

AWL/SEC/SE/2022-23/107

23rd February, 2023

BSE LTD.

Phiroze Jeejeebhoy Towers,
1st Floor, Dalal Street,
Fort, Mumbai – 400 023

Company Scrip Code: 517041

NATIONAL STOCK EXCHANGE OF INDIA LTD.

Exchange Plaza, C-1, Block G,
Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051.

Company Symbol: ADORWELD

Dear Sir / Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015


With reference to our letter dated 17th February, 2023, please find attached herewith the certified copy of Order of Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, sanctioning the Scheme of Amalgamation (Merger by Absorption) of Ador Welding Academy Private Limited ('AWAPL') ('Transferor Company') with Ador Welding Limited ('AWL') ('Transferee Company') and their respective shareholders, under the provisions of Sections 230 to 232 of the Companies Act, 2013 & rules made thereunder.

We hereby request you to make a note of it and acknowledge its receipt.

Thanking you,

Yours Sincerely,

For **ADOR WELDING LIMITED**


SURYA KANT SETHIA

CHIEF FINANCIAL OFFICER



Encl.: As above

ADOR WELDING LIMITED

Regd. & Corporate Office: Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001 - 16, Maharashtra, India.

+91 22 6623 9300 | www.adorwelding.com | CIN: L70100MH1951PLC008647

☎ 1800 233 1071 | ✉ care@adorians.com | 📞 +91 20 40706000

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

**C.P (C.A.A)/ 68/2022
IN
C.A (C.A.A)/209/MB/2021**

In the matter of the Companies Act, 2013

AND

*In the matter of Sections 230 to Section
232 of the Companies Act, 2013 and other
applicable provisions of the Companies
Act, 2013*

AND

*In the matter of Scheme of Merger (by
Absorption) of Ador Welding Academy
Private Limited ('First Petitioner Company'
or 'the Transferor Company') and Ador
Welding Limited ('Second Petitioner
Company' or 'the Transferee Company')
and their respective Shareholders ('the
Scheme' or 'this Scheme')*

**Ador Welding Academy Private Limited }
CIN No: U74900PN2012PTC144148 }**

... First Petitioner Company / Transferor Company

**Ador Welding Limited }
CIN No: L70100MH1951PLC008647 }**

...Second Petitioner Company / Transferee Company

*First Petitioner Company and Second Petitioner Company are
collectively referred as "Petitioner Companies".*

Order Delivered On: 03.02.2023



Coram:

Hon'ble SH. Kuldip Kumar Kareer : Member (Judicial)
Hon'ble Smt. Anuradha Sanjay Bhatia : Member (Technical)

Appearances (via videoconferencing):

For the Petitioner(s) : Mr. Hemant Sethi, Ms. Devanshi Sethi, i/b.
Hemant Sethi & Co.,

For the Regional Director : Ms. Rupa Sutar, Authorized representative of
Regional Director, MCA (WR), Mumbai

Per: Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The Court is convened by videoconference.
2. Heard the learned counsel for the Petitioner Companies. No objection has come before the Tribunal to oppose the Petition and nor any party has controverted any averments made in the Petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') and in the matter of Scheme of Merger (by Absorption) of Ador Welding Academy Private Limited ('First Petitioner Company' or 'the Transferor Company') and Ador Welding Limited ('Second Petitioner Company' or 'the Transferee Company') and their respective Shareholders ('the Scheme' or 'this Scheme').
4. Learned Counsel for the Applicant Companies further submits that the First Applicant Company is engaged in the business of promoting welding and imparting education in the field of welding technology in India and abroad and the Second Applicant Company is engaged of manufacturing of arc welding electrodes and allied appliances.



5. Learned Counsel for the Applicant Companies further submits that the First Applicant Company is a wholly owned subsidiary of the Second Applicant Company and the entire share capital of the First Applicant Company is owned and controlled by the Second Applicant Company and its nominees.
6. Learned Counsel for the Applicant Companies further submits that the management of the Applicant Companies believe that amalgamation of the First Applicant Company with the Second Applicant Company would have, inter alia, the following benefits:
 - a. Both the companies are under the same management. The Transferor Company is wholly owned subsidiary of the Transferee Company. With a view to maintain a simple corporate structure and eliminate duplicate corporate procedures, it is desirable to merge and amalgamate all the undertakings of Ador Welding Academy Private Limited into Ador Welding Limited. The amalgamation of all undertaking of Transferor Company into the Transferee Company shall facilitate consolidation of all the undertakings, in order to enable effective management and unified control of operations. Further, the amalgamation would create economies in administrative and managerial costs by consolidating operations and would substantially reduce duplication of administrative responsibilities and multiplicity of records and legal & regulatory compliances.
7. The Merger is in the interest of the shareholders, creditors and all other stakeholders of the respective companies and is not prejudicial to the interests of the concerned shareholders, creditors or the public at large.
8. The Petitioner Companies have approved the Scheme by passing Board Resolutions dated 28th May, 2021 and have approached the Tribunal for sanction of the Scheme. The Appointed Date for the scheme is 1st April 2021.



