) each of the Transferee Company to each of the Eligible Members).”*

8. The Counsel for the Applicant Companies states that there are 20 (Twenty) Equity Shareholders and 1 (One) Preference Shareholder in the First Applicant Company. The entire Preference Share Capital of the First Applicant Company is held by the Second Applicant Company. 19 (Nineteen) Equity shareholders constituting 98.20% of the entire Equity Share Capital and Sole Preference Shareholder of the First Applicant Company have given their consent in writing to the proposed Scheme. In view of the consent affidavits filed by the 19 Equity Shareholders (constituting 98.20% of the entire Equity Share Capital) and Sole Preference shareholder (constituting entire 100% of the Preference Share Capital) of the First Applicant Company, the meetings of the Equity Shareholders and Preference Shareholders of the First Applicant Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) are hereby dispensed with. The Consent affidavits are annexed as “Annexure L2 (Colly)” and “Annexure L3 (Colly)” respectively to the Company Scheme Application. The Counsel for the First Applicant Company further states that the out of 20 Shareholders one shareholders i.e. Starlite Components Ltd holding 1.20 % shareholding is admitted to CIRP on 29.01.2020 in C.P. (IB)- 3550/MB/IBC/2019 by this NCLT, the Counsel further undertakes to procure the consent affidavit of Starlite Components Ltd before the final sanction to the scheme is accorded by this Tribunal.
9. The Counsel for the Applicant Companies submits that the First Applicant Company has 1 (One) Secured Creditor having debt amounting



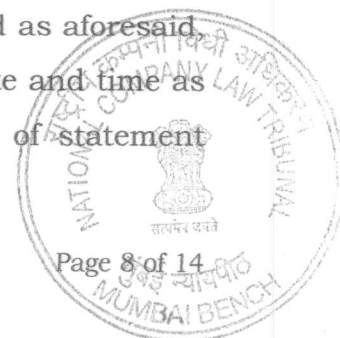
to ₹13,86,45,768/- (Rupees Thirteen Crores Eighty-Six Lakhs Forty-Five Thousand Seven Hundred and Sixty-Eight Only) as on 30<sup>th</sup> September, 2021. The First Applicant Company is directed by the Bench to obtain the approval of the secured Creditor well before the final hearing and approval of the Scheme.

10. The Counsel for the Applicant Companies submits that the First Applicant Company has 222 (Two hundred and Twenty-two) Unsecured Creditors, the aggregate debt value of such unsecured creditors being ₹5,02,79,69,794/- (Rupees Five Hundred and Two Crore Seventy-Nine Lakh Sixty-Nine Thousand Seven Hundred Ninety-Four Only) as on 30<sup>th</sup> day of September, 2021. List of Unsecured Creditors of the First Applicant Company certified by the Statutory Auditor vide certificate dated 9<sup>th</sup> December 2021 as issued by Messrs S R B C & CO LLP, was annexed as "Annexure N1 (Colly)" to the Company Scheme Application. Further, since the present Scheme is an arrangement between the Applicant Companies and their Shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise or arrangement with Creditors as it does not affect the rights and interests of the Creditors of the First Applicant Company. Further there is no diminution of liability of any of the Creditors of the First Applicant Company who will be paid off in the ordinary course of business. In addition to this, the Second Applicant Company, which is also an Unsecured Creditor of the First Applicant Company, having an outstanding debt amount of ₹4,65,67,53,695/-, constituting 93% of aggregate value of unsecured creditors has given its consent to the Proposed Scheme by way of consent affidavit annexed as "Annexure N2" to the Company Scheme Application and further undertakes to issue notice to other unsecured creditors. In view of this, the meeting of the Unsecured Creditors of the First Applicant Company deserves to be dispensed with accordingly; the meeting of



Unsecured Creditors of the First Applicant Company is hereby dispensed with.

