

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT III

37. C.P.(CAA)/132/MB/2022

IN

C.A.(CAA)/28/MB/2022

CORAM: SHRI. H.V.SUBBA RAO, MEMBER (J)
SMT. ANURADHA SANJAY BHATIA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **25.08.2022**

NAME OF THE PARTIES: STARLITE LIGHTING LIMITED

SECTION 230-232 OF COMPANIES ACT, 2013

ORDER

Mr. Ajit Singh Tawar, counsel appearing for the Petitioner, Ms. Rupa Sutar, Deputy Director Office of Regional Director are present through virtual hearing.

C.P (CAA)/132/MB/2022

Heard the arguments of counsel appearing for the petitioner and the above **application is allowed**. Detailed order will follow.

Ms. Rupa Sutar, appeared and submits that she has no objection for allowing the above petition.

Sd/-
ANURADHA SANJAY BHATIA
Member (Technical)
SKS

Sd/-
H.V.SUBBA RAO
Member (Judicial)

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

C.P. (CAA)/132/MB.III/2022

In

C.A. (CAA)/28/MB.III/2022

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 232 of the Companies Act,
2013;

AND

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

Starlite Lighting Limited, a 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.)... First Petitioner Company /
CIN: U31300MH1995PLC090213)Transferor Company/SLL

Bajaj Electricals Limited, a 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.)... Second Petitioner Company /
CIN: L31500MH1938PLC009887)Transferee Company/BEL

[The First Petitioner Company and Second Petitioner Company are collectively referred
to as the 'Petitioners' or 'Petitioner Companies']

Order pronounced on 25th August, 2022

Coram:

Shri. H.V. Subba Rao : Hon'ble Member (Judicial)
Smt. Anuradha Sanjay Bhatia : Hon'ble Member (Technical)

Appearances (by video-conferencing):

- For the Petitioners** : Mr. Ajit Singh Tawar i/b Ajit Singh Tawar
& Co., Advocates for Petitioner Companies
- For the Regional Director** : Ms. Rupa Sutar, Deputy Director, Regional
Director, MCA (WR), Mumbai

ORDER

1. The Court is convened by videoconference today (i.e., on 25.08.2022).
2. Heard the learned Counsel for the Petitioners and the representative of the Regional Director Western Region, Ministry of Corporate Affairs, Mumbai. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petition.
3. The sanction of the Tribunal is sought under sections 230 to 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements, and Amalgamations) Rules, 2016, to the Scheme of Merger by Absorption of Starlite Lighting Limited (Transferor Company) with Bajaj Electricals Limited (Transferee Company) and their respective Shareholders.
4. The Counsel for the Petitioner Companies further submitted that the First Petitioner 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 Petitioner Company is engaged in the business of a 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.

5. The Board of Directors of the Petitioner Companies have approved the said Scheme in their respective board meetings held on the 25th Day of May 2021. The copies of board resolutions passed by the respective board of directors of the Petitioner Companies are annexed to the Company Scheme Petition.
6. As per the provisions of the Scheme, for the Scheme:
 - a. "Appointed Date" means 1st day of April, 2021, from the start of the business hours of 1st day of April, 2021.
 - b. "Effective Date" means the date or last of the dates on which the certified/authenticated copy of the order of the Hon'ble NCLT sanctioning this Scheme is filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company. Any reference in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme becoming effective" shall be construed accordingly.
7. The Learned Counsel appearing on behalf of the Petitioners stated that the Petition has been filed in consonance with the order dated 21st Day of February 2022, passed by this Tribunal in the matter of connected Company Scheme Application bearing C.A.(CAA)/28/MB.III/2022.
8. The Learned Counsel appearing on behalf of the Petitioners has stated that the Petitioner Companies have complied with all the requirements as per directions of this Tribunal and they have filed necessary affidavits of compliance in this Tribunal. Moreover, the Petitioner Companies undertake to comply with all the statutory requirements, if any, as may be required under the Companies Act, 2013 and the Rules made thereunder. The said undertaking is accepted by the Petitioner Companies.
9. The Learned Counsel for the Petitioner Companies stated the following rationale to be achieved by the sanction of this Scheme:

