

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.13
CP. (CAA) No. 07/BB/2026

IN THE MATTER OF:

M/s Micro Labs Ltd

... Petitioner

Petition under Section 230-232 of CA, 2013

Order delivered on: 09.10.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Ms Aparna Purkayastha

ORDER

CP. (CAA) No.07/BB/2026 is allowed vide separate order.

File be consigned to Record room.

Sd/-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

Sd/-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

BL

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU

(HYBRID MODE)

C.P. (CAA) No.07/BB/2026

Under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

IN THE MATTER OF SCHEME OF:

MICRO LABS LIMITED,

A company incorporated under the provisions of
The erstwhile Companies Act, 1956, having its
Registered office at 31, Race course Road,
Bengaluru- 560001.

..... Demerged Company/
Petitioner Company No.1

AND

BAHL AND COMPANY PRIVATE LIMITED,

a company incorporated under the provisions of
the erstwhile companies Act VII of 1913 having
its registered office at 31, Race Course Road,
Bengaluru- 560001.

..... Resulting Company/
Petitioner Company No. 2

Order delivered on: 09.10.2026

Coram: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

Counsels Present:

For the Petitioner	:	Adv. Aparna Purkayastha
For the Respondent	:	Adv. Ganesh Ghale
For the ROC	:	Adv. Vinayak S Pandit

ORDER

1. This second motion Petition is filed on **04.02.2026** by the Petitioner Companies under the aforementioned provisions for sanctioning of the **Scheme of Arrangement** be accorded sanction by this Hon'ble Tribunal *so as to be binding on the Petitioner Company No. 1 and Petitioner Company No. 2 and their respective shareholders with effect from April 01,2025 (hereinafter referred to as appointed date) or from such other date as this Hon'ble Tribunal may deem proper, the financing and investment Business of the Petitioner Company No.1 in its entirety shall, be transferred without and further act or deed in favour of the petitioner company No.2 on a 'going concern' basis in such manner that all the properties, assets, rights, claims, title, interest, obligations, liabilities, litigations and authorities of Financing and Investment Business shall stand transferred to the Petitioner Company No.2 and the same be, pursuant to S. 230 and 232 of the Act and all other applicable provisions of the Act, if any, stand transferred to and vested in the petitioner company No.2 and all the loans, borrowing, debts, liabilities, credit facilities, overdraft facilities, duties and obligations pertaining to the financing and investment business of the petitioner No.1 shall be transferred to and become the liabilities and duties of the petitioner company No.2 and all the employees of the financing and investment business of the petitioner company No.1 will become the employees of the petitioner company No.2 without any break or interruption in service.*
2. The first motion order was passed on **18.11.2025** in **CA (CAA) No. 45/BB/2025**. In terms thereof, the meeting of Equity Shareholders of Demerged Company & Resulting Company, Unsecured Creditors of the Resulting Company were dispensed with. Meeting convened with Secured Creditors and Unsecured Creditors of the Demerged Company and approval for Scheme with requisite majority achieved.

3. On 06.02.2026 following directions were issued in the case: -

"3. In compliance of Section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016, issue notice of petition to the following statutory authorities in Form CAA3 for submitting their representation if any.

(a) The Regional Director(s) at rd.ser@mca.gov.in.

(b) The Registrar of Companies at roc.bangalore@mca.gov.in.

(c) The Income Tax Authorities at bangalore.pccit@incometax.gov.in

(d) The Reserve Bank of India.

(e) The Statutory Regulators/ Sectoral regulators, if applicable.

*4. Notice is also directed to be published in two prominently circulating national daily newspapers namely '**The Financial Express**' in English and '**Kannada Prabha**' in kannada in terms of Rule 7 of the Companies (Companies Arrangements and Amalgamation) Rules, 2016. All the authorities on receipt of the notice, are directed to file their representation, if any, within 30 days from the date of receipt of the notice. In case, no representation is received, it will be presumed that they have no objection to the proposal. "*

4. The Petitioner Companies have complied with the directions and submitted evidence of service of notices i.e. Affidavit of Service of Notice to Statutory Regulators vide Diary No.1708 dated 07.04.2026 along with copies of newspaper.
5. The main objects, dates of incorporation, authorized, issued and paid-up share capitals, rationale of the scheme and interest of employees have already been *prima facie* considered while passing the first motion order dated 18.11.2025.
6. The Board Resolutions of the Petitioner Company No.1 & 2 dated 17.09.2025, respectively approving the Scheme are annexed as **Annexures F1 & F2** to the Petition.
7. The Certificate of the statutory auditor of the Petitioner Company No.1 has been obtained, as reproduced in **Annexure M1** read with paragraph 15 of part II of the Draft Scheme, it is confirmed that the accounting treatment in the books of Demerged Company proposed

in the scheme is in compliance with the Accounting standards ('AS') as prescribed u/s 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time including MCA circular in all material respects and other generally accepted accounting principles in India.

