

BEFORE THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL BANGALORE

BENCH AT BANGALORE

PRESENTATION FORM

CA (CAA) No. \_\_\_\_/BB/2023

**SAJI P. JOHN** Kar 290/99  
**B. RAJASHREE** Kar 2726/05

**SPJ LEGAL**  
ADVOCATES  
Unit No 1002, 10<sup>th</sup> Floor,  
# 30, Prestige Meridian II  
M G Road  
BENGALURU - 560001  
Mobile no 98452 09798

Ador Fontech Limited

AND

NIL...

Sl No	Description of Paper Presented	Court fee affixed on the paper	
1.	Company Application under Section of 230 of Companies Act, 2013.		-
2.			
3.			
4.			
5.			
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	Total ....		

Number of copies furnished ...2.....

Other side served

Presented by



ADVOCATE FOR APPLICANT

SAJI P JOHN - KAR 290/1999

Received paper with Court fee lales as above

Dated this 2<sup>nd</sup> day of February 2023

Bangalore

Receiving clerk

**BEFORE THE NATIONAL COMPLANY LAW TRIBUNAL,  
BENGALURU BENCH**

**CA (CAA) NO.                      /BB/ 2023**

**IN THE MATTER OF THE SCHEME OF AMALGAMATION  
(MERGER BY ABSORPTION)**

**OF**

**ADOR FONTECH LIMITED**

**...APPLICANT COMPANY /  
TRANSFEROR COMPANY**

**WITH**

**ADOR WELDING LIMITED**

**...NON-APPLICANT COMPANY /  
TRANSFEE COMPANY**


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**BENGALURU**  
**DATE: 02.02.2023**

  
**ADVOCATE FOR THE APPLICANT**

**BEFORE THE NATIONAL COMPLANY LAW TRIBUNAL,  
BENGALURU BENCH**

**COMPANY APPLICATION (CAA) NO. OF 2023**

**IN THE MATTER OF THE SCHEME OF AMALGAMATION (MERGER  
BY ABSORPTION)**

**OF**

**ADOR FONTECH LIMITED**

**...APPLICANT COMPANY /  
TRANSFEROR COMPANY**

**WITH**

**ADOR WELDING LIMITED**

**...NON-APPLICANT COMPANY/  
TRANSFeree COMPANY**

**MEMO OF PARTIES**

**1. Ador Fontech Limited,** }  
A listed public company incorporated under }  
the provisions of Companies Act, 1956 }  
and having its registered office at }  
Belview, 7 Haudin Road, }  
Bengaluru – 560 042 }  
CIN: L31909KA1974PLC020010 }

**...Applicant Company/  
Transferor Company**

**And**

**2. Ador Welding Limited,** }  
a listed public company incorporated under }  
the provisions of Indian Companies Act, }  
VII of 1913 and having its registered office at }  
Ador House, 6.K, Dubash Marg, }  
Fort, Mumbai 400001-16 }  
CIN: L70100MH1951PLC008647 }