- 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.
10. The Learned Counsel for the Petitioner Companies stated that, as per the valuation report of M/s. R V Shah & Associates, Chartered Accountants, Registered Valuer (IBBI/RV/06/2018/10240) dated 24th day of May 2021, which is annexed to the Company Scheme Petition, upon the Scheme coming into effect, the Transferee Company shall without any further application or deed, shall issue and allot equity shares of the Transferee Company at face value, credited as fully paid up, to the extent indicated below, to the Eligible Members or to

such of their respective heirs, executors, administrators or other legal representatives or other successors in the title as may be recognized by the Board of Directors of the Transferor Company/the Transferee Company in the following manner (the "Share Exchange Ratio"):

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

11. The Learned counsel for the First Petitioner Company stated that under the directions contained in the order dated 21st Day of February 2022, passed by this Tribunal in C.A. (CAA)/28/MB/2022, to serve a notice on the Insolvency Professional appointed in the CIRP matter of Starlite Components Limited for obtaining its consent affidavit (since all other 19 (nineteen) equity shareholders, constituting 98.80% of the entire equity share capital of the First Petitioner Company, have already given their written consents to the Scheme through consent affidavits), it was in the interest of justice to give one final opportunity to the remaining 1 (one) Equity Shareholder i.e. to Starlite Components Ltd to provide its consent through its Insolvency Professional to this proposed Scheme. Accordingly, the First Petitioner Company has complied with the directions as mentioned in the aforesaid order and has served the notice, along with the Scheme, as directed by this Tribunal to the Insolvency Professional appointed in the CIRP matter of Starlite Components Limited, requesting his consent for the proposed Scheme on 2nd May 2022, through Speed Post bearing tracking number EM959803850IN (at Mumbai location) and EM959803846IN (at Nashik location) which were delivered to him on 4th May 2022. The proof of sending the notice along with the delivery proof is annexed to the Company Scheme Petition. However, no response was given to the First Petitioner Company for its notice.
12. The Learned counsel for the First Petitioner Company submitted that the First Petitioner Company, has then issued a last final notice to its one remaining Equity Shareholder i.e., M/s. Starlite Components Limited, through its Insolvency Professional, for obtaining its consent/ approval on behalf of Starlite Components Ltd to this proposed Scheme, with a stipulation that, in case no response is received it shall be presumed that it has no representation to make on the proposed Scheme and it will be deemed that M/s. Starlite

Components Limited has agreed to the Scheme. The First Petitioner Company has served the final notice on M/s. Starlite Components Limited through its Insolvency Professional appointed in the CIRP matter through hand delivery on 28th July, 2022 at the Insolvency Professional office, further through speed post on 28th Day of July 2022 via tracking number EM414156763IN at Nashik location at the registered office of M/s. Starlite Components Limited and through speed post on 28th Day of July 2022 via tracking number EM414156750IN at Mumbai location at the office of Insolvency Professional. The proof of sending the aforementioned notice along with the delivery proof is annexed to the to the Company Scheme Petition, which is filed with this Tribunal on the 16th Day of August 2022. However, no response was given to the First Petitioner Company for its final notice.

13. The Learned Counsel for the Petitioner Companies stated that the meetings of the Equity Shareholders and Preference shareholders of the First Petitioner Company, for the purpose of considering and, if thought fit, approving the proposed Scheme with or without modification(s) were dispensed with, in view of the consent Affidavits filed by 98.80% of the total Equity Shareholders and all the Preference shareholders of the First Petitioner Company. Further, the meetings of the Equity shareholders of the Second Petitioner Company were duly held on Tuesday, 31st day of May, 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, approving the proposed Scheme and the Chairman's report along with the scrutinizers' report of the Tribunal Convened Meeting of the Equity Shareholders of the Second Petitioner Company were duly filed before this Hon'ble Tribunal on June 28, 2022.
14. The Learned Counsel for the First Petitioner Company stated that, pursuant to the directions contained in Order dated 21st Day of February 2022 passed by this Tribunal in C.A. (CAA)/28/MB/2022, the meeting of the sole Secured Creditor of the First Petitioner Company was dispensed with and this Tribunal directed the First Petitioner Company to obtain the approval of the sole Secured Creditor well before the final hearing and approval of the Scheme. The First Petitioner Company through its counsel submitted that it has obtained the approval from its sole Secured Creditor to this proposed Scheme of Merger by Absorption and the said approval is annexed to the Company Scheme Petition.

