



Electricals

March 01, 2024

To,
BSE Limited : **Code No. 500031**
Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street Mumbai 400 001.

National Stock Exchange of India Limited : **BAJAJELEC - Series: EQ**
Listing Department
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

Dear Sir/Madam

Sub: Update regarding the Scheme of Merger by Absorption of Nirlep Appliances Private Limited ("Transferor Company") with Bajaj Electricals Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme")

We wish to inform that the Hon'ble National Company Law Tribunal, Mumbai Bench, vide its order dated March 01, 2024 ("**Order**") [passed in the matter of Company Scheme Petition No. C.P (C.A.A)/250(MB)2023 connected with C.A. (CAA)/246(MB)2022) ("**Petition**") in respect of the Scheme], has inter-alia approved the Scheme of Merger by Absorption of Nirlep Appliances Private Limited ("Transferor Company") with Bajaj Electricals Limited ("Transferee Company") and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

A copy of the said Order, as received by the Company, is enclosed herewith.

We request you to take the above on record and treat the same as compliance under the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully,
For Bajaj Electricals Limited

Shekhar Bajaj
Chairman
DIN 00089358

Encl.: As above.

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH-V

C.P. (CAA)/250(MB)2023

Connected with

C.A. (CAA)/246(MB)2022

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

In the matter of Scheme of Merger by Absorption of Nirlep Appliances Private Limited ("**First Petitioner Company**" or "**Transferor Company**") with Bajaj Electricals Limited ("**Second Petitioner Company**" or "**Transferee Company**") and their respective Shareholders ("**Scheme**")

Nirlep Appliances Private Limited, a)
Private Limited Company, incorporated)
under the Companies Act, 1956 having)
its registered Office situated at Gut No.)
16, Naigavahan, Khandewadi,)

Talukpaithan, Paithan Road,) ...First Petitioner Company /
Naigavahan, Aurangabad - 431105,) Transferor Company
Maharashtra, India.

CIN: **U27200MH1979PTC021470**

Bajaj Electricals Limited, a Public)
Limited Company incorporated under)
the Indian Companies Act, 1913 having)
its registered office situated at 45/47,) ...Second Petitioner Company
Veer Nariman Road, Mumbai - 400001,) Transferee Company)
Maharashtra, India,

CIN: **L31500MH1938PLC009887**.

Order dated on 01.03.2024

Coram:

Ms. Reeta Kohli Member (Judicial)

MsMadhu Sinha, Member(Technical)

Appearances:

For the Petitioner(s): Mr. Ajit Singh Tawar a/w Mr. Kushal
Kumar i/b Ajit Singh Tawar & Co.,
Advocates for Petitioner Companies

For the Regional Director (WR): Altap Sheik
Representative of
Regional Director

ORDER

1. Heard the learned Counsel for the Petitioner Companies 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.
2. 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 Nirlep Appliances Private Limited ('First Petitioner Company' or 'Transferor Company') with Bajaj Electricals Limited ('Second Petitioner Company' or 'Transferee Company') and their respective Shareholders. The Petitioner Companies have its registered offices within the jurisdiction of this Hon'ble Tribunal.
3. The Counsel for the Petitioner Companies further submitted that the First Petitioner Company was incorporated to carry on business of manufacturing aluminum non-stick cookware, hard anodized cookware, pressure cookers in aluminum, hard anodized and SS, tri-ply cookware.
4. The Counsel for the Petitioner Companies further submitted that the Second Petitioner Company was incorporated to carry on 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 September 29, 2022, the copies of the Board Resolution passed by the respective board of Directors of the

Petitioner Companies are annexed to the Company Scheme Petition as **Annexure C (Colly)**.