8. The Certificate of the statutory auditor of the Petitioner Company No.2 has been obtained, as reproduced in **Annexure M2** the accounting treatment in the books of petitioner company No.2 proposed in the scheme is in compliance with the Accounting Standards ('AS') as prescribed u/s 133 of the Act read with Companies (Accounting Standard) Rules, 2021 as amended from time to time and other Generally Accepted Accounting Principles in India.
9. Affidavits have been filed on behalf of the Petitioner Companies to state that there are no Sectoral Regulators except RBI, no Corporate Debt Restructuring is involved and no Investigations, Litigations or Proceedings pending against the Petitioner Companies or the Directors thereof before any Statutory Authority.
10. The audited balance sheet as on 31.03.2025 and the unaudited balance sheet for the period ending 30.09.2025 of the petitioner company No.1 is produced as **Annexure C-1 Series** to the petition. The audited balance sheet of the demerged undertaking as on 31.03.2025 and the unaudited balance sheet for the period ending 30.09.2025 is produced as **Annexure C-2 Series** to the petition. The audited balance sheet as 31.03.2025 and the unaudited balance sheet for the period ending 30.09.2025 of the petitioner company No.2 is produced as **Annexure E-1 and E-2** to the petition.
11. As per the Scheme, the "**Appointed Date**" means **01.04.2025** or such other date as the Tribunal may direct.
12. The Petitioner Companies have produced the Valuation report at **Annexure H** issued by Santha Kumar S, Registered Valuer. The Petitioner Companies have filed a memo dated 27.08.2026 vide dairy

No. 8371 and 8455 in compliance with the clarification asked by this Tribunal on the hearing held on 24.07.2026 in relation to the Valuation report determining the valuation of shares and swap ratio is taken on record.

13. REPORT OF THE RD & ROC:

Pursuant to the notice issued by this Tribunal, the Regional Director ("RD") has received a report from the Registrar of Companies ("ROC"), Karnataka, along with replies filed by the Petitioner Companies. The RD has thereafter filed its report dated 27.05.2026 ("RD Report"), vide dairy No. 6500 inter alia, making the following observations:

" 2. That the Transferor and Transferee Companies are registered with Registrar of Companies, Bengaluru and hence falls under the jurisdiction of Hon'ble Tribunal.

3. Ministry of Corporate Affairs vide Investigation order No.CL-II-13/7/2025-O/o DCoA-MCA dated 07.10.2025 has ordered Investigation of Affairs of the company namely Micro Labs Limited (U24232KA1973PLC002401) under section 210(1)(c) of the Companies Act, 2013 keeping the public interest. The Investigation of the affairs of the Micro Labs Limited is under process.

4. As per para 16 of the reply submitted by BAHF And Company Private Limited (Resulting Company) dated 24.04.2026, it has stated that the company has received the notice of investigation from RD(SWR) vide reference No. RD(SWR)/210/Inv.Microlabs & 2/I00100317/2026-280 dated 12.03.2026 and stated that it is presently in the process of collating, compiling, and duly examining the requisite information and records the investigation of Micro Labs Limited (Demerged Company of Karnataka) is in progress. Hence if the demerger is allowed it will impacts the process of the investigation.

Therefore, Hon'ble Tribunal is kindly requested to direct the Petitioner Company to fully cooperate with Investigating Officers and shall not hamper the investigation process in any manner and request not to consider the Petition/scheme until the completion of the investigation proceedings by the Investigation Officers and submitting their report to Ministry of Corporate Affairs, New Delhi and till to the outcome of the instructions of the Ministry.

(5) Hence, in view of the above, as Micro Labs Limited (Demerged Company) with BAHL And Company Private Limited (Resulting Company) which is under Investigation under Section 210(1)(c) of the Companies Act, 2013 as per Ministry of Corporate Affairs vide order No.CL-II-13/7/2025-O/o DGCoA-MCA dated 07.10.2025 and keeping the public interest, the Hon'ble Tribunal is kindly requested not to consider the petition/scheme of Arrangement of Micro Labs Limited (Demerged Company) with BAHL And Company Private Limited (Resulting Company) until the process of Investigation is completed by the Investigation Officers and submit their report to the Ministry of Corporate Affairs, New Delhi and till to the outcome of the instructions of the Ministry of Corporate Affairs, New Delhi."

13.1. REPLY BY THE PETITIONER:

The Petitioner Companies have filed their reply to the RD report vide Diary No.6782 dated 10.06.2026, stating as under: -

1. **Point No. 1 and 2 of the report of the RD (SWR) are facts and correct.**
2. Point No. 3, 4 and 5 of the report refer to the Investigation Order No. CL-II-13/7/2025-O/oDGCoA-MCA dated 07.10.2025 of Ministry of Corporate Affairs followed by the Notice of Investigation from RD(SWR) vide reference No. RD(SWR/210/Inv.Microlabs & 2/100100317/2026-280 dated

12.03.2026 issued to the Petitioner Company No. 1- MicroLabs Limited.