15. The Learned Counsel for the Second Petitioner Company stated that, pursuant to the directions contained in Order dated 21st Day of February 2022 passed by this Tribunal in C.A. (CAA)/28/MB/2022, the meeting of 3 (three) Secured Creditors of the Second Petitioner Company were dispensed and this Tribunal directed the Second Petitioner Company to obtain the approvals from the said 3 (three) Secured Creditors well before the final hearing and approval of the Scheme. The Second Petitioner Company through its counsel submitted, that it has obtained the approvals from all its 3 (three) Secured Creditors to this proposed Scheme of Merger by Absorption and the said approval is annexed to the Company Scheme Petition.
16. The Learned Counsel for the Petitioner Companies stated that the meetings of the unsecured creditors of the Petitioner Companies were dispensed with as the present Scheme is an arrangement between the Petitioner 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 of the Petitioner Companies. Additionally, the First Petitioner Company had obtained consent of the unsecured creditor constituting 93% of aggregate value of its unsecured creditors. Further, the Petitioner Companies have duly served notices to the unsecured creditors as per the directions of this Tribunal.
17. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai has filed its Report dated 23rd day of August, 2022, inter alia stating therein the observations on the Scheme, as given in paragraph 2(a) to 2(i) of the said report. In response to the observations made by the Regional Director, the Petitioner Companies have filed reply affidavit cum rejoinder on 24th day of August, 2022 and have given necessary clarifications and undertakings which appears to be satisfactory. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

Sr. No. Para	RD Report/Observations	Response of the Petitioner Companies.
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(2)		
a)	<p><i>In compliance of AS-14 (IND AS-103), the Petitioner Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.</i></p>	<p><i>In so far as the observation under paragraph 2(a) of the RD Report is concerned, the Petitioner Companies undertake to pass necessary accounting entries in connection with the Scheme as per AS -14 (IND AS-103) for accounting treatment, to the extent applicable. The Petitioner Companies also undertake to comply with the other applicable Accounting Standards, such as AS-5 (IND AS-8) etc., to the extent applicable.</i></p>
b)	<p><i>As per Definition of the Scheme,</i></p> <p><i>“Appointed Date” means 1st day of April, 2021, from the start of the business hours of 1st day of April, 2021.;</i></p> <p><i>And</i></p> <p><i>“Effective Date” means the date or last of the dates on which the certified/authenticated copy of the order of the Hon’ble NCLT sanctioning this Scheme is filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company. Any reference in this Scheme to the date of “coming into effect of this Scheme” or “upon the Scheme becoming effective” shall be construed accordingly.</i></p> <p><i>In this regard, it is submitted that</i></p>	<p><i>In so far as the observation under paragraph 2(b) of the RD Report is concerned, the Petitioner Companies confirm and clarify as under:</i></p> <p><i>i. As per clause 4.3 of the Scheme, “Appointed Date” means 1st day of April 2021, i.e., from the start of the business hours of 1st day of April 2021.</i></p> <p><i>ii. As per clause 4.7 of the Scheme, “Effective Date” means the date or last of the dates on which the certified/authenticated copy of the order of the Hon’ble NCLT sanctioning this Scheme is filed with the Registrar of Companies, Mumbai by the Transferor Company and the Transferee Company.</i></p>