11. The Counsel for the Applicant Companies states that the equity share capital of the Second Applicant Company is listed on BSE Ltd. and National Stock Exchange of India Ltd. accordingly its equity shares are (widely and publicly) traded on nation-wide terminals. A Certificate dated 1<sup>st</sup> December, 2021 as issued by Messrs Katre Barwe & Associates, a partnership firm of practicing chartered accountants verifying Shareholding Pattern of the Second Applicant Company as on 30<sup>th</sup> September, 2021 was annexed to the Company Scheme Application as "Annexure M". Accordingly, the meeting of the Equity Shareholders of the Second Applicant Company be convened and held through Video Conferencing or Other Audio-Visual Means (VC/OAVM), on Tuesday, 31<sup>st</sup> day of May, 2022 at 11:00 A.M. for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed Scheme.
12. The Second Applicant Company is directed to:
  - i. Issue Notice convening meeting(s) of the shareholders of the Second Applicant Company in Form No. CAA.2 as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
  - ii. Issue Statement containing all the particulars as per Section 230(3) of the Companies Act, 2013;
  - iii. Advertise the Notice convening meeting(s) in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
13. That at least one month before the said meeting of the Equity shareholders of the Second Applicant Company to be held as aforesaid, a notice convening the said meeting at the place, day, date and time as aforesaid, together with a copy of the Scheme, a copy of statement





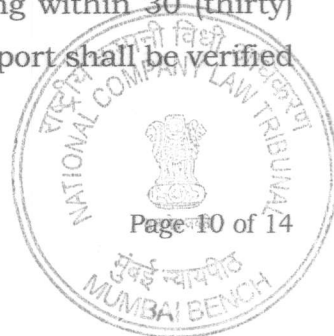
disclosing all material facts as required under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rule, 2016, shall be sent by Courier/ Registered Post / Hand Delivery / Speed Post or through Email (to those shareholders whose email addresses are duly registered with the Second Applicant Company for the purpose of receiving such notices by email), addressed to each of the Shareholders of the Second Applicant Company, at their last known address or email addresses as per the records of the Second Applicant Company, as on cut-off date determined by the Board of Directors of the Second Applicant Company. The notice of the aforesaid meeting of the Second Applicant Company shall be advertised in Form No. CAA.2 as per Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in two newspapers viz. "Business standard" in English and translation thereof in "Navshakti" in Marathi, both circulated in the State in which registered office of the Company is situated, not less than one month before the date fixed for the meeting. The Second Applicant Company shall host the notices of meeting as directed herein, on its website.

14. Mr. Shekhar Bajaj, Managing Director of the Second Applicant Company failing him Mr. Anuj Poddar, Director of the Second Applicant Company failing him Mr. Shailesh Haribhakti, Independent Director of the Second Applicant Company shall be the Chairman of the meeting of the Equity Shareholders of the Second Applicant Company to be held as aforesaid or any adjournments thereof. The Chairman for the aforesaid meeting shall be paid such amount for the services rendered as may be decided by the Board of Directors of the Second Applicant Company.

15. The Scrutinizer for the aforesaid meeting of Equity shareholders shall be Anant B. Khamankar & Co., Practicing Company Secretaries with a remuneration as may be decided by the Board of Directors of the Second Applicant Company, for the services rendered.