It is submitted that on 12.03.2026 only the Petitioner Company No. 1/Demerged Company Micro Labs Limited received the Notice of Investigation No. RD (SWR/210/Inv.Microlabs & 2/100100317/2026-280. It is hereby clarified that the Petitioner Company No. 2/Resulting Company - Bahl and Company Private Limited did not receive any Notice of Investigation under Section 210 of the Companies Act, 2013 and is not under any investigation. The first statement in Para 4 of the RD's report - "As per para 16 of the reply submitted by Bahl and Company Private Limited (Resulting Company) dated 24.04.2026" is an erroneous reference to the Resulting Company instead of the Demerged Company. The statement may please be read as - 'As per para 16 of the reply submitted by Micro Labs Limited (Demerged Company) dated 24.02.2026' being the fact of the matter.

The Petitioner Companies respondent to the observations under Para 3, 4 and 5 of the RD (SWR)s report as under:

(i) It is respectfully submitted that, in response to the notice issued by the Regional Director (SWR) vide reference No. RD (SWR/210/Inv.Microlabs & 2/100100317/2026-280 dated 12.03.2026, the Petitioner Company No.1/Demerged Company - Micro Labs Limited has by way of communication dated 18.05.2026 duly furnished all data, information, records, documents, explanations, and particulars sought by the Regional Director (SWR) and has extended complete cooperation in the conduct of the investigation.

A copy of the acknowledgement confirming submission of documents/data to the RD(SWR) is attached to this submission as **Annexure 'A'**.

(ii) It is further submitted that the Petitioner Companies undertake to continue extending its fullest assistance and cooperation to the investigating authorities and shall promptly provide such additional information, documents, records, clarifications, explanations, representations, or undertakings as may be required from time to time. The Petitioner Companies also undertake to ensure full, timely, and diligent compliance with all lawful directions, requisitions, and instructions issued by the Regional Director (SWR) in connection with the investigation and affirms its commitment to facilitating the proceedings in a transparent, bona fide, and expeditious manner, in accordance with the applicable provisions of law.

(iii) It is respectfully submitted that the investigation presently being conducted by the Regional Director (SWR) under Section 210 of the Companies Act, 2013 is a statutory fact-finding exercise initiated in the ordinary course of regulatory administration pursuant to powers conferred under the Act. The mere initiation or pendency of such investigation does not constitute any finding, determination, or adjudication of wrongdoing, non-compliance, fraud, or misconduct, nor does it give rise to any presumption of liability or culpability on the part of the Company or its officers. The proceedings are purely investigative in nature and are intended to enable the competent authority to examine and ascertain relevant facts relating to the affairs of the Company in accordance with law.

(iv) It is further respectfully submitted that, as on the date hereof, no adverse findings, observations, conclusions, determinations, orders, directions, adjudications, or findings establishing any contravention of law, fraud, mismanagement, misconduct, or regulatory noncompliance have been recorded or passed against the Petitioner Company No. 1 by any competent authority pursuant to the ongoing investigation or otherwise. The

investigation remains at a preliminary fact-finding stage, and no conclusion prejudicial to the Company has been arrived at. Accordingly, there exists no legal, regulatory, financial, or operational impediment that may affect the legality, validity, fairness, sanction, implementation or commercial rationale of the proposed Scheme, nor are there any circumstances on record that could materially prejudice the interests of the shareholders, creditors, or other stakeholders, or otherwise impact the approval and effective implementation thereof.

(v) It is further respectfully submitted that the investigation being conducted under Section 210 of the Companies Act, 2013 is wholly independent of, and bears no nexus whatsoever with, the proposed Scheme of Arrangement between the Petitioner Companies. The subject matter, scope, and circumstances of the investigation are entirely distinct from the restructuring contemplated under the Scheme, which has been formulated on sound commercial, operational, and business considerations to achieve organizational efficiency, focused management, and enhanced stakeholder value. The Scheme neither arises from nor seeks to address any matter forming part of the investigation, and the rights, obligations, assets, liabilities, of the Investment and Financing Division proposed to be transferred are neither contingent upon nor affected by the issues under examination. Accordingly, the pendency of the investigation does not impinge upon the legal validity, commercial rationale, fairness, or feasibility of the Scheme. In the absence of any finding, order, or determination establishing any violation having a bearing on the transactions contemplated under the Scheme, the mere existence or pendency of the investigation cannot be construed as affecting the merits of the Scheme or constituting any legal impediment to its consideration, sanction, or implementation.