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

CP (CAA) /132/MB.III/2022
Connected with
CA (CAA) /28/MB.III/2022

	<p><i>Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</i></p> <p><i>The Petitioners may be asked to comply with the requirements as clarified vide circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>	<p><i>iii. In this regard it is submitted that, in terms of provisions of Section 232(6) of the Companies Act, 2013, the Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.</i></p> <p><i>iv. Further, the Company Scheme Application in the matter of the Scheme was filed with the Hon'ble NCLT on February 10, 2022. Hence the Appointed Date is in compliance with the circular no. F. No. 7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</i></p>
<p>c)</p>	<p><i>Petitioner Company have to undertake to comply with section 232(3)(i) of Companies Act, 2013, where the transferor company is dissolved, the fee and stamp duty paid by the transferor company on its authorised capital shall be set-off against fees and stamp duty payable by the transferee company on its authorised capital subsequent to the amalgamation and therefore, petitioners to undertake that the transferee company shall pay the difference of fees and stamp duty.</i></p>	<p><i>In so far as the observation under paragraph 2(c) of the RD Report is concerned, the Petitioner Companies undertake to comply with section 232(3)(i) of the Companies Act, 2013, as regards the combination of Authorized share Capital, where the Transferor Company (viz. Starlite Lighting Limited) is dissolved, the fees, if any, paid by the Transferor Company on its Authorized Capital shall be set-off against any fees payable by the Transferee Company (i.e. Bajaj Electricals Limited) on its Authorized Capital subsequent to the effectiveness of the Scheme and shall comply to the provisions of the said section.</i></p>
<p>d)</p>	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is</i></p>	<p><i>In so far as the observation under paragraph 2(d) of the RD Report is concerned, the First</i></p>

<p><i>approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i></p>	<p><i>Petitioner Company states that the Hon'ble NCLT, vide its order dated February 21, 2022, passed in the matter of Company Scheme Application No. C.A. (CAA)/28/MB.III/2022 ("NCLT Order"), dispense from calling of the Meetings of the Preference Shareholders, Equity Shareholders, Secured Creditors, and Unsecured Creditors of the First Petitioner Company, accordingly the placing of minutes before this Hon'ble NCLT does not arises. Further, the Hon'ble NCLT, vide its NCLT Order, directed the Second Petitioner Company to conduct the meeting of its Equity Shareholders on Tuesday, May 31, 2022, at 11:00 A.M., through Video Conference or Other Audio-Visual Means, and accordingly, the meeting of the Equity Shareholders of Second Petitioner Company was held as per given directions and the Scheme was approved by the requisite majority of members voting. The Second Petitioner Company states that the Chairman's report along with the scrutinizers' report in form of minutes of the Tribunal Convened Meeting of its Equity Shareholders were duly filed before this Hon'ble Tribunal on June 28, 2022. The Hon'ble NCLT, vide its NCLT Order, dispensed from calling the meeting of the Secured Creditors and Unsecured Creditors of the Second Petitioner Company, and hence the question of placing of minutes of</i></p>
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IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT - III

CP (CAA) /132/MB.III/2022
Connected with
CA (CAA) /28/MB.III/2022

		<i>Creditors Meeting before this Hon'ble NCLT does not arises.</i>
<i>e)</i>	<i>The Petitioner Company states that the Transferee Company shall be in compliance with provisions of Section 2(1B) of the Income Tax Act, 1961. In this regards, the petitioner company shall ensure compliance of all the provisions of Income Tax Act and Rules thereunder;</i>	<i>In so far as the observation under paragraph 2(e) of the RD Report is concerned, the Petitioner Companies undertake to comply with all the provisions of the Income tax Act, 1961 and rules thereunder including provisions of Section 2(1B) of the Income Tax Act, 1961, to the extent applicable.</i>
<i>f)</i>	<i>It is observed that the Transferee company is a listed company therefore, petitioner company may be directed to place on record the prior notice issued to NSE, BSE and SEBI and obtain NOC from NSE, BSE, Commodity Exchange and SEBI.</i>	<i>In so far as the observation under paragraph 2(f) of the RD Report is concerned, the Second Petitioner Company states that its Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited. As per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circular dated March 10, 2017, bearing reference number CFD/DIL3/CIR/2017/21, issued by SEBI, the Second Petitioner Company had made applications with BSE Limited and National Stock Exchange of India Limited for obtaining the No Observation Certificates (NOCs). The NOCs was obtained by the Second Petitioner Company from BSE Limited on October 22, 2021 and from National Stock Exchange of India Limited on October 26, 2021 prior to filing of the Company Scheme Application with this Hon'ble NCLT, the said NOCs obtained by the Second Petitioner Company were annexed to the</i>