9. Learned Counsel for the Petitioner Companies submits that the Petition has been filed in consonance with the order dated 08.12.2021, passed by this Tribunal in CA(CAA)/209/MB/2021.
10. The Learned Counsel for the Petitioner Companies states that the Petitioner Companies have complied with all the requirements as per directions of the Tribunal.
11. The Learned Counsel for the Petitioner Companies states that the shares of the Second Petitioner Company are listed on BSE and NSE.
12. The Regional Director has filed a Report dated 19th September, 2022 ('Report') praying that this Tribunal may pass such orders, as it thinks fit, save and except as stated in paragraph II (a) to (i). In response to the observation made by the Regional Director, the Petitioner Companies have also given necessary undertakings and clarification vide their rejoinder affidavit dated 17th November, 2022. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies are summarized in the table below:

SrN o.	RD Report/Observations	Response of the Petitioner Companies



<p>(a)(i))</p>	<p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 08.06.2022 (Annexed as Annexure A-1) that the transferor Company falls within the jurisdiction of ROC, Pune and the transferee Company falls 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. The ROC has further submitted, in his report dated 08.06.2022, as under:-</i></p> <p><i>i. That the ROC Mumbai in his report dated 08.06.2022 has stated that no Inquiry, inspection, investigation & prosecution is pending against the subject applicant companies and interest of the creditors shall be protected.</i></p>	<p>As regards the observation made in Paragraph 2 (a)(i) of the said Report is concerned, it is submitted that the observation made by the ROC is merely factual in nature and no further response is required to that extent and in so far as the creditors are concerned, the Petitioner Companies undertake that the interest of the creditors shall be duly protected, under the Scheme.</p>
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<p>(a) (ii)</p>	<p>ii. Further ROC has mentioned as follows:-</p> <p><i>It has been observed that a complaint is filed against the Transferee Company, which is pertaining to the jurisdiction of ROC Mumbai. After going through the complaint on the MCA21 back-office portal, it is observed that a shareholder complaint is pending vide SRN 100058641. Hence Petitioner Transferee Company shall undertake to resolve complaint raised by the Complainant and submit the reply with ROC on MCA 21 portal, so that ROC can close complaint on the MCA21 portal.</i></p> <p>a)</p>	<p>As regards the observation made in Paragraph 2 (a)(ii)(a) of the said Report is concerned, the Petitioner Companies submit that the Petitioner Companies have not received any formal notice of such Complaint. Further, the same is not traceable on the Ministry of Corporate Affairs Portal. Therefore, the Petitioner Companies are unable to comment on the same. In any event, the approval of the Scheme by this Tribunal may not deter any authority to deal with any pending issues/complaints, after giving effect to the Scheme.</p>
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<p>(a) (ii)</p>	<p>b) <i>The business operations of both the entities are on different lines, this raise a question as to what kind of business will the resultant Company (Transferee Company) be engaged into, upon the scheme becoming effective.</i></p>	<p>As regards the observation made in Paragraph 2 (a)(ii)(b) of the said Report is concerned, the Petitioner Companies submit that both the Petitioner Companies are under the same Management. The First Petitioner Company is a wholly-owned Subsidiary of the Second Petitioner Company. Further, the First Petitioner Company is engaged in the business of promoting welding and imparting education in the field of welding technology in India & abroad while the Second Petitioner Company is engaged of manufacturing of arc welding electrodes and allied appliances (Welding & Cutting Products). Therefore, the Petitioner Companies business is complimentary in nature and the resultant Company shall continue its business of manufacturing of arc welding electrodes and allied appliances (Welding & Cutting Products)</p>
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	<p>(a) c) <i>Interest of Creditors should</i> (ii) <i>be protected</i></p>	<p>as well as promoting & imparting education in the field of welding technology.</p> <p>As regards the observation made in Paragraph 2 (a)(ii)(c) of the said Report is concerned, the Petitioner Companies submit that the losses incurred for the financial year ending 31st March, 2021 were due to the situation prevailing across the Nation on account of Covid-19 / novel coronavirus pandemic, and the consequent lock-down and the same will not, in any manner, affect the ability of the Petitioner Companies to pay off its debts. There are no Secured Creditors in the First Petitioner Company and unsecured creditors shall be paid off in due course. Further, the First Petitioner Company is a wholly-owned subsidiary of the Second Petitioner Company and the interests of the creditors as well as the shareholders are duly protected, under the Scheme.</p>