(vi) It is respectfully submitted that the proposed Scheme is not in the nature of a reconstruction, compromise, or arrangement intended to confer any undue advantage upon the Petitioner Companies or their stakeholders. The Scheme does not contemplate, nor does it seek, any waiver, extinguishment, restructuring, or concession in respect of any loans, liabilities, statutory dues, taxes, or other obligations, nor does it claim any special tax benefit, exemption, incentive, or regulatory concession. It is further submitted that the Resulting Company presently has no borrowings or outstanding indebtedness, and the Scheme does not envisage the transfer, shifting, novation, or dilution of any borrowings, creditor claims, or liabilities in a manner prejudicial to the interests of any creditor, lender, stakeholder, or third party. The rights, interests, and remedies available to creditors and other stakeholders remain fully preserved and unaffected by the Scheme. Accordingly, the proposed Demerger is a bona fide internal reorganisation undertaken for legitimate business purposes and does not adversely impact the financial, legal, or commercial interests of any creditor or third party in any manner whatsoever.

(vii) It is respectfully submitted that the Demerged Company and the Resulting Company are closely held family concerns belonging to the same group and are under common ownership, management, and control, having common shareholders, common directors, and the same registered office address, whole operating from the very same premises. The proposed Demerger is merely an internal corporate reorganisation intended to achieve business and operational efficiencies and does not result in any change in the ultimate beneficial ownership, control, or management of the undertaking. The Scheme neither has the effect of absolving nor is intended to absolve the management or directors of the demerged company from any liability,

responsibility, or accountability arising in relation to the demerged undertaking. The persons in control and management of the Demerged Company shall continue to remain responsible and answerable for all acts, omissions, obligations, and liabilities pertaining to the undertaking in the same manner and to the same extent as existed prior to the Demerger, subject to applicable law. Further, both companies being closely held family entities, no public interest is involved or affected by the proposed Scheme, and the rights, interest, and benefits of the shareholders, creditors, or any other stakeholders remain fully protected and are in no manner prejudiced or adversely impacted by the implementation of the Scheme.

viii) It is respectfully submitted that the sanction, effectiveness, and implementation of the proposed Scheme of Arrangement shall neither impede, obstruct, frustrate, nor otherwise adversely affect the ongoing investigation in any manner whatsoever. The scheme has been formulated as a bona fide corporate restructuring exercise undertaken for legitimate business and commercial objectives and is not intended, directly or indirectly, to circumvent, defeat, compromise, or prejudice any inquiry, investigation, proceeding, or action initiated under applicable law. It is further submitted that the Scheme does not contemplate, nor does it result in, the concealment, transfer, extinguishment, dilution, novation, or evasion of any existing or contingent liabilities, obligations, responsibilities, or statutory dues of the Petitioner Companies. All liabilities, obligations, and legal responsibilities shall continue to remain duly enforceable against the entity upon which they vest pursuant to the Scheme, and the rights of regulatory authorities, creditors, stakeholders, and other interested parties shall remain fully preserved and unaffected. Accordingly, the implementation of the Scheme shall not diminish the jurisdiction, powers, or authority of the investigating

agencies, nor impair their ability to continue, conclude, or take appropriate action pursuant to the investigation in accordance with law.

(ix) It is respectfully submitted that upon the Scheme becoming effective, all rights, interests, entitlements, benefits, obligations, duties, responsibilities, liabilities, commitments, and undertakings of the Petitioner Companies shall continue to subsist and remain valid, binding, and fully enforceable in accordance with the provisions of the Scheme and the applicable laws governing the same. The Scheme does not operate to extinguish, compromise, discharge, reduce, or otherwise adversely affect any existing or future liability or obligation, whether statutory, contractual, regulatory, contingent, accrued, or otherwise. All such rights and liabilities shall stand vested in and be assumed by the respective entities in the manner expressly contemplated under the Scheme, with the same force and effect as it they had originally arisen in favour of, or been incurred by, such entities. Accordingly, the implementation of the Scheme shall not result in any interruption, impairment, dilution, or derogation of any legal rights, remedies, claims, obligations, or liabilities, all of which shall continue to be recognized, honoured, and enforceable in accordance with the terms of the Scheme and the applicable provisions of law.

3. It is respectfully submitted that the proposed demerger of the Financing and Investment Business of Petitioner Company No. 1 (Demerged Company) into Petitioner Company No. 2 (Resulting Company) constitutes a bona fide and legitimate corporate reorganization structured in accordance with the provisions of the Companies Act, 2013 and other applicable laws and is neither intended nor designed to circumvent, impede, or dilute any statutory, regulatory, or legal obligation of either of the Petitioner Companies. The proposed Scheme and the investigation presently

being conducted under Section 210 of the Companies Act, 2013 operate in entirely distinct and independent legal spheres, with neither proceeding having any bearing upon, or being contingent upon, the other. The pendency of the investigation neither affects the legality, fairness, commercial rationale, nor the implementation of the Scheme, and the sanction of the Scheme shall in no manner impede, prejudice, or dilute the powers, jurisdiction, or authority of the investigating agencies. The Petitioner Companies have duly addressed the concerns and observations raised by the Hon'ble Regional Director and have demonstrated that the Scheme is a bona fide corporate restructuring undertaken in compliance with applicable law and in the larger interest of the stakeholders.