**....Transferee Company**

Bengaluru  
Date: 2/2/2023



Advocate for The Applicant Company  
SAJI .P. JOHN - KAR 290/1999

2

**BEFORE THE NATIONAL COMPLANY LAW TRIBUNAL,  
BENGALURU BENCH**

**CA (CAA) NO.                      /BB/ 2023**

**IN THE MATTER OF THE SCHEME OF AMALGAMATION (MERGER BY  
ABSORPTION)**

**OF**

**ADOR FONTECH LIMITED**

**...APPLICANT COMPANY /  
TRANSFEROR COMPANY**

**WITH**

**ADOR WELDING LIMITED**

**...NON-APPLICANT COMPANY/  
TRANSFeree COMPANY**

**SYNOPSIS**

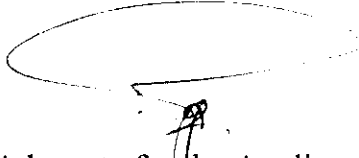
- A. The Applicant Company / Transferor Company, having its registered office within the jurisdiction of this Hon'ble Tribunal. The Board of Directors have proposed a Scheme of Amalgamation (Merger by Absorption) between the Transferor Company and Transferee Company and its shareholders.
- B. The Transferor Company has 13,806 Equity Shareholders as on 31<sup>st</sup> December 2022.
- C. The Transferor Company has no Secured Creditors and 761 Unsecured Creditors as on 31<sup>st</sup> December 2022.
- D. Joint Valuation Report received from Mr. Niranjan Kumar, Registered Valuer – Securities or Financial Assets having IBBI Registration no. IBBI/RV/06/2018/10137 on 31st May, 2022.
- E. Fairness Opinion on the Share Exchange Ratio received for the Applicant Company, from Fedex Securities Private Limited on 31<sup>st</sup> May, 2022.
- F. Fairness Opinion on the Share Exchange Ratio received for the Non-Applicant Company, from Systematix Corporate Services Limited on 31<sup>st</sup> May, 2022.



- G. Observation letter received from BSE Limited by Applicant Company on 26<sup>th</sup> September, 2022 and Observation letter received from BSE and NSE by Non-Applicant Company on 26<sup>th</sup> September, 2022 & 27<sup>th</sup> September, 2022 respectively.
- H. The Scheme is not prejudicial to the interest of the shareholders, creditors, or employees of the Transferor Company. It is further submitted that the proposed Scheme shall be beneficial to the Transferor Company and its stakeholders.
- I. The Scheme is in compliance with the requirements of the Companies Act, 2013 and rules framed thereunder.
- J. Accordingly, it is submitted that this Hon'ble Tribunal be pleased to pass an order for convening the meeting of the equity shareholders of the Applicant Company under Section 230(1)(b) of the Companies Act, 2013 and Para 10(a) and Para 10(b) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (as amended from time to time), through VC / OAVM in accordance with the MCA Circulars and fixing the quorum and the procedure to be followed at the meeting;
- K. The present Scheme is an arrangement between the Applicant Company and Transferee Company and its shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013. The Scheme does not affect the rights and interests of the Unsecured Creditors of the Applicant Company. Further, there will not be any effect of the proposed Scheme on the liabilities of the Applicant Company and the liabilities will be paid off in the ordinary course of business. In view of the fact that there is no compromise or arrangement with the Unsecured Creditors of the Applicant Company, hence, no meeting is required to be convened.

In this application, the Applicant Company / Transferor Company have set out detailed facts along with supporting affidavit.

Bengaluru  
Date: 2 / 2 / 2023

  
Advocate for the Applicant  
SAJI P JOHN - KAR 290/99

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU  
BENCH, AT BENGALURU

COMPANY APPLICATION NO. OF 2023

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF AMALGAMATION (MERGER BY  
ABSORPTION)

OF

ADOR FONTECH LIMITED ("TRANSFEROR COMPANY" OR "ADFL")

WITH

ADOR WELDING LIMITED ("TRANSFeree COMPANY" OR "AWL")

AND

THEIR RESPECTIVE SHAREHOLDERS

Date: \_\_  
Place: Bengaluru

To,  
The Registrar  
National Company Law Tribunal, Bengaluru Bench

**Ador Fontech Limited**

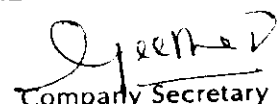
...Applicant Company/  
Transferor Company

**NOTICE OF ADMISSION**

1. **Ador Fontech Limited,** }  
A listed public company incorporated under }  
the provisions of Companies Act, 1956 }  
and having its registered office at }  
Belview, 7 Haudin Road, }  
Bengaluru – 560 042 }  
CIN: L31909KA1974PLC020010 }

...Applicant Company/  
Transferor Company

For ADOR FONTECH LIMITED

  
Company Secretary



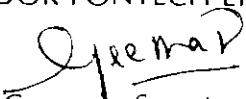
The Applicant Company named above requests that this Hon'ble Tribunal grant the following reliefs:

- a. Convening the meeting of the equity shareholders of the Applicant Company under Section 230(1)(b) of the Companies Act, 2013 and Para 10(a) and Para 10(b) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (as amended from time to time), through VC / OAVM in accordance with the MCA Circulars and fixing the quorum and the procedure to be followed at the meeting;
- b. Publication of notice of the meeting in newspapers, appointment of Chairman and scrutinizers/ observers for the meetings;
- c. The present Scheme is an arrangement between the Applicant Company and Transferee Company and its shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013. The Scheme does not affect the rights and interests of the Unsecured Creditors of the Applicant Company. Further, there will not be any effect of the proposed Scheme on the liabilities of the Applicant Company and the liabilities will be paid off in the ordinary course of business. In view of the fact that there is no compromise or arrangement with the Unsecured Creditors of the Applicant Company, no meeting is required to be convened.
- d. Issuing notices to the Unsecured Creditors, Central Government through Regional Director, Registrar of Companies, Income tax Department, Official Liquidator, BSE, NSE and SEBI for their representations on the Scheme;
- e. Any such other directions and/or relief/s as this Hon'ble Tribunal deems fit.
- f. It is prayed that this Hon'ble Tribunal fix a date for presentation of the Company Application and pass such other Order or Orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

**FOR THE FOLLOWING REASONS:**

- A. The Board of Directors of the Applicant Company, having its registered office within the jurisdiction of this Hon'ble Tribunal, has approved the Scheme of Amalgamation (Merger by Absorption) on 31<sup>st</sup> May 2022.

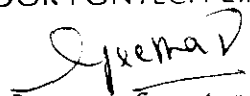
For ADOR FONTECH LIMITED

  
Company Secretary

- B. The Applicant Company has 13,806 Equity Shareholders as on 31<sup>st</sup> December, 2022.
- C. The Applicant Company has no Secured Creditors and 761 Unsecured Creditors as on 31<sup>st</sup> December, 2022.
- D. The Scheme is not prejudicial to the interest of the shareholders, creditors, or employees of the Applicant Company. It is further submitted that the proposed Scheme shall be beneficial to the Transferor Company and its stakeholders.
- E. The Scheme is in compliance with the requirements of the Companies Act, 2013 and rules framed thereunder.
- F. Accordingly, it is submitted that this Hon'ble Tribunal be pleased to pass and order for convening the meeting of the equity shareholders of the Applicant Company under Section 230(1)(b) of the Companies Act, 2013 and Para 10(a) and Para 10(b) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (as amended from time to time), through VC / OAVM in accordance with the MCA Circulars and fixing the quorum and the procedure to be followed at the meeting;
- G. The present Scheme is an arrangement between the Applicant Company and Transferee Company and its shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013. The Scheme does not affect the rights and interests of the Unsecured Creditors of the Applicant Company. Further, there will not be any effect of the proposed Scheme on the liabilities of the Applicant Company and the liabilities will be paid off in the ordinary course of business. In view of the fact that there is no compromise or arrangement with the Unsecured Creditors of the Applicant Company, hence, no meeting is required to be convened.

In this application, the Applicant Company have set out detailed facts along with supporting affidavit.

For ADOR FONTECH LIMITED

  
Company Secretary

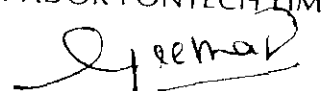
For Ador Fontech Limited	Email Address:
Authorised Signatory	<u>namanjhabakh@holla.in</u> Telephone: +919962100188 Fax: <i>Not Available</i>

This form is prescribed under Rule 34 under the National Company Law Tribunal Rules, 2016.