		<p>Company Scheme Petition at "<u>Exhibit H1 and H2</u>", respectively. The requirement to obtain NOC from the Commodity Exchange is not applicable to the Second Petitioner Company as it is not listed on any of the Commodity Exchanges in India.</p>
<p>g)</p>	<p>The Transferor and Transferee company are having Foreign/NRIs shareholders, therefore, the petitioner company may be directed to issue prior notice to RBI and undertake that the petitioner company has complied with the provisions of FERA/FEMA and RBI guideline.</p>	<p>In so far as the observation under paragraph 2(g) of the RD Report is concerned, the Petitioner Companies states that there are no Foreign/NRIs shareholders in the First Petitioner Company. Further, the Equity shares of the Second Petitioner Company are listed on BSE Limited and National Stock Exchange of India Limited. As per consideration clause mentioned at para 12 of the Scheme of Merger by Absorption the Second Petitioner Company to issue and allot the Equity shares as per Share Exchange Ratio to the Equity Shareholders of the First Petitioner Company. Considering all the shareholders of the First Petitioner Company are resident of India, there is no issue and allotment of Shares to any Foreign/NRIs shareholders. Accordingly, the provisions of FERA/FEMA Regulations or RBI Guidelines will not be triggered. The Petitioner Companies further states that it has served notices on Reserve Bank of India (RBI) on April 20, 2022 and received a communication from RBI vide its letter dated May 6, 2022 which has been annexed to the Company Scheme</p>

		<p><i>Petition and marked as "<u>Exhibit-Q</u>" stating to comply with laws including the rules, regulations and guidelines prescribed by RBI under the Foreign Exchange Management Act, 1999. The Petitioner Companies humbly states that as per the foregoing paragraphs, the provisions of FERA/FEMA Regulations or RBI Guidelines are not triggered in this case. The Petitioner Companies also undertake to comply with the laws including the rules, regulations and guidelines prescribed by RBI under the Foreign Exchange Management Act, 1999, to the extent applicable.</i></p>
h)	<p><i>It is observed from latest MGT-7 in MCA portal that the transferor company has two corporate body shareholders namely Baiaj Electricals Limited and Jamnalal Sons Pot. Ltd. Having shareholding of 47 % and 13% respectively but the Transferor Company has not filed form BEN-2 disclosing the name of beneficial owner of company namely Baiaj Electricals Limited and Jamnalal Sons Pot. Ltd. Therefore, petitioner company may be directed to clarify the same.</i></p>	<p><i>In so far as the observation under paragraph 2(h) of the RD Report is concerned, the Petitioner Companies states that, as per Section 90 of the Companies Act, 2013, the Form BEN-2 has to be filed for giving declaration with respect to the significant beneficial owners of the company, disclosing their interest in the company by way of shareholding or voting rights. Significant beneficial owners are such individual shareholders holding indirectly, or together with any direct holdings, not less than ten percent, of the shares or voting rights.</i></p> <p><i>The Petitioner Companies hereby submit that there is/are no individual(s), holding indirectly, or together with any direct</i></p>