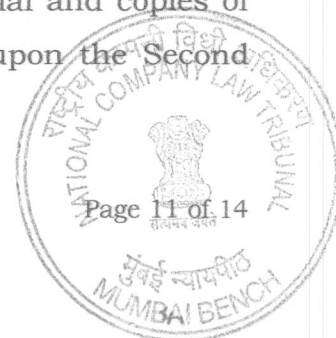


16. The Chairman appointed for the aforesaid meeting to issue the advertisement and send out the notices of the meeting referred to above. The said Chairman of the meeting shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meeting, including for deciding procedural questions that may arise at the aforesaid meeting or at any adjournment thereof or any other matter including an amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s).
17. The quorum of the aforesaid meeting of equity shareholders of the Second Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013, present either in person or by authorized representative. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, the members present shall be the quorum and the meeting shall be held.
18. The voting by authorized representative in case of body corporate be permitted, provided that authorization duly signed by the person entitled to attend and vote at the meeting, is filed with the Second Applicant Company at the Registered Office not later than 48 hours before the aforesaid meeting.
19. The value and number of the shares of each shareholder of the Second Applicant Company shall be in accordance with the books/register of the Second Applicant Company and where the entries in the books/register are disputed, the Chairman of the meeting shall determine the value for the purpose of the aforesaid meeting and his decision in that behalf would be final.
20. The Chairman of the meeting of the Second Applicant Company to report to this Tribunal, the results of the aforesaid meeting within 30 (thirty) days of the conclusion of the meeting and the said report shall be verified by his Affidavit.



21. The Counsel for the Applicant Companies submits that the Second Applicant Company has 3 (Three) Secured Creditors amounting to ₹66,17,47,223/- (Rupees Sixty-Six Crore Seventeen Lakh Forty-Seven Thousand Two Hundred and Twenty-Three Only) as on 30<sup>th</sup> September, 2021. The Second Applicant Company is directed by the Bench to obtain the approval of the secured Creditors well before the final hearing and approval of the Scheme.

22. The Counsel for the Applicant Companies submits that the Second Applicant Company has 9,191 (Nine Thousand One Hundred and Ninety-One) Unsecured Creditors amounting to ₹15,87,75,58,454/- (Rupees One Thousand Five Hundred Eighty-Seven Crore Seventy-Five Lakh Fifty-Eight Thousand Four Hundred and Fifty-Four only) as on 30<sup>th</sup> September, 2021. List of Unsecured Creditors of the Second Applicant Company certified by the Statutory Auditor vide certificate dated 1<sup>st</sup> December, 2021 as issued by Messrs S R B C & CO LLP, was annexed as "Annexure O (Colly)" to the Company Scheme Application. Further, since the present Scheme is an arrangement between the Applicant Companies and their shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013, as there is no compromise of arrangement with Creditors as it does not affect the rights and interests of the Creditors of the Second Applicant Company. Further there is no diminution of liability of any of the Creditors of the Second Applicant Company who will be paid off in the ordinary course of business. In view of above, the meeting of the Unsecured Creditors of the Second Applicant Company is hereby dispensed with. However, the Second Applicant Company is hereby directed to issue notices to the Unsecured Creditors who are having outstanding value of ₹1,00,000/- and above, with the direction that they may submit their representation, if any, to the Tribunal and copies of such representation shall simultaneously be served upon the Second



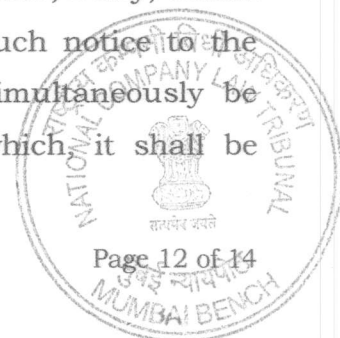
Applicant Company. The notice be sent by Courier/ Registered Post AD/Speed Post/Email (to those unsecured creditors whose e-mail address are duly registered with Second Applicant Company) or hand delivery at their last known address as per the records of the Second Applicant Company as required under Section 230(3) of the Companies Act, 2013 as may be feasible. It shall be the responsibility of the Second Applicant Company to ensure that the Creditors as indicated above are put on notice regarding the Scheme, so that they may take an informed decision thereon.