6. As per the provisions of the Scheme, for the scheme:
 - a. “Appointed Date” as mentioned in the Scheme is 1st day of April 2022, i.e., from the start of the business hours of 1st day of April, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed to the NCLT in writing.
 - 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 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” or “upon the Scheme coming into effect” or “Scheme becomes effective” or “the Merger has become effective” shall be construed accordingly.
7. The Learned Counsel appearing on behalf of the Petitioner Companies stated that the Petition has been filed in consonance with the order dated April 12, 2023, passed by this Hon’ble Tribunal in the connected Company Scheme Application bearing C.A.(CAA)/246/MB/2022.
8. The Learned Counsel appearing on behalf of the Petitioner Companies has stated that the Petitioner Companies have complied with all requirements as per directions of this Hon’ble Tribunal and they have filed necessary affidavits of compliance in this Hon’ble 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 states that, the restructuring, consolidation and streamlining pursuant to this Scheme, would inter alia have the following benefits:
- a) The Transferor Company is engaged in the business of manufacturing aluminum nonstick cookware, hard anodized cookware, pressure cookers in aluminum, hard anodized and SS, tri-ply cookware and is having its factory situated in Paithan, Aurangabad in the State of Maharashtra. The location is very rich and has significant geographical presence in terms of availability of resources required for manufacturing and it is connected by all sources of modern transportation.
 - b) Transferee Company is part of the globally renowned Bajaj Group of Companies, one of the largest Indian conglomerates with business interests across several sectors. Transferee Company business is spread across – consumer products (appliances, fans, lighting etc.), and EPC (illumination, transmission towers and power distribution), in India and outside India. Transferee Company has a strong presence in premium home appliance and cookware segments. Transferee Company had added the cookware line business in its portfolio by directly acquiring Transferor Company's 79.85% in August 2018 and balance 20.15% equity shares in financial year 2021-22.
 - c) Transferee Company has provided several long-term and short-term loans, as well as trade advances to Transferor Company over the years for meeting its working capital and CAPEX requirements. Transferor Company is primarily involved in the manufacturing of pressure cookers and non-stick cookware products, which are majorly sold to the Transferee Company. Thereafter, the Transferee Company sells these products in the open market under the brand name of Nirlep and Bajaj and pays royalty fees to the Transferor Company for using the brand name of Nirlep. The Merger will result in elimination of the vertical chain and the combined entity thereafter will reap benefits in terms of

elimination of inter-company balances and expenses and easier access of funds for the business of the Transferor Company.

- d) Transferor Company has freehold land of 4 acres which is situated at Aurangabad in the State of Maharashtra. Upon completion of merger, the land, machinery, infrastructure and all other resources available with Transferor Company can be utilized in cost effective and efficient manner to carry out Transferee Company's business expansion. This will maximize the production capacity, boost the capacity utilization, help Transferee Company in meeting increased demands and there will be significant growth in achieving the economies of scale.
- e) Further, Transferor Company has good production line, which manufactures good quality of products and has a skilled, competent and experienced labour force which are required for manufacturing such products. Transferee Company 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.
- f) Consolidation of Transferor and Transferee Company will help in achieving a linear and simplified corporate organization structure, rationalize the number of entities and result in a single entity with combined businesses. It will also provide an opportunity to leverage combined assets and build a stronger sustainable business. Specifically, it will also enable optimal utilization of existing resources which are in excess of the current business requirements of the Transferor Company and provide increase in financial stability and an opportunity to fully leverage assets, capacities, experience and infrastructure of Transferor and Transferee Company.

- g) The merger will result in quicker decision making by reduction in managerial overlaps involved in operating multiple entities, enable cost savings and effective utilization of valuable resources which will enhance the management focus thereby leading to increase in operational and management efficiency; integrate business functions; eliminate duplication and rationalization of administrative expenses.
- h) Synchronization of efforts to achieve uniform corporate policy, greater integration and greater financial strength and flexibility for the Transferee Company.
- i) Upon completion of the Merger, Transferor Company will be dissolved. Consequently, there would be lesser regulatory and legal compliance obligations including accounting, reporting requirements, tax filings, company law compliances etc. and therefore reduction in administrative costs.

10. The Learned Counsel for the Petitioner Companies states that, since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger of the Transferor Company with the Transferee Company and therefore 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 the nominee shareholders), and the shares held by the Transferee Company in the Transferor Company shall stand cancelled on the Effective Date without any further act, application or deed.

11. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai has filed its Report dated Tuesday of November 07, 2023, making certain observations and the Petitioner Companies have filed reply affidavit cum rejoinder on November 7, 2023 and have given necessary clarifications and /or

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.	RD Report /Observations	Response of the Petitioner
a)	<i>That on examination of the report of the Registrar of Companies, Mumbai dated 03.11.2023 (Annexed as Annexure A-1) for Petitioner Companies falls within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and /or representation regarding the proposed scheme of Arrangement has been received against the Petitioner Companies. Further,</i>	
2(a)(i)	<i>That the ROC Mumbai in his report dated 03.11.2023 stated that No Inquiry, Inspection, Investigations, Prosecutions and Complaints under Companies Act, 2013 are pending against the Petitioner Companies</i>	The Petitioner Companies state that the observation of Registrar of Companies, Maharashtra Mumbai is self-explanatory and clarifies that no Inquiry, inspection, investigation, prosecution & compliant under Companies Act, 2013 is pending against the Petitioner Companies.

<p>2(a)(ii)(a)</p>	<p><i>Further ROC has mentioned as follows:- There are one (1) charge open against Transferor Company.</i></p>	<p>The Petitioner Companies state that the Transferor Company had obtained the Credit facilities from Bank of Maharashtra amounting to Rs. 21,85,00,000/-, for which charge was created on August 12, 2005 and modified on June 6, 2020. Out of this Credit line, Transferor Company is having net outstanding amount of Rs. 8,69,15,534.36 as on November 25, 2022. The Transferor Company has obtained the No Objection Letter dated November 25, 2022 from the Bank of Maharashtra, whereby the Bank of Maharashtra has granted its consent in respect of proposed Scheme. A copy of the said No Objection Letter is enclosed to the affidavit as an Annexure 1.</p>
<p>2(a)(ii)(b)</p>	<p><i>As per NCLT order dated 12.04.2023 Transferee Company is required to issue notice CAA-3 to SEBI. However, no such acknowledgement copy is provided to this as per</i></p>	<p>The Petitioner Companies state that the Transferee Company has issued notice in CAA 3 to SEBI on April 26, 2023. The copy of such acknowledgement is annexed to the affidavit as Annexure 2.</p>

<p>2(a)(ii)(c)</p>	<p><i>As per MCA21 it appears that there is a complaint against Transferee Company vide SRN J00037679 dated 20.03.2019 against M/s. Bajaj Electricals Limited. The Complainant Mrs. Megha Bhutani has alleged that the company has sought approval from members under section 185 for loan upto Rs. 450 CR. to directors is in violation of section 185. Proper explanatory statement not provided and blanket approval sought under section 185 which is not allowed.</i></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.</p> <p>The Transferee Company submits that the Company has not given any loan to its directors and the Transferee Company has passed Special Resolution under section 185 of the Companies act 2013 on March 16, 2019 through postal ballot up to a sum not exceeding Rs. 450 crores 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 the applicable provisions of the Companies Act, 2013 with due compliance of explanatory statement as a blanket resolution which is not restricted under Companies Act 2013. Further, the Company passed Special</p>
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		<p>disclosing Name of parties, Amount, Purpose of loans. The Notice of AGM including the resolution and explanatory statement under section 185 of the Companies Act, 2013 has been annexed as Annexure 3. Further the Transferee Company has made disclosures of full particulars as required under section 186(4) of the Companies act, 2013.</p>
<p>2(a)(ii)(d)</p>	<p><i>As per provisions of section 232(3)(i) of CA, 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 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</i></p>	<p>The Petitioner Companies state that 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, shall be paid by the Transferee Company on the increased authorized capital subsequent to amalgamation.</p>