It is therefore humbly prayed that this Hon'ble Tribunal may be pleased to take the aforesaid submissions on record, treat the observations of the Hon'ble Regional Director (SWR) as having been satisfactorily explained and duly complied with, and be further pleased to sanction the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013, as prayed for, in the interests of justice, equity, good conscience, and commercial expediency.

14. ADDITIONAL REPORT OF RD:

The RD has thereafter filed its additional report dated 11.06.2026 vide dairy No. 6800 inter alia, making the following observations:

"1. That the Regional Director, South Western Region, Ministry of Corporate Affairs, Bengaluru has filed report of this Directorate vide dated 26.05.2026 before the Hon'ble NCLT(BB) on 27.05.2026 and copy served to the Petitioner Companies. Further, based on the report of this Directorate, reply to the observations of the Regional Director (SWR) has been filed by Counsel for the Petitioner

Companies before the Hon'ble NCLT(BB) and copy to this Directorate on 09.06.2026.

2. With reference to Point No.2 of the reply to the observation of the Petitioner Companies dated 09.06.2026, it has been stated that the Petitioner Companies in its clarification dated 09.06.2026 has mentioned that Petitioner Company No.2 (Resulting Company i.e. Bahl and Company Private Limited did not receive the notice of investigation under section 210 of the Companies Act, 2013 and it is not under any investigation.

Hence, it is to inform that this Directorate has referred to the Demerged Company (Micro Labs Limited) as the reply has been submitted by the Demerged Company. Hence, the same may be read as para 16 of the Demerged Company. Further, the contents of which are self-explanatory.

3. With reference to Point No.2 (i) to (x), 3 of the reply to the observation of the Petitioner Companies dated 09.06.2026, it has stated that in response to the notice issued by the Regional Director (SWR) vide reference No.RD(SWR)/210/ Inv.Microlabs & 2/100100317/2026-280 dated 12.03.2026, the Petitioner Company No. 1/Demerged Company - Micro Labs Limited has by way of communication dated 18.05.2026 duly furnished all data, information, records, documents, explanations and particulars sought by the Regional Director(SWR) and has extended complete cooperation in the conduct of investigation.

With reference to the above, it is to inform that the Demerged Company has submitted the information to the investigation Officers only on 18.05.2026 and the Investigation proceedings is in progress and yet to be finalised by the Investigations Officers. Hence, this Directorate once again request the Hon'ble Tribunal to direct the Petitioner Demerged Company to fully cooperate with Investigation Officers and shall not hamper the investigation process in any

manner and request the Hon'ble Tribunal not to consider the petition/scheme of arrangement of Micro Labs Limited (Demerged Company) with BAML and Company private limited (resulting company) until the process of investigation is completed by the Investigation Officers and submit their report to the Ministry of Corporate Affairs, New Delhi and till to the outcome of the instructions of the Ministry of Corporate Affairs, New Delhi, Keeping the public interest.

14.1. Reply of the Petitioner to the additional report of the RD:

1. The principal objection raised by the Regional Director South-Western Region [RD(SWR)] in their Report dated 26th May 2026 and in the additional report dated 10th June 2026 is that investigations/proceedings are pending against the Petitioner Company No. 1/ Demerged Company and, therefore, the Scheme ought not to be considered till the completion of the proceedings and till the outcome of the instructions of the Ministry of Corporate Affairs, New Delhi.

At the outset we respectfully submit that as on date of this submission no adverse findings, observations, conclusions or disputes are raised by the RD(SWR) on Petitioner Company No. 1/ Demerged Company.

It is further respectfully submitted that the mere pendency of investigations or regulatory proceedings does not constitute a statutory embargo under Sections 230 to 232 of the Companies Act, 2013, nor has any Court interpreted it as such. The settled judicial position is that unless the pending proceedings have a direct bearing upon, or render the Scheme unfair, unlawful or prejudicial, they cannot be relied upon as a ground to refuse sanction.

2. The Petitioner has relied on the following judgements to support the submission that Pendency of Investigation is not, per

se, a Bar to Sanction the Scheme of Arrangement between the Petitioner Companies:-

- a) MEL Windmills Pvt. Ltd V. Mineral Enterprise Ltd. & Anr. NCLAT- Company Appeal (AT) Nos. 4,5 & 6 of 2019*
- b) In re C.M. Smith & Sons Ltd. [2008] 146 Comp Cas 359- Gujarat High Court.*
- c) Niulab Equipment Co.P. Ltd., [2009] 152 comp Cas 375 (Bom)*
- d) Ericsson India Pvt. Ltd. & Ericsson India Global Services Pvt. Ltd. Company Appeal (AT) NO. 148 of 2021 NCLAT, Principal Bench.*

3. Having demonstrated that the pendency of investigations is not, by itself, a ground to reject a Scheme, it is respectfully submitted that the scope of enquiry by this Hon'ble Tribunal is well settled in a catena of decisions by the Apex Court and High Courts, some of which are referred:-

- a) Navjivan Mills Co. Ltd, Kajol V. Unknown- (1972) 42 Comp. Cas. 265 (Guj)*
- b) Hindusthan Lever & Anr. v. State of Maharashtra & anr. (2004) 9 Supreme Court Cases 438*

4. Applying the above precedents, the objection of the RD[SWR] cannot constitute a valid ground for refusing sanction because:

- * the pendency of investigations is not a statutory prohibition under Sections 230-232;
- * all material facts relating to such proceedings have been duly disclosed in compliance with Section 230(2)(a);
- * there is no finding that the pending investigations render the Scheme unfair, unlawful or prejudicial to the interests of shareholders, creditors or the public;
- * any investigation or regulatory proceeding will continue unaffected in accordance with law, and the sanction of the

Scheme will neither impede nor confer immunity from such proceedings.