*For other matters:*

*Company Application:*

For ADOR FONTECH LIMITED

  
Company Secretary

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH,  
AT BENGALURU

CA (CAA) NO. /BB/2023

IN THE MATTER OF THE COMPANIES ACT, 2013

AND

IN THE MATTER OF THE SCHEME OF AMALGAMATION (MERGER BY  
ABSORPTION)

OF

ADOR FONTECH LIMITED (“TRANSFEROR COMPANY” OR “ADFL”)

WITH

ADOR WELDING LIMITED (“TRANSFeree COMPANY” OR “AWL”)

AND

THEIR RESPECTIVE SHAREHOLDERS

1. **Ador Fontech Limited,** }  
A listed public company incorporated under }  
the provisions of Companies Act, 1956 }  
and having its registered office at }  
Belview, 7 Haudin Road, }  
Bengaluru – 560 042 }  
CIN: L31909KA1974PLC020010 }

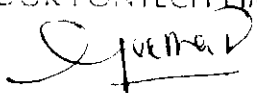
...Applicant Company/  
Transferor Company

And

2. **Ador Welding Limited,** }  
a listed public company incorporated under }  
the provisions of Indian Companies Act, }  
VII of 1913 and having its registered office at }  
Ador House, 6.K, Dubash Marg, }  
Fort, Mumbai 400001-16 }  
CIN: L70100MH1951PLC008647 }

....Non-Applicant Company/  
Transferee Company

For ADOR FONTECH LIMITED

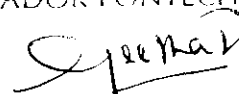
  
Company Secretary

**APPLICATION UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013 AND RULES 3 AND 5 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016.**

**1. DETAILS OF THE APPLICATION:**

- 1.1 The application has been filed by the Applicant Company / Transferor Company, Ador Fontech Limited, which is a listed public limited company, originally incorporated under the provisions of Companies Act, 1956, continuing its existence under the Companies Act, 2013 and having its registered office at the address set out in the cause title above.
- 1.2 The Non-Applicant Company / Transferee Company, Ador Welding Limited, is a public limited company, originally incorporated under the provisions of the Indian Companies Act VII of 1913, continuing its existence under the Companies Act, 2013 and having its registered office at the address mentioned in the cause title above.
- 1.3 The Scheme of Amalgamation (Merger by Absorption) proposes the merger of the Transferor Company with the Transferee Company.
- 1.4 The Applicant Company has filed the present Company Application seeking directions from this Hon'ble Tribunal for convening the meeting of the equity shareholders of Applicant Company under Section 230(1)(b) of the Companies Act, 2013 and Para 10(a) and 10(b) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 and SEBI Circular dated 3<sup>rd</sup> January, 2022 and 1<sup>st</sup> February, 2022, (as amended from time to time) through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) in accordance with Ministry of Corporate Affairs (MCA) General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, General Circular No. 22/2020 dated 15<sup>th</sup> June, 2020, General Circular No. 33/2020 dated 28<sup>th</sup> September, 2020, General Circular No. 39/2020 dated 31<sup>st</sup> December, 2020, General Circular No. 10/2021 dated 23<sup>rd</sup> June, 2021, General Circular No. 20/2021 dated 8<sup>th</sup> December, 2021 and General Circular No. 3/2022 dated 5<sup>th</sup> May, 2022 in relation to "Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" ("hereinafter referred as MCA Circulars"); for publication of notices in newspapers; appointment of Chairman for the meetings and appointment of scrutinizers /

For ADOR FONTECH LIMITED

  
Company Secretary

observers for the meetings and sending notice of the meeting of the equity shareholders of the Applicant Company, with respect to the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective shareholders (“Scheme” or “Scheme of Amalgamation”), and other reliefs, as more particularly set out herein.


## 2 **JURISDICTION OF THE BENCH**

The registered office of the Applicant Company / Transferor Company being situated in Bengaluru, Karnataka, this Hon’ble Tribunal, has the jurisdiction to entertain and decide the present Company Application. The Non-Applicant Company / Transferee Company, having its registered office in the State of Maharashtra, is in process of filing application before the National Company Law Tribunal, Mumbai Bench seeking appropriate directions.