23. The First Applicant Company is directed to serve notices along with copy of the Scheme upon: - (i) the Central Government through the office of Regional Director, Western Region, Mumbai (ii) Registrar of Companies, Maharashtra Mumbai (iii) Directorate of Industries, Maharashtra; (iv) Income Tax Authority; and (v) Concerned Goods and Services Tax office within whose jurisdiction the First Applicant Company is assessed to tax, as mentioned hereunder:

Sr. No.	Applicant Company	PAN	Address of the Authority
1	First Applicant Company	AACCS4988E	ACIT Circle-1, Nashik Kendriya Rajaswa Bhavan, Gadkari Chowk, Agra Road, Nashik

Sr. No.	Applicant Company	GSTIN	Address of the Authority
1	First Applicant Company	27AACCS4988E1Z1	The Superintendent Range – Tapovan Division – Nashik –II Plot No 155, Sector P-34, Jaishtha & Vaishakha, CIDCO, Nashik – 422008.

with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the First Applicant Company failing which it shall be



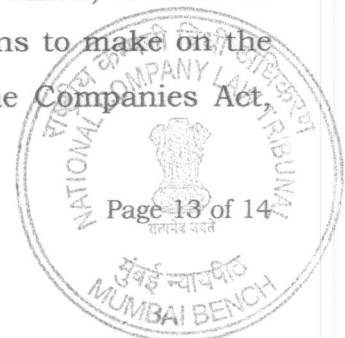
presumed that the authorities have no representations to make on the proposed Scheme.

24. The Second Applicant Company is directed to serve notices along with copy of the Scheme upon: - (i) the Central Government through the office of Regional Director, Western Region, Mumbai (ii) Registrar of Companies, Maharashtra Mumbai (iii) Directorate of Industries, Maharashtra; (iv) BSE Limited; (v) National Stock Exchange of India Limited; (vi) Securities Exchange and Board of India; (vii) Income Tax Authority; and (viii) Concerned Goods and Services Tax office within whose jurisdiction the Second Applicant Company is assessed to tax, as mentioned hereunder:

Sr. No.	Applicant Company	PAN	Address of the Authority
1	Second Applicant Company	AAACB2484Q	Circle 2(1) (1), Income Tax Office Aayakar Bhavan, Maharshi Karve Road, Churchgate, Mumbai - 400020.

Sr. No.	Applicant Company	GSTIN	Address of the Authority
1	Second Applicant Company	27AAACB2484Q1Z8	The Superintendent Range I, Division II, CGST & C.EX. Mumbai South Commissionerate, 1st floor, Meher Building, Bombay Garage, Dadi Seth Lane, Girgaon Chowpati, Mumbai 400007.

with a direction that they may submit their representations, if any, within a period of thirty days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the Second Applicant Company failing which, it shall be presumed that the authorities have no representations to make on the proposed Scheme, pursuant to Section 230(5) of the Companies Act.



2013 as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

25. The First Applicant Company is directed to serve notice along with copy of Scheme upon Official Liquidator, High Court Bombay. The Tribunal is appointing M/s. B. L. Tekriwal & Co., Chartered Accountants having their office at 86-92, Sitaram Podar Marg, Fanaswadi, Mumbai-400002, Contact No. 9987608398, with a remuneration of ₹2,00,000/- along with the applicable taxes for the services to assist the Official Liquidator to scrutinize books of accounts of the First Applicant Company for the last five years. The Official Liquidator may submit his representations, if any, within a period of thirty (30) days from the date of the receipt of such notice to the Tribunal and a copy of such representation shall simultaneously be served upon the Transferor Company, failing which, it shall be presumed that the Official Liquidator has no representations to make on the proposed Scheme as per Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

26. The Chairman appointed for the meeting shall file a Compliance Report not less than 7 (seven) days before the date fixed for the holding of meeting(s) of Equity Shareholders of the Second Applicant Company and do report to this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with as per Rule 12 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016.

Sd/-

**CHANDRA BHAN SINGH**  
**MEMBER (TECHNICAL)**

Sd/-

**H.V. SUBBA RAO**  
**MEMBER (JUDICIAL)**

Certified True Copy  
Copy Issued "free of cost"  
On 14.03.2022

*A. S. Sonawani*  
Deputy Registrar  
National Company Law Tribunal Mumbai Bench  
Government of India