Accordingly, the objection raised by the RD[SWR] ought to be evaluated by this Hon'ble Tribunal in the light of the settled judicial principles governing schemes under Sections 230 to 232 of the Companies Act, 2013. The consistent view of the Courts is that the mere pendency of investigations or proceedings, in the absence of any demonstrable prejudice to the Scheme or its stakeholders, does not constitute a valid ground to decline sanction. The Tribunal may therefore exercise its discretion in accordance with these well-settled principles.

5. It is respectfully submitted that the Hon'ble Supreme Court, the Hon'ble High Courts and the Hon'ble NCLAT uniformly hold that the pendency of investigations or alleged statutory violations is not, by itself, a bar to the sanction of a Scheme, provided the statutory requirements have been complied with, all material facts have been fully disclosed, the Scheme is fair and reasonable, and the rights of regulators to continue proceedings remain fully preserved. The Regional Director's objection, therefore, ought not to defeat an otherwise lawful Scheme that satisfies the requirements of Sections 230 to 232 of the Companies Act, 2013.

6. It is therefore submitted that the aforesaid submissions on record be treated as observations of the Hon'ble Regional Director (SWR) as having been satisfactorily explained and duly complied with.

14.2. Affidavit cum undertaking by petitioner company No. 1 & 2

a. For Petitioner Company No.1

Affidavit-cum-undertaking

I, Badarinath Krishtachary Ibrampur, Chief Financial Officer Officer of Micro Labs Limited, aged about 59 years, residing at #302 G, M Elegancy, 3rd Main Road, 3rd Cross, BEML 5th Stage, Halge Vaderahalli, Bangalore South, Bangalore, Rajarajeshwarinagar, Karnataka - 560098, being the Authorised Signatory of the Demerged Company/ Petitioner Company No.1, do hereby solemnly affirm and state as follows:

1. I am the Chief Financial Officer and the duly authorised representative of Micro Labs Limited, the Demerged Company/Petitioner Company No.1 in the above Company Petition. I am duly authorised to swear this Affidavit on behalf of the Company and am well acquainted with the facts and circumstances of the present proceedings.
2. The above Company Petition has been filed under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking sanction of the Scheme of Arrangement between Micro Labs Limited and Bahl and Company Private Limited and their respective shareholders.
3. During the hearing of the above matter held on 24 July 2026, the Hon'ble Tribunal was pleased to direct the Petitioner Companies to file an Affidavit-cum-Undertaking in relation to the ongoing investigation by the Regional Director (South-Western Region), Ministry of Corporate Affairs.
4. In compliance with the aforesaid direction, the Demerged Company unequivocally undertakes that it shall extend complete, unconditional and continuous cooperation throughout the investigation. Without prejudice to the generality of the foregoing, the Company undertakes to:

(a) make available all books of account, statutory registers, records, documents, electronic data and other information as may be called for;

(b) ensure the presence and cooperation of its directors, officers and employees whenever required by the investigating authorities;

(c) furnish all explanations, clarifications, information and records truthfully and within the time stipulated by the investigating authorities; and

(d) refrain from doing any act that may impede, obstruct or otherwise prejudice the investigation in any manner whatsoever.

5. The Demerged Company respectfully submits that it neither seeks to impede nor delay the investigation and expressly acknowledges that the investigating authorities shall remain at full liberty to conduct the investigation independently, objectively and in accordance with law, without any prejudice arising from the disposal of the present Company Petition.

6. The Demerged Company further undertakes that upon completion of the investigation, it shall faithfully comply with all lawful directions, recommendations, corrective measures or consequential actions that may arise pursuant to the findings of the competent authority, including rectification of statutory or procedural non-compliances, if any, strictly in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

7. The Demerged Company further submits that the investigation under Section 210 of the Companies Act, 2013 constitutes an independent statutory proceeding undertaken in exercise of the investigative powers conferred upon the Central Government. The said investigation is distinct from, and operates independently of, the Scheme of Arrangement presented before this Hon'ble Tribunal under Sections 230 to 232 of the Companies Act, 2013. The consideration and adjudication of the Scheme are based upon the

statutory parameters governing such schemes and are not contingent upon the outcome of the investigation.