## 3 **PARTICULARS OF THE TRANSFEROR COMPANY:**

- 3.1 Ador Fontech Limited, (“Transferor Company” or “ADFL” or “Applicant Company”) is a public limited company, incorporated under the provisions of the Companies Act, 1956, under CIN L31909KA1974PLC020010 and having its registered office at Belview, 7 Haudin Road, Bengaluru-560042, Karnataka, India. The Transferor Company was incorporated on 22<sup>nd</sup> August 1974 as a private limited company under the name and style of ‘Cosmics Electronics & Ancillaries Private Limited’. Subsequently, changed its name to ‘Cosmics General Engineering Private Limited’ and a fresh incorporation certificate was issued consequently upon the change of name issued by the Registrar of Companies, Mumbai on 07<sup>th</sup> December 1979. Subsequently, the name of the Transferor Company was changed to ‘Cosmics Fontech Limited’, and a fresh incorporation certificate was issued consequently upon the change of name by the Registrar of Companies, Mumbai on 21<sup>st</sup> October, 1988. Subsequently, the name of the Transferor Company was changed to ‘Ador Fontech Limited’, and a fresh incorporation certificate was issued consequently upon the change of name by the Registrar of Companies, Bengaluru on 11<sup>th</sup> September, 1996. Equity shares of the Applicant Company are listed on Bombay Stock Exchange (BSE).

For ADOR FONTECH LIMITED

  
Company Secretary

3.2 The authorised, issued, subscribed and paid-up share capital of the Transferor Company as on 31<sup>st</sup> December, 2022, is as under: -

PARTICULARS	AMOUNT (IN INR)
<b>Authorised Share Capital</b>	
5,00,00,000 equity shares of INR 2/- each	10,00,00,000/-
<b>TOTAL</b>	<b>10,00,00,000/-</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
3,50,00,000 equity shares of INR 2/- each fully paid up.	7,00,00,000/-
<b>TOTAL</b>	<b>7,00,00,000/-</b>

3.3 The Board of Directors of the Transferor Company comprise the following Directors as on the date of the Application:

- a) Mr. Aditya Tarachand Malkani;
- b) Mr. Harish Phatandas Ledwani;
- c) Ms. Ninotchka Malkani Nagpal;
- d) Mr. Navroze Shiamak Marshall;
- e) Mr. Santosh Janakiram Iyer; and
- f) Mr. Rafique Abdul Malik.

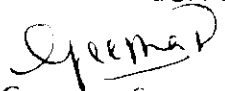
3.4 **OBJECTS OF THE TRANSFEROR COMPANY:**

The main objects of the Transferor Company are set out in Clause III A of its Memorandum of Association. The extracts of the main objects, *inter alia*, are briefly as under:

*"1. To trade, sell, distribute, import, export and otherwise deal in India and abroad in Semiconductor Devices, light, power, electronic equipment, electromechanical devices and electronics and electronic apparatus.*

*2. To carry on the business of trading, exporting and importing of all kinds of apparatus, appliances, plants and materials and supplies employed by the manufacturers of Semiconductor devices, electrical and electronic equipment and to deal in the same."*

For ADOR FONTECH LIMITED

  
Company Secretary

The printed copies of the certificate of incorporations, Memorandum of Association and Articles of Association of the Applicant Company is annexed hereto and marked as “Annexure A”.

### 3.5 BUSINESS OF THE TRANSFEROR COMPANY:

The Transferor Company is presently engaged in the business of ‘Life enhancement of Industrial Components’ which inter-alia includes providing products, services and solutions for reclamation, repairs, and maintenance. (**‘Business of the Applicant Company’**).

### 3.6 LATEST FINANCIAL POSITION OF THE TRANSFEROR COMPANY

The copy of the Annual Report of the Transferor Company as on 31st March 2022 along with the Unaudited Limited Reviewed Financial Statements of the Applicant Company as on 30<sup>th</sup> September 2022 is enclosed herewith and marked as “Annexure B1 and B2” respectively.