	<i>increased authorized capital subsequent to amalgamation.</i>	
2(a)(ii)(e)	<i>Interest of the Creditor should be protected.</i>	The Petitioner Companies undertakes to protect the interest of Creditors.
2(b)	<i>Transferee company should undertake to comply with the provisions of section 232(3)(i) of the Companies Act, 2013 through appropriate affirmation in respect of fees payable by Transferee Company for increase of share capital on account of merger of transfer of companies.</i>	In so far as observation made in paragraph 2(b) of the RD Report is concerned, the Petitioner Companies undertake that it shall comply with the provisions of Section 232(3)(i) of the Companies Act, 2013 as regards to the combination of Authorised share capital, where the Transferor Company will dissolved and the fees, if any, paid by the Transferor Company on its Authorised share capital shall be set-off against any fees payable by the Transferee Company on its Authorised share capital subsequent to the Scheme of Merger by Absorption, the remaining fee, if any, after setting-off the fees already paid by the Transferor Company on its authorized capital, will be paid by the Transferee Company.
2(c)	<i>In compliance of Accounting Standard-14 or IND-AS 103, as may be applicable, the Petitioner Companies shall pass such accounting entries which are necessary in</i>	In so far as observation made in paragraph 2(c) of the RD Report is concerned, the Petitioner Companies undertake to pass necessary accounting entries in connection with the Scheme as per Accounting

	<p><i>connection with the scheme to comply with other applicable Accounting Standards including AS-5 or IND AS-8 etc.</i></p>	<p>Standard-14 or 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.</p>
2(d)	<p><i>The Hon'ble Tribunal may kindly direct the Petitioner Companies to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</i></p>	<p>2(In so far as the observation made in paragraph 2(d) of the RD Report is concerned, the Petitioner Companies confirms and undertakes through this affidavit that the Scheme enclosed to the Company Application and Company Petition are one and same and there is no discrepancy, or no change is made.</p>
2(e)	<p><i>The Petitioner Companies under provisions of section 230(5) of the Companies Act 2013 have to serve notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such authorities shall be binding</i></p>	<p>In so far as the observations made in paragraph 2(e) of the RD Report is concerned, the Petitioner Companies states that Notices under section 230(5) of Companies Act, 2013 have been served on (i) Registrar of Companies, Maharashtra, Mumbai; (ii) The Central Government through the office of Regional Director, Western Region, Mumbai; (iii) Concerned Income Tax Officer; iv) Principal Chief Commissioner of Income Tax; (v) the Goods and Service Tax Authority; (vi) The Official Liquidator, High Court, Bombay by the First Petitioner</p>

	<p><i>on the Petitioner Companies concerned.</i></p>	<p>Company vii) The Regional Director of Reserve Bank of India; viii) National Stock Exchange of India Limited by the Second Petitioner Company; viii) BSE Limited by the Second Petitioner Company and xi) Securities Exchange Board of India by the Second Petitioner Company. The Petitioner Companies undertake that the approval of the Scheme by the Hon'ble Tribunal will not deter such authorities to deal with any of the issue arising after giving effect to the Scheme. The decision of such authorities shall be binding on the Petitioner Companies concerned unless appealed further by the Petitioner Companies in accordance with the law.</p>
<p>2(f)</p>	<p><i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is 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>In so far as the observation under paragraph 2(f) of the RD Report is concerned, the Petitioner Companies states that the Hon'ble NCLT, vide its order dated April 12, 2023, passed in the matter of Company Scheme Application No. C.A. (CAA)/246/MB/2022 ("NCLT Order"), dispense from calling of the meetings of the Equity Shareholders, Secured Creditors, and Unsecured Creditors of the Petitioner Companies, accordingly</p>