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<p>(b) (i)</p>	<p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 06.05.2022 for Transferee Company (Annexed as Annexure A-2) that the Petitioner Transferee Company falls 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 Transferee Company. Further, the Petitioner Company has filed Financial Statements up to 31.03.2021. The ROC has further submitted in his report dated 06.05.2022, as under:-</i></p> <p><i>i. That the ROC Mumbai in his report dated 06.05.2022 has also stated that no inquiry, inspection, investigation, technical scrutiny & prosecution is pending against the subject applicant company and interest of the creditors shall be protected.</i></p>	<p>As regards the observation made in Paragraph 2(b)(i) of the said Report is concerned, it is submitted that the observation made by ROC is merely factual in nature and no further response is required to that extent and in so far as the creditors are concerned, the Petitioner Companies undertake that the interest of the creditors shall be duly protected, under the Scheme.</p>
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<p>(b) (ii)</p>	<p><i>Further ROC has mentioned as follows:-</i></p> <p>a) <i>Transferee Company has not filed e-form MGT-14 being a listed Company</i></p> <p>b) <i>As per the provisions of Section 232(2) (i) of the Companies Act, 2013, where the transferer company is dissolved, the fee, if any, paid by the Transferer Company on it's Authorised Capital shall be set-off against any fees payable by the Transferee Company on it's authorised capital subsequent to amalgamation. Therefore, remaining fee , if any, after setting off fees already paid by the Transferor Company on it's Authorised Capital, must be paid by the</i></p>	<p>As regards the observation made in Paragraph 2(b)(ii)(a) of the said Report is concerned, the Second Petitioner Company submits that it has filed e-forms MGT-14, as & when required. The list of e-forms MGT-14 filed since the 'Appointed Date', along with challan is annexed to the Rejoinder as "Annexure - A"</p> <p>As regards the observation made in Paragraph 2(b)(ii)(b) of the said Report is concerned, the Petitioner Companies undertake to comply with the provisions set-out in Section 232(3)(i) of the Companies Act, 2013 and that the fee, if any, paid by the Transferor Company on its authorized share capital shall be set-off against any fees payable by the Transferee Company on its authorized share capital subsequent to the Merger, if applicable.</p>
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	<p><i>Transferee Company on the increased authorised share capital, subsequent to amalgamation.</i></p> <p>(b)(i) c) <i>Interest of Creditors should be protected.</i></p> <p>i)</p> <p>(c) <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 transferer companies.</i></p>	<p>As regards the observation made in Paragraph 2(b)(ii)(c) of the said Report is concerned, the Petitioner Companies undertake to protect the interests of the creditors at all times.</p> <p>As regards the observation made in Paragraph 2(c) of the said Report is concerned, the Transferee Company undertakes to comply with the provisions of Section 232(3)(i) of the Companies Act, 2013, and any increase in fees payable on account of increase of share capital due to the merger of transferor Company.</p>
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<p>(d) <i>In compliance of AS-14 (IND AS-103), the Transferee Company 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>As regards the observation made in Paragraph 2(c) of the said Report is concerned, it is submitted that in addition to compliance with IND AS-103 (AS-14 not applicable), in connection with the Scheme, the Second Petitioner Company being the Transferee Company shall pass such accounting entries, which are necessary to comply with all other applicable Indian Accounting Standards, to the extent applicable.</p>
<p>(e) <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>As regards the observation made in Paragraph 2(d) of the said Report is concerned, the Petitioner Companies submit and confirm that the Scheme enclosed in the Company Scheme Application and Company Scheme Petition are one and the same and there is no discrepancy or change made.</p>