## 4 PARTICULARS OF THE TRANSFEREE COMPANY

4.1 Ador Welding Limited, (“Transferee Company” or “AWL” or “Non-Applicant Company”) is a listed public limited company incorporated under the provisions of the Indian Companies Act VII of 1913, under CIN L70100MH1951PLC008647 and having its registered office at Ador House, 6. K, Dubash Marg, Fort, Mumbai- 400001-16, Maharashtra, India. The Transferee Company was incorporated on 22nd October 1951 as a private limited company under the name and style of ‘J.B. Advani-Oerlikon Electrodes Private Limited’. Subsequently it changed its name to ‘Advani-Oerlikon Private Limited’ and a fresh incorporation certificate was issued consequently upon the change of name by the Registrar of Companies, Mumbai on 27<sup>th</sup> November 1968. Thereafter, the name was changed to ‘Advani - Oerlikon Limited’ and then to ‘Ador Welding Limited’ and a fresh certificate of incorporation was issued on 9<sup>th</sup> September 2003, by the Registrar of Companies, Maharashtra, Mumbai. The equity shares of Non- Applicant Company are listed on BSE and National Stock Exchange of India (NSE).

4.2 The authorised, issued, subscribed and paid-up share capital of the Transferee as on 31<sup>st</sup> December, 2022 is as under:

FOR AND ON BEHALF OF THE COMPANY

  
Company Secretary



PARTICULARS	AMOUNT (IN INR)
<b><u>Authorised Share Capital</u></b>	
3,00,00,000 equity shares of INR 10/- each	30,00,00,000/-
<b>TOTAL</b>	<b>30,00,00,000/-</b>
<b><u>Issued, Subscribed and Paid-up Capital</u></b>	
1,35,98,467 equity shares of INR 10/- each fully paid up	13,59,84,670/-
<b>TOTAL</b>	<b>13,59,84,670/-</b>

4.3 The Board of Directors of the Transferee Company comprise the following Directors as on the date of the Application:

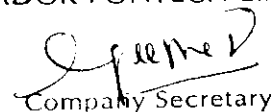
- a) Ms. Ninotchka Malkani Nagpal;
- b) Mr. Aditya Tarachand Malakani;
- c) Mr. Deep Ashda Lalvani;
- d) Mr. Ravin Ajit Mirchandaani;
- e) Ms. Tanya Halina Advani;
- f) Mr. Kunwar Digvijay Singh;
- g) Mr. Gaurav M. Lalwani;
- h) Mr. Rakesh Narain Sapru;
- i) Mr. Piyush Kumar Gupta;
- j) Ms. Nita Dempo Mirchandani; and
- k) Mr. Navroze S. Marshall

#### 4.4 OBJECTS OF THE TRANSFEREE COMPANY

The main objects of the Transferee Company are set out in Clause 3(a) of its Memorandum of Association. The extracts of the main objects, inter alia, are briefly as under:

- (a) *"To carry on the business of manufacture of arc welding electrodes and allied appliances.*

For ADOR FONTECH LIMITED

  
Company Secretary

*(aa) To carry on the business of manufacture of electrode making machinery and its components, rectifiers, power transformers, fluxes, electronic equipment, device and apparatus, solders fillers, and joining metals.*

*(ab) To carry on business of refitting, repairs and fabrication of ships, barges and vessels of all description with all the necessary or convenient equipment, tackle, rigging, gears, fittings, and engines.*

*(ac) To carry on business of sale and distribution of the products manufactured or fabricated by the Company and otherwise deal therein.*

*(ad) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.*

*(ae) To manufacture, produce, sell, distribute, import, export and otherwise deal, in India and abroad, any machinery required for the production or processing of Ferro Alloys, Metallic Powders, Metals and Chemicals.*

*(af) To manufacture, produce, sell, distribute, import, export and otherwise deal in India and abroad, any machinery capable of making Textiles, Plastics and Garments.*

*(ag) To manufacture, produce, sell, distribute, import, export and otherwise deal, in India and abroad, in various Ferro Alloys, Metallic Powders, Metals, Chemicals, Textiles and Plastic materials.*

*(ah) To transact and carry on all kinds of agency business in relation to the objects of the Company.*

*(ai) To promote any other company for any purpose which may be directly or indirectly calculated to benefit the company.*

For ADOR FONTECH LIMITED

  
Company Secretary

(aj) To enter into a partnership or arrangement in the nature of a partnership with any person or persons or corporation engaged or interested or about to become engaged or interested in the carrying or conduct of any business or enterprise which this Company is authorised to carry on or conduct, or from which this company would or might derive any benefit whether directly or indirectly.