8. The Demerged Company respectfully submits that the proposed Scheme neither seeks to defeat, obstruct, dilute nor render infructuous the aforesaid investigation. Approval or implementation of the Scheme shall not in any manner curtail, prejudice or interfere with the statutory powers of investigation or with any proceedings or actions that may lawfully emerge therefrom.

9. The Demerged Company further undertakes that, notwithstanding the sanction and implementation of the Scheme by this Hon'ble Tribunal, it shall remain fully amenable to the jurisdiction of the investigating authorities and shall continue to discharge all obligations arising during the course of the investigation or pursuant to the findings thereof.

10. This affidavit-cum-undertaking is filed in compliance with the directions of this Hon'ble Tribunal dated 24 July 2026 and to place on record the Demerged company's unequivocal commitment to transparency, regulatory compliance and adherence to all statutory requirements.

11. It is therefore most respectfully prayed that this Hon'ble Tribunal may be pleased to take the present Affidavit-cum-undertaking on record while considering the above company petition.

b. For Petitioner Company No.2

Affidavit-cum-undertaking

I, Veeravenkata Satya Vara Prasadu Mullapudi, aged about 48 years and residing at #43, Hanumantha Reddy Building, Behind Varahi Lake View Apartments, VISL Layout, Talaghattapura, Bengaluru- 560109, being the Authorised Signatory of the Resulting Company/ Petitioner Company No.2, do hereby solemnly affirm and state as follows:

1. I am the duly authorised representative of Bahl and Company Private Limited, the Resulting Company/Petitioner Company No.2 in the above Company Petition. I am duly authorised to swear this Affidavit on behalf of the Company and am well acquainted with the facts and circumstances of the present proceedings.
2. The above Company Petition has been filed under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 seeking sanction of the Scheme of Arrangement between Micro Labs Limited and Bahl and Company Private Limited and their respective shareholders.
3. During the hearing of the above matter held on 24 July 2026, this Hon'ble Tribunal was pleased to direct the Petitioner Companies to file an Affidavit-cum-Undertaking in relation to the ongoing investigation by the Regional Director (South-Western Region), Ministry of Corporate Affairs.
4. In compliance with the aforesaid direction, the Resulting Company unequivocally undertakes that, in relation to the Demerged Undertaking - Investment and Financing business proposed to be vested in the Resulting Company pursuant to the Scheme of Arrangement; upon the Scheme becoming effective, without prejudice to the generality of the foregoing, the Resulting Company undertakes to:
 - (a) make available all books of account, statutory registers, records, documents, electronic data and other information as may be called for;
 - (b) ensure the presence and cooperation of its directors, officers and employees whenever required by the investigating authorities;
 - (c) furnish all explanations, clarifications, information and records truthfully and within the time stipulated by the investigating authorities; and
 - (d) refrain from doing any act that may impede, obstruct or otherwise prejudice the investigation in any manner whatsoever.

5. The Resulting Company respectfully submits that it neither seeks to impede nor delay the investigation and expressly acknowledges that the investigating authorities shall remain at full liberty to conduct the investigation independently, objectively and in accordance with law, without any prejudice arising from the disposal of the present Company Petition.

6. The Resulting Company further undertakes that upon completion of the investigation, it shall faithfully comply with all lawful directions, recommendations, corrective measures or consequential actions that may arise pursuant to the findings of the competent authority, including rectification of statutory or procedural non-compliances, if any and to the extent applicable, strictly in accordance with the provisions of the Companies Act, 2013 and other applicable laws.

7. The Resulting Company further submits that the investigation under Section 210 of the Companies Act, 2013 constitutes an independent statutory proceeding undertaken in exercise of the investigative powers conferred upon the Central Government.

The said investigation is distinct from, and operates independently of, the Scheme of Arrangement presented before this Hon'ble Tribunal under Sections 230 to 232 of the Companies Act, 2013. The consideration and adjudication of the Scheme are based upon the statutory parameters governing such schemes and are not contingent upon the outcome of the investigation.

8. The Resulting Company respectfully submits that the proposed Scheme neither seeks to defeat, obstruct, dilute nor render infructuous the aforesaid investigation. Approval or implementation of the Scheme shall not in any manner curtail, prejudice or interfere with the statutory powers of investigation or with any proceedings or actions that may lawfully emerge therefrom.

9. The Resulting Company further undertakes that, notwithstanding the sanction and implementation of the Scheme by this Hon'ble Tribunal, it shall remain fully amenable to the jurisdiction of the investigating authorities and shall continue to discharge all obligations arising during the course of the investigation or pursuant to the findings thereof.

10. This affidavit-cum-undertaking is filed in compliance with the directions of this Hon'ble Tribunal dated 24 July 2026 and to place on record the Demerged company's unequivocal commitment to transparency, regulatory compliance and adherence to all statutory requirements.

11. It is therefore most respectfully prayed that this Hon'ble Tribunal may be pleased to take the present Affidavit-cum-undertaking on record while considering the above company petition.