<p>(f) <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 on the Petitioner Companies concerned.</i></p>	<p>As regards the observation made in Paragraph 2(e) of the said Report is concerned, the Petitioner Companies submit that notices have been duly served upon all the concerned authorities viz., the concerned Income Tax Authorities, the office of Regional Director (RD), Registrar of Companies (ROC), the Securities & Exchange Board of India (SEBI), the National Stock Exchange of India Limited (NSE), BSE Limited and the Official liquidator (OL). Further, the Compliance Report, proving the dispatch of the notices has been filed with this Tribunal.</p>
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<p>(g) <i>As per Definitions of the Scheme,</i></p> <p>“Appointed Date” <i>For the purpose of this Scheme and for Income Tax Act, 1961, the “Appointed Date” means 1stApril 2021;</i></p> <p>“Effective Date” <i>means the last of dates on which orders of the NCLT sanctioning scheme of merger are filed with ROC, Mumbai Maharashtra State by the Transferor Company and Transferee Company. Any reference in this scheme to the date of “coming into effect of this Scheme” or “effectiveness of this scheme” or “scheme taking effect” shall mean effective date.</i></p> <p><i>The Appointed Date is 01.04.2021 which is, although not an antedated from the date of filing Petition i.e 22.12.2020 before Hon’ble NCLT. However, more than two years has been lapsed from the filing of Petition and Appointed Date i.e 1 April 2021. Therefore, it is</i></p>	<p>As regards the observation made in Paragraph 2(f) of this Report is concerned, the Petitioner Companies confirm that the Appointed Date is 01st April 2021, as mentioned in the Scheme, which is in compliance with Section 232(6) of the Companies Act, 2013 and the Scheme shall, when approved, take effect from such Appointed Date. The Petitioner Companies undertake to comply with the requirements clarified vide circular No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs (MCA). Further, the Petitioner Companies submit that the Application was filed on 2 September 2021 and the Appointed Date fixed under the Scheme is 1st April 2021, It is a well settled position of law that the Appointed Date fixed under the Scheme by the Petitioner Companies is keeping in view the commercial requirements of the Petitioner Companies so as long as it is not violative of any provisions</p>
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	<p><i>recommended that Appointed Date need to be changed to current date, as Petitioner/Hon'ble NCLT deems fit.</i></p> <p><i>Therefore, Petitioner Company shall ensure the compliance of Ministry's circular no. F.NO.7/12/2019/CL-1 dated 21.08.2019.</i></p> <p>(h) <i>Petitioner Companies shall undertake to comply with the directions of Income Tax Department, if any.</i></p>	<p>of law the Petitioner Companies in their commercial wisdom may fix any appointed date. The same view was held by the National Company Law Tribunal in the matter of Accelyst Solutions Private Limited. The Copy of the same is attached to the Rejoinder Affidavit and annexed as Annexure - B.</p> <p>As regards the observation made in Paragraph 2(g) of this Report is concerned, it is submitted that the Petitioner Companies hereby undertake to ensure compliance of all the provisions of the Income tax Act, 1961 and the Rules made thereunder, pursuant to the Scheme. Further, the approval of the Scheme by this Tribunal may not deter the Income-tax authorities to deal with Income-tax related issues arising, after giving effect to the Scheme and the Petitioner Companies submit that any Income-tax related issues arising out of the Scheme will</p>
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	<p>(i) <i>Petitioner Companies shall undertake to comply with the directions of the concerned sectoral regulatory, if so required.</i></p> <p>(j) <i>Both the Petitioner Companies have not filed Form BEN- 2 for declaring the names of the Significant Beneficial owner (SBO), as there are no SBOs, however the Petitioner Companies undertake to comply with the provisions of Section 90 of the Companies Act, 2013 r/w Companies (Significant Beneficial Owners) Amendment, if applicable</i></p>	<p>be met and answered during the course of regular Income-tax assessment, in accordance with the provisions of the Income-tax Act, 1961.</p> <p>As regards the observation made in Paragraph 2(h) of this Report is concerned, it is submitted that the Petitioner Companies hereby undertake to ensure compliance of all the directions of the concerned sectoral regulators. Further, the approval of the Scheme by this Tribunal may not deter the sectoral regulators to deal with any issues arising after giving effect to the Scheme.</p> <p>As regards the observation made in Paragraph 2 (i) of this Report is concerned, the Petitioner Companies submit and clarify that no individual Shareholder of the Petitioner Companies, either alone or together with others, fall under the definition of Significant Beneficial Owner (SBO) under Section 90(1) of the Companies Act, 2013 and the Rules</p>
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made thereunder and consequently, the requirement of filing eform BEN-2 does not arise.