		<p><i>holdings, not less than ten percent, of the shares/voting rights in the shares of the Transferor Company (or in shares/voting rights in the shares of Baiaj Electricals Limited and Jamnalal Sons Pot. Ltd.), and hence, filing of form BEN-2, as per the provisions of Section 90 of the Companies Act, 2013, is not applicable.</i></p>
<p>i)</p>	<p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 23.08.2022 (Annexed as Annexure A-1) that all the Petitioner Companies fall within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and /or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the petitioner companies have filed Financial Statements up to 31.03.2021 further observations in ROC report are as under:-</i></p> <p><i>i. That the ROC Mumbai in his report dated 23.08.2022 has stated that no Inquiry, inspection, investigation & prosecution is pending against the subject applicant companies.</i></p> <p><i>ii. As per MCA portal Transferor Company is having below mentioned Charges and the status thereof as under:-</i></p>	<p><i>In so far as the observation under paragraph 2(i) of the RD Report is concerned, I state that:</i></p> <p><i>(i) <u>Response to observation in paragraph 2(i)(i):</u> The Petitioner Companies state that the observation of Registrar of Companies, Mumbai is self-explanatory and clarifies that no Inquiry, inspection, investigation & prosecution is pending against the Petitioner Companies;</i></p> <p><i>(ii) <u>Response to observation in paragraph 2(i)(ii):</u> The Transferor Company submits that it had obtained the credit facilities from Standard Chartered Bank (“SCB”) amounting of Rs.52,00,00,000/-, a charge for which was created on April 27, 2018. Out of this credit line, the Transferor Company has utilized the credit line of Rs.16,06,86,009/-, which is the net outstanding as on June 8, 2022. The Transferor Company has obtained the</i></p>

<i>Assets under charge</i>	<i>Charge Amount</i>	<i>Date of Creation</i>	<i>Status</i>	
Book debts; Floating charge; Movable Property (not being pledge)	52000 0000	27/04/2 018	OP EN	<p>No Objection Letter dated June 9, 2022 from the SCB, whereby SCB has granted its consent in respect of this proposed Scheme. A copy of the said No Objection Letter is enclose to this affidavit as an <u>Annexure-A</u>.</p> <p>(iii) <u>Response to observation in paragraph 2(i)(iii)</u>: The Transferee Company submits that the complaint report dated September 13, 2021 and September 27, 2021, as submitted with NSE and BSE respectively, were pertaining for submission of complaints relating to this Scheme in terms of Para I(A)(6) of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020. The Transferee Company had not received any complaint pertaining to this Scheme.</p> <p>The Transferee Company submits that it is unaware of the complaint filed vide SRN: J00037679 and has received no notice from the Registrar of Companies, Mumbai. From an overview of the said report, it appears that the complaint has been made against the Transferee Company in respect of a loan allegedly in violation of section 185 of the Companies Act, 2013. The Transferee Company states that it had passed a</p>
<p>iii. Further, the Transferee company has attached letter to BSE & NSE, wherein the company has attached Complaint's information as Nil. However as per MCA portal, a Complaint vide SRN: J00037679 against Company is having Status as "OPEN".</p> <p>iv. As per Transferor Company's Balance sheet as at 31/03/2021, the Company is having Long Term Borrowings Secured & Unsecured from Banks & related party of Rs. 1,13,52,500/- & Rs. 94,40,00,000/- respectively. Also, the Company is having under the head Short Term Borrowings, Secured Working Capital Loan & Loans from Related</p>				