Any such produce and to sell, dispose of and deal in such produce, either in its prepared, manufactured, or raw state and either by wholesale or retail and to grow, cultivate and develop trees, forests and other natural resources.

(ai) To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bills of credit, bonds, debentures, debenture-stock, contracts, mortgages, charges, obligations, instruments, and securities of any Company firm or undertaking or of any authority supreme; municipal, local or otherwise or of any persons whatsoever, whether incorporated or not incorporated, and generally to guarantee or become sureties for the performance of any contracts, payments or obligations and to carry on and transact every kind of guarantee business and indemnity business and every kind of counter-guarantee and counter indemnity business.

(au) To acquire by purchase or otherwise and undertake all or any part of the business, goodwill, assets property rights or undertaking and liabilities of any other company, firm or person carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purpose of the Company and to pay for the same either in cash or by fully or partly paid up shares in the Company or by debentures of this Company secured on its property both present and future including its uncalled capital or by any of such means combined and as part or whole of the consideration therefore to undertake all or any of the liabilities of such Company, firm or persons.

FOR ADOR FONTECH LIMITED  
Company Secretary  
*Sharma*

(av) To amalgamate with any other Company, firm or undertaking having objects or powers whether primary or ancillary altogether or in parts similar to those of - this Company and to give or accept by way of consideration for such amalgamation any payment of cash or any agreement for periodical payments of cash, negotiable instruments, secured or unsecured, shares wholly or partly paid up or with liability for the full nominal value thereof, stocks, bonds, obligations, debentures, debentures-stock, scrips or securities or any property moveable or immovable of any persons, company or corporation and whether of the Company or corporation with which such amalgamation is effected or not."

The printed copies of the certificate of incorporations, Memorandum of Association and Articles of Association of the Transferee Company is annexed hereto and marked as "Annexure C".

**4.5 BUSINESS OF THE TRANSFEEE COMPANY**

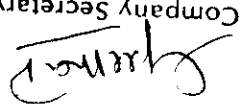
The Transferee Company is presently engaged in the business of manufacturing & selling of various products such as welding and cutting equipment, CNC machines, welding automation products as well as welding accessories. The Transferee Company is also engaged in the business of Flares & Process Equipment. ('Business of the Transferee Company').

**4.6 LATEST FINANCIAL POSITION OF THE TRANSFEEE COMPANY**

The Copy of the Annual Report of the Transferee Company as on 31st March 2022 along with the Unaudited Reviewed Results of the Transferee Company as on 30<sup>th</sup> September 2022 is enclosed herewith and marked as "Annexure D1 and D2" respectively.

**5 RATIONALE OF THE SCHEME**

The Transferor Company and the Transferee Company are engaged in similar lines of business and complement each other. With an intent to expand the business and achieve larger product portfolio, economies of scale, efficiency, optimization of logistics and distribution network and other related economies by consolidating the business

For ADOR FONTECH LIMITED  
  
Company Secretary

operations, the Board of Directors of the Transferor Company and the Transferee Company proposed to consolidate the business of the Transferor Company with the Transferee Company. The proposed amalgamation of the Transferor Company with the Transferee Company would, inter alia, have the following benefits:

a) Enable the consolidation of the Welding business of the Transferor Company with the Transferee Company to create one of the largest welding and cutting product manufacturer and refurbishment player in the industry.

b) Creation of a combined entity, hosting all products under the Transferee Company, thereby resulting in diversified portfolio of products, economies of scale, operational rationalization, efficiency of management, broader and deeper market presence and maximizing value for the shareholders.

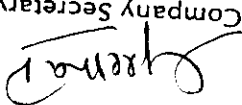
c) Greater synergies between businesses and optimum use of manufacturing facilities, marketing strength, R & D facilities, optimized production, streamlining of supply chains, enhancing customer delight, brand strengthening and certifications resulting in productivity gains, thereby maximizing value for the shareholders.

d) Enable greater access to different market segments in conduct of its business and addition of new products in the portfolio would improve the competitive position of the combined entity.

e) Optimum