The First Petitioner Company is the Wholly-owned Subsidiary of the Second Petitioner Company and Second Petitioner Company holds 100% shares in the First Petitioner Company. Hence the concept of Significant Beneficial Owner (SBO) is not applicable to the First Petitioner Company. With respect to the Second Petitioner Company, M/s. J. B. Advani and Company Private Limited holds 50.01% shares in the Second Petitioner Company and is also the part of Promoter Group. Further, 5 (Five) individual promoters of the Second Petitioner Company are also the Promoters & Shareholders of M/s. J. B. Advani and Company Private Limited, holding 20% each and not majority stake in M/s. J. B. Advani and Company Private Limited. Therefore, there is no require-



ment of the Petitioner Companies to file BEN- 2. The Shareholding Chart / Pattern of the Second Petitioner Company is as follows:

Particulars Second Petitioner Company (Ador Welding Limited) J. B. Advani and Company Private Limited (JBA)

JBA	50.01%	Not Applicable
Ninotchka Malkani Nagpal	1.45%	20%
Aditya Tarachand Malkani	0.91%	20%
Deep Ashda Lalvani	0.10%	20%
Ravin A. Mirchandani	0.06%	20%
Aruna B. Advani	2.17%	20%



12. The Petitioner Companies shall comply with the provisions of Section 90 of the Companies Act, 2013, read with the Companies (Significant Beneficial Owners) Rules, 2018, amended from time to time, and make necessary filing with the Registrar of Companies. In case of the Company, which has not complied with aforesaid provisions, liberty is given to Registrar of Companies, to take appropriate action in respect of the Petitioner Companies with respect to the issue of BEN form filing. Further, the Transferee Company shall undertake to comply with the show cause notice, if issued, with respect to Transferor Company. All issue arising thereunder shall be decided in accordance with law.
13. Ms. Rupa Sutar, Authorised representative of the Regional Director, MCA (WR), Mumbai who is present at the time of Final hearing has submitted that the clarifications, submissions and undertakings given by the Petitioner Companies are hereby accepted and that they have no objection for approving the scheme by the Tribunal.
14. The Official Liquidator has filed his report dated, 16th September 2022, *inter alia*, stating therein that the affairs of the First Petitioner Company, have been conducted in a proper manner and that the First Petitioner Company may be ordered to be dissolved, without winding-up, by the Tribunal.
15. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.



16. The Learned Counsel for the Petitioner Companies submits that First Petitioner Company is wholly owned subsidiary of Second Petitioner Company, upon the Scheme becoming effective, all the equity shares, as held by the Second Petitioner Company in the First Petitioner Company, shall stand cancelled and extinguished. Therefore, upon coming into effect of the Scheme, in consideration of the amalgamation of the First Petitioner Company with and into Second Petitioner Company, there will be no issue and allotment of shares, as consideration by the Second Petitioner Company to the shareholders of the First Petitioner Company.
17. Since all the requisite statutory compliances have been fulfilled, CP(CAA)/68/2022 filed by the Petitioner Companies is made absolute in terms of prayer clauses of the said Company Scheme Petition.
18. The Scheme is sanctioned hereby, and the Appointed Date of the scheme is opening business hours of 1st April, 2021.
19. The Petitioner Companies are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 days from the date of receipt of the Order, duly certified by the designated Registrar of this Tribunal. The Scheme will become effective on filing of the copy of this order with the concerned Registrar of Companies.
20. The Petitioner Companies shall lodge a copy of this Order along with the Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, within a period of 60 working days from the date of the receipt of the certified Order from the Registry of this Tribunal.



21. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Director or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.
22. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.
23. Any concerned authorities are at liberty to approach this Tribunal for any further clarification, as may be necessary.
24. Ordered accordingly. CP (CAA) No. 68 of 2022 is allowed and disposed of.

Sd/-

Anuradha Sanjay Bhatia
Member (Technical)

Sd/-

Kuldip Kumar Kareer
Member (Judicial)

Certified True Copy _____
Date of Application 13.02.2023
Number of Pages 21
Fee Paid Rs. 105/-
Applicant called for collection copy on 22.02.23
Copy prepared on 22/02/2023
Copy Issued on 22.02.2023



[Signature]
Deputy Registrar 22/02/2023
National Company Law Tribunal, Mumbai Bench