<p>Party of Rs. 74,89,91,136/- & Rs. 6,98,30,611/- respectively. Further, the Company has under the head Current Liabilities, the Statutory Dues of Rs. 58,45,121/- as on 31st Dec 2021.</p> <p>v. Transferee Company is a Public Limited Company, however, notice to SEBI & Stock Exchanges are not attached.</p> <p>vi. As per the provisions of Section 230(3)(i) of the Companies Act, 2013, where the transferor company is dissolved, the fee, if any, paid by the transferor company on its authorized capital shall be set-off against any fees payable by the Transferee company on its authorized capital subsequent to the amalgamation. Therefore, remaining fee, if any after setting-off the fees already paid by the transferor company on its authorized capital, must be paid by the transferee company on the increased authorized capital subsequent to the amalgamation.</p> <p>vii. Interest of the Creditors should be protected.</p>	<p>special resolution on March 16, 2019 through postal ballot to advance loan to its subsidiary or associate or joint venture or group entity or any person in which any director of the Transferee Company is deemed to be interested and such resolution was passed in compliance with applicable provisions of the Companies Act, 2013 including Section 185. The Transferee Company states that once the Transferee Company receives the complaint from the Registrar of Companies, Mumbai, it will duly address the complaint filed against it expeditiously.</p> <p>(iv) <u>Response to observation in paragraph 2(i)(iv):</u> The Petitioner Companies state that the observation of Registrar of Companies, Mumbai is self-explanatory, and further no comments or clarifications are required.</p> <p>(v) <u>Response to observation in paragraph 2(i)(v):</u> The Transferee Company submits that prior notices were served on the Stock Exchanges, as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with the circular dated March 10, 2017, bearing reference number</p>
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		<p>CFD/DIL3/CIR/2017/21. The NOCs received from the Stock Exchanges were annexed to the Company Scheme Petition at "<u>Exhibit H1 and H2</u>", respectively.</p> <p>(vi) <u>Response to observation in paragraph 2(i)(vi)</u>: The Transferee Company undertakes that it will comply with the provisions of 232(3)(i) of the Companies Act, 2013, as regards to the combination of Authorized share Capital, where the Transferor Company (viz. Starlite Lighting Limited) is dissolved, and the fees, if any, paid by the Transferor Company on its Authorized Capital shall be set-off against any fees payable by the Transferee Company (i.e. Bajaj Electricals Limited) on its Authorized Capital subsequent to the Amalgamation and that any remaining fee arises after the set-off as per the provisions of 232(3)(i) will be paid by the Transferee Company;</p> <p>(vii) <u>Response to observation in paragraph 2(i)(vii)</u>: The Petitioner Companies undertake to protect the interest of all the Creditors.</p>
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18. The Official Liquidator has filed his report on 4th Day of July, 2022, inter alia stating therein

that the affairs of the Transferor Company have been conducted in a proper manner and the Scheme is not prejudicial to the interest of public and the Shareholders of the Transferor Company. Accordingly, the Transferor Company may be ordered to be dissolved without winding up.

19. From the material on record, the Scheme appears to be fair and reasonable and is not in violation of any provisions of law, and is not contrary to public policy.
20. All the assets and liabilities including taxes and charges, if any and duties of the Transferor Company, shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
21. Since all the requisite statutory compliances have been fulfilled, Company Petition bearing C.P.(CAA)/132/MB.III/2022 filed by the Petitioner Companies are made absolute in terms of prayers clause of the said Company Scheme Petition.
22. The Petitioner Companies are directed to file a certified copy of this order along with a copy of the Scheme with the concerned Registrar of Companies, electronically, along with e-Form INC-28 in addition to a physical copy, within 60 (sixty) days from the date of receipt of order, duly certified by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal.
23. The Petitioner Companies to lodge a certified copy of this order and the Scheme duly authenticated by the Deputy Registrar or the Assistant Registrar, as the case may be, of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty payable, if any, on the same within 60 (sixty) days from the date of receipt of the order.
24. All concerned regulatory authorities to act on a copy of this Order duly certified by the Registry of this Tribunal, along with a copy of the Scheme.
25. The Scheme is hereby sanctioned, and the "Appointed Date" of the Scheme is fixed as the

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

CP (CAA)/132/MB.III/2022
Connected with
CA (CAA)/28/MB.III/2022

1st day of April 2021 i.e., from the start of the business hours of 1st day of April 2021. The Scheme shall be operative from the "Effective Date" as per the provisions of the Scheme.

26. Pronounced today (i.e., on 25.08.2022) in Open Court. File is consigned to records.

Sd/-

ANURADHA SANJAY BHATIA

Member (Technical)

Sd/-

H.V. SUBBA RAO

Member (Judicial)