		<p>placing of the minutes before this Hon'ble NCLT does not arises.</p>
<p>2(g)</p>	<p><i>As per Definition of the Scheme,</i></p> <p><i>“Appointed Date” means the 1st day of April, 2023 for the purposes of Section 232(6) of the Companies Act, 2013;</i></p> <p><i>“Effective Date” means the last of the dates, if applicable, on which the certified or authenticated copy (ies) of the order(s) of the National Company Law Tribunal (Hereinafter referred to as NCLT) sanctioning the Scheme is filed with the Registrar of Companies, Mumbai is filed with the Registrar of Companies and the Transferee Company. Any reference in this scheme to the date of “coming into effect of this scheme” or “Scheme becoming effective” shall be construed accordingly.</i></p> <p><i>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this</i></p>	<p>In so far as the observations made in paragraph 2(g) of the RD Report is concerned, the Petitioner Companies confirm and clarify as under:</p> <p>i. As per the clause 4.3 of Part A of the Scheme, “Appointed Date” means the 1st day of April, 2022, i.e., from the start of the business hours of 1st day of April, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed to the NCLT in writing;</p> <p>ii. As per the clause 4.9 at Part A of the Scheme specifies the ‘Effective Date’ means the date or last of the dates on which the certified/ authenticated copy of the order of the National Company Law Tribunal (hereinafter referred to as ‘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 “Scheme becoming effective” shall be construed</p>

	<p><i>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 of its inherent powers.</i></p> <p><i>The Petitioner Companies shall undertake 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>accordingly.</p> <p>The Petitioner Companies states that the original Scheme was presented before this Tribunal on October 15, 2022 by mentioning the Appointed Date as April 01, 2022. As per circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs, the Scheme was filed/ presented before this Hon'ble NCLT within one year of the Appointed Date. i.e., April 01, 2022, hence the Scheme is in compliance with the requirements of the aforesaid MCA Circular.</p>
<p>2(h)</p>	<p><i>Petitioner Companies shall undertake to comply with the directions of Income tax department and the GST authorities, if any.</i></p>	<p>In so far as the observation made in paragraph 2(h) of the RD Report is concerned, the Petitioner Companies states a Notice under section 230(5) of Companies Act, 2013 have been served on to the concerned Income Tax Authorities and the GST Authorities through Hand Delivery and have yet not received any directions form the said Income Tax Authorities and GST Authorities. Further, the Petitioner</p>

		Companies undertake to comply with any such directions issued by the said Income Tax Authorities, if received.
2(i)	<i>Petitioner Companies shall undertake to comply with the directions of the concerned sectoral Regulatory, if any.</i>	In so far as the observation made in paragraph 2(i) of the RD Report is concerned, the Petitioner Companies states a Notice under section 230(5) of Companies Act, 2013 have been served on to the concerned sectoral Regulatory and have yet not received any directions form the said sectoral Regulatory. Further, the Petitioner Companies undertake to comply with any such directions issued by the said Sectoral Regulatory, if received.
2(j)	<i>As per the list of shareholders of Petitioner Companies, they have foreign shareholders hence Petitioner Companies shall undertake to comply with guidelines of RBI, FEMA, FERA.</i>	In so far as the observation under paragraph 2(j) 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 the consideration clause mentioned at para 12 of the Scheme of Merger by Absorption, since the Transferor Company is a wholly-owned subsidiary of the Transferee Company, no consideration shall be payable pursuant to the Merger of the

		<p>Transferor Company with the Transferee Company and therefore 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 the nominee shareholders), and the shares held by the Transferee Company in the Transferor Company shall stand cancelled on the Effective Date without any further act, application or deed. Accordingly, the provisions of FERA/FEMA Regulations or RBI Guidelines will not be triggered.</p>
<p>2(k)</p>	<p><i>Petitioner Transferee Company has sent intimation letter dated 29.09.2022 to BSE Limited and NSE Limited, in this regard if any observation pointed out by BSE Limited and NSE Limited then Petitioner Transferee Company shall undertake to comply with the same and also comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</i></p>	<p>In so far as the observation under paragraph 2(k) of the RD Report is concerned, the Second Applicant Company states that, since this Scheme is between the holding Company and its wholly-owned subsidiary, 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</p>

		<p>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, the Transferee Company has provided adequate disclosures to the Stock Exchanges. The Stock Exchanges i.e. BSE Limited has disseminated the Scheme on its website on October 8, 2022, and National Stock Exchange of India Limited has disseminated the Scheme on its website on October 10, 2022. The copy of intimation letter dated September 29, 2022 filed with BSE Limited and National Stock Exchange of India Limited by the Transferee Company is annexed to the Company Scheme Petition as an Annexure I. Further, 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>
2(l)	<i>As per shareholding pattern</i>	In so far as the observation made in

<p>as on 31.03.2022 submitted by the Petitioner company, details of shareholding are as follows: -</p>					<p>paragraph 2(l) The Petitioner Companies states that as of 31 March 2022 Bajaj Electricals Limited is holding 100% in Nirlep Appliances Private Limited making it a wholly owned Subsidiary, therefore the % of shares held mentioned as 79.85% is erroneous. Further, as per rule 8 of Companies (Significant Beneficial owners) Rule, 2018 the provision shall not be applicable to the extent the shares of reporting company are held by its Holding Reporting Company. Therefore, it is not applicable to the First Petitioner Company. Further, in Bajaj Electricals Limited, 19.54% is held by Jamnalal Sons Private Limited (JSPL) and 16.36% is held by Bajaj Holdings and Investment Limited (Listed Entity) (BHIL) however, no individual is holding more than 50% majority stake in JSPL or BHIL directly or indirectly in the Companies which hold shares JSPL or BHIL and accordingly the provisions of Section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019 (Rules) are not applicable and hence, filing of form BEN-2, as per the provisions of Section 90 of the</p>
S r. N o .	Petit ione r Com pany	Na me of Sh are hol der	% of sh ar es he ld	Re ma rk	
1	Nirlep Appli ance s Priva te Limit ed	Bajaj Elec tric als Limi ted (Hol din g Com pany)	79 .8 5%	No For m BE N-2 has bee n file d by any of the Peti tion er Com p ani es as per	
2	Bajaj Elect ricals Limit ed (Hold ing Com pany	Jam nalal Son s Priv ate Limi ted	19 .5 4%		

)	Bajaj Holdings and Investment Limited	16.36%	records available at MC A21 Portal	<p>Companies Act, 2013, is not applicable. Petitioner Companies undertake to continue to comply with the provisions of section 90 of Companies Act, 2013 read with the Rules as applicable. The Petitioner Companies have filed an Additional Affidavit dated 7th December 2023 to the Report of Regional Director annexing therewith Annexure A a diagrammatical representation of the shareholding in the Petitioner Companies and further shareholding of the body corporates holding shares in the Petitioner Companies and Annexure B Colly is the detailed list of all such body corporates to showcase that no individual is holding majority stake and therefore the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019 (Rules) are not applicable.</p>
<p>As per Rule 2(h) of the Companies (Significant Beneficial Owners) Rules, 2018 “significant beneficial owner” in relation to a reporting company means an individual referred to in subsection (1) of section 90, who is acting alone or together, or through one or more persons or trust, possesses one or more of the following rights or entitlements in such reporting company, namely:-</p> <p>(i) holds indirectly, or together with any direct holdings, not less than ten per cent. of the shares;</p> <p>(ii) holds indirectly, or together with any direct holdings, not less than ten per cent. of the voting rights in the shares;</p>					

	<p>(iii) has right to receive or participate in not less than ten per cent. of the total distributable dividend, or any other distribution, in a financial year through indirect holdings alone, or together with any direct holdings;</p> <p>(iv) has right to exercise, or actually exercises, significant influence or control, in any manner other than through direct holdings alone:</p> <p>As per section 2 (27) of Companies Act, 2013 "control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner".</p>	
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	<p>No Form BEN-2 has been filed by any of the Petitioner Companies as per records available at MCA21 Portal including by Nirlap Appliances Private Limited by filling Form BEN-2 under Point No. 3, the radio button of Form BEN-2 e-form is required to be fill up with particular of holding company by Filling Form BEN-2 by reporting Subsidiary Company which is not extended under proviso to Rule 8(b) of Companies (Significant Beneficial Owners) Rules, 2018. Hence Petitioner Companies shall undertake to comply with the provisions of section 90 of Companies Act, 2013 r/w. Companies (Significant Beneficial Owners) Amendment Rules, 2019, thereunder and to file Form BEN-2 for declaring name of the significant beneficial owner with concerned ROC.</p>	
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12. The Official Liquidator, High Court, Bombay has filed his report on November 02, 2023, inter alia stating therein the observations on the scheme as stated in point no. 8 to 11 of the said Report. In response to the observations made by the Official Liquidator, the Petitioner Companies have filed reply affidavit cum rejoinder on November 6, 2023 and have given necessary clarifications and undertakings. The clarifications and undertakings given by the Petitioner Companies are summarized below:

- I. With reference to **Paragraph 1 to 7** of the OL representation, the contents thereof do not require any comments.
- II. With reference to Paragraph 8 of the OL report, the Petitioner Companies states that the clause 13 of the Composite Scheme complies with the provisions of Section 232(3)(i) of the Companies Act, 2013 as regards to the combination of Authorised share capital, where the Transferor Company shall stand dissolved and the fees, if any, paid by the Transferor Company on its Authorised share capital shall be set-off against any fees payable by the Transferee Company on its Authorised share capital subsequent to the Amalgamation, the deficit fee, if any, after setting-off the fees already paid by the Transferor Company on their Authorized share capital, will be paid by the Transferee Company.
- III. With reference to Paragraph 9 of the OL report, the Petitioner Companies submits that as per financial statement as at 31.03.2022 the Company owes Rs. 766.29 Lakhs and as at 31.03.2021 it is Rs. 798.06 Lakhs to MSME vendors. The Company has made all the efforts to make the payment to the MSME registered vendors within 45 days of becoming due. In exceptional circumstances if payment is not made within 45 days of becoming due Company has taken necessary waiver of interest from such creditors for making payment in delay and the respective vendor has not taken any action against the Company. Further, the Company has filed

form MSME-1 with the ROC for both the financial year for the above said dues. Form MSME-1 for 31/03/2021 and 31/03/2022 is attached as Annexure A to the OL Rejoinder.

- IV. With reference to **Paragraph 10** of the OL report, the Petitioner Companies submits that the Company is experiencing a slowdown and is incurring losses from the last few years. At the reporting date of March 31, 2022, the Company has negative net worth amounting to Rs. 3408.47 lakhs (PY Rs. 2687.64 lakhs), it has incurred a total comprehensive loss of Rs. 720.83 lakhs (PY Rs 462.95 lakhs) for the year ended March 31. 2022 and has a negative working capital as at March 31, 2022 of Rs. 2527.14 lakhs (PY Rs. 1148.05 lakhs). The loss incurred by the Company is primarily an account of its inability to recover the fixed costs due to declining production volumes. The above factors indicate a risk of going concern assumption followed by the Company. However, it may be noted that the Transferee Company had acquired a controlling stake in the Company in August 2018. Since acquisition, the Company has restructured its business model which has enabled it to achieve significant reduction in operational costs. The Company in the current year has also expanded its production capabilities by capitalizing a new plant for manufacturing of pressure cookers which has enabled it to widen its product portfolio. The shareholders of the Company have also agreed to provide continuous financial and operational support to the Company to ensure that it continues to operate as a going concern in the foreseeable future and is able to meet its liabilities as and when they fall due for payment.

Further, post-merger the accounts of the Transferor Company will be merged with the Transferee Company, the consolidated financial statement of the Transferee company will result in increase in financial stability and an opportunity to fully leverage assets, capacities, experience and infrastructure. It will also result into organisational efficiencies, economies

of scale and optimum utilization of resources which is in line with rationale of the Scheme.

Considering the Company's new business model and confirmation from the parent company to provide continuous financial and operations support to the Company to avoid any liquidity issues before or after the COVID impact, management believes that it will be able to meet its commitments/ cash flow requirements.

- V. With reference to **Paragraph 11** of the OL report, the Petitioner Companies submits that Transferee Company acquired Transferor Company which was running in losses in 18-19. Acquisition process, the audits, placement of products in Transferee Company network resulted in low sales in that year. The lower sales continued in next year 19-20 because the Sales network of Transferee Company is mainly for electrical appliances, and the Sales network and sales staff took longer time to acquire the knowledge of the products. Also, before Transferee Company acquired Transferor Company, the overall market presence, brand visibility and overall advertisements of Transferor Company were reduced substantially, and Transferee Company needed tremendous efforts to improve market presence of Transferor Company which was once a dominating brand and a pioneer player of non-stick cookware industry in India.

While Transferee Company were making all its efforts to uplift Transferor Company; the world experienced unprecedented pandemic in the form of Covid and while the Company was having plans to expand the markets and make wider placements of materials into PAN India locations, but before the Company could scale up production and increase the market presence; we were struck with Covid Lockdowns and since there were restrictions on outings and people were refraining themselves from eating outside food, people heavily bought the non-stick kitchen appliances, rather stocked

those at their homes since those are daily usable utensils and people wanted to ensure that they have the daily required non-stick cookware available with them and that gave good business to competition, leaving Transferor Company behind in the race. In FINANCIAL YEAR. 20-21 and FINANCIAL YEAR. 21-22; apart from the effects of Covid pandemic on capacity utilization and market expansions, there was also large impact of commodity prices going up substantially; which adversely affected costs and reduced margins substantially. To improve capacity utilization of the plant; low margin orders for Exports and Institutions were taken primarily with the objective to recover fixed costs which also reduced profitability but those were unavoidable circumstances. Company installed a pressure cooker plant in FINANCIAL YEAR 21, post developing new and innovative pressure cookers with an intention of getting more revenue. Investment in the plant and the product development in initial 2 years resulted in higher expenses and the development of new pressure cookers also delayed because of technical issues which contributed to the losses but that's temporary and onetime event since now the plant is operational, up and running. In FINANCIAL YEAR. 22-23; the commodity prices (mainly Aluminium) were reduced but the sales didn't pick-up as expected since the growth in Rural Markets didn't pick up post covid since poor class and middle class was the most impacted population due to Economic After-Effects of Covid and Lockdowns and many faced loss of jobs / income which reduced their buying capacity which in turn affected our topline and margins. The fall in exports due to slow down and expected recession in Europe further contributed to loss of revenue and resulted into fall in margins and ultimately resulted into losses. The summarization of above events can be considered as major reasons for losses of Transferor Company in past years.

Further, the Company has written off Bad debts during the FINANCIAL YEAR 2018-19 and 2021-22 considering the fact that the debt when

become irrecoverable it becomes bad debt. The Company has taken sufficient efforts to recover such debt amount before classifying it as a Bad debt and no suits has been filed considering materiality. To assume a more attractive position and reduce its tax liability the Company has written off its bad debts. Board resolution approving the said write off has been attached as an Annexure B to the OL Rejoinder.

13. 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.
14. All the assets and liabilities including taxes and charges, if any and duties of the Transferor Companies, shall pursuant to section 232 of the Companies Act, 2013, be transferred to and become the liabilities and duties of the Transferee Company.
15. Since all the requisite statutory compliances have been fulfilled, Company Petition bearing C.P.(CAA)/250(MB)2023 filed by the Petitioner Companies are made absolute in terms of prayers clause of the said Company Scheme Petition.
16. 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 physical copy, within 30 (thirty) 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.
17. 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.
18. 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.

19. The Scheme is hereby sanctioned, and the “Appointed Date” of the Scheme is fixed as the 1st day of April, 2022 i.e., from the start of business hours of 1st day of April 2022. The Scheme shall be operative from the “Effective Date” as per the provisions of the Scheme.
20. Accordingly, the C.P. (CAA)/250(MB)2023 connected with C.A.(CAA)/246(MB) 2022, is allowed and Disposed of.

Sd/-

Madhu Sinha
Member (Technical)

/Priyanka/

Sd/-

Reeta Kohli
Member (Judicial)