14.2. During the hearing on 04.09.2026, same request of not approving the proposed scheme was made on behalf of the RD on the ground of the Investigation and time was sought. This authority then enquired as to within how much time the Investigation is likely to be completed. For any further submissions to be made the matter was posted for 09.10.2026 while reserving the matter for Orders. On 09.10.2026, no further submissions came to be made.

15. **REPORT OF INCOME TAX DEPARTMENT**: The IT Department has filed its report vide Dairy No. 6816 dated 11.06.2026, reflecting that there are no outstanding dues against the transferor Company.

16. **RBI Letter:**

Pursuant to the notice, the Reserve Bank of India has filed its Letter dated 10.04.2026 vide dairy No. 1819 making the following observations:

" 2. In this regard, it is informed that BAML and Company Pvt. Ltd. (the company) being an NBC-ICC registered with the Reserve Bank

of India was required to obtain a No Objection Certificate (NOC) / prior approval of the Reserve Bank of India before approaching any Court or Tribunal seeking orders for amalgamation, in terms of para. 7 of Reserve Bank of India (Non-Banking Financial Companies - Voluntary Amalgamation) Directions, 2025 dated November 28, 2025.

4. Since the company had not adhered to the above regulatory requirement, the Hon'ble National Company Law Tribunal, Bengaluru may be pleased to direct the petitioner company No. 2 (BAHL and Company Pvt. Ltd.) to obtain and furnish the necessary No Objection Certificate (NOC) from the Reserve Bank of India, before the Scheme is considered for approval."

16.1 Affidavit filed by the petitioner in compliance to the RBI

Letter:

The Petitioner Companies have filed the affidavit in reply to the RBI letter vide dairy No. 10.07.2026 dated 7510 making the following submissions:

"2. I submit that, in compliance with RBI's letter dated April 07, 2026, bearing Ref. No. BLR.DOR.RSG.No. S22/40-01-208/2026-2027 pertaining to CP(CAA) No. 07/BB/2026, the Petitioner Company No.2 (Bahl and Company Private Limited) made an application on April 21, 2026 on the Pavaah Portal seeking No Objection Certificate (NOC) to the Scheme of Arrangement under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.

3. I further submit that the Reserve Bank of India Provided the No Objection Certificate ("NOC") to the Petitioner Company No.2 on May 12, 2026. A true copy of the said NOC is submitted along with this Affidavit."

17. We have heard Ld. Counsels for parties and carefully perused the pleadings and entire material on record.
18. The reports of Statutory Authorities and the replies thereto by the Petitioner companies have been reproduced above in detail pursuant to which the undertakings have been furnished, and certification is completed. Perceptibly the concerned Statutory Authorities are satisfied by the responses on of the Petitioner Companies and that due care has been taken of their concerns. Thus, there remains no impediment to the approval of the Scheme.
19. In view of the above factual situation, the **Scheme of Arrangement** as annexed at **Annexure-A in respect of the Petitioner Company No.1 and Petitioner Company No.2 is hereby approved with the Appointed date as 01.04.2025** and it is directed that the Scheme is binding on all the directors, Shareholders, and Creditors of the Petitioner Companies. While approving the Scheme, it is clarified that this order should not be construed as an order in anyway granting exemption from payment of any stamp duty, taxes, or any other civil/criminal liability, charges and payment in accordance with law or in respect of any permission/ compliance or anything to be done in legal compliance.

AND THIS TRIBUNAL DOES FURTHER ORDER:

- (i) That the Petitioner Companies do, within 30 days of receipt of this Order, cause a certified copy to be delivered to the Registrar of Companies, Karnataka for registration.
- (ii) The Petitioner Companies are directed to comply with the provisions of Section 314 of the Income-tax Act, 2025 (Section 170A of the erstwhile Income-tax Act, 1961) within the stipulated period. The records of Petitioner Company No.1 and Petitioner Company No.2 shall be preserved as per the undertakings furnished by them in the manner and for the duration as prescribed under section 239 of the Companies Act, 2013.

(iii) That any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

(iv) The approval/sanctioning of the Scheme shall not be construed as an exemption from any of the provisions under the Income-tax Act, 2025 (erstwhile Income-tax Act, 1961), the Companies Act, 2013 or any other applicable statute and that the authorities concerned therein shall be at liberty to take appropriate action, in accordance with law.

(v) The Petitioner Companies have given various undertakings in response to observations made by the Statutory Authorities, which are all accepted. They shall remain bound by the terms thereof and committed to ensure meticulous compliance in letter & spirit.

20. Registry is directed to issue formal Orders in Form No. CAA-7 of Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, on the Transferee Company on filing Schedule of the Properties

- (i) freehold properties and
- (ii) leasehold properties of the Transferor Company, by way of an affidavit.

The Applicant company is directed to provide the above Schedules to the Registry.

21. **C.P. (CAA) No.07/BB/2026 is allowed and disposed of.**

22. Copy of this Order be communicated to the Petitioner Companies through their representing Counsel.

Sd/-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

Sd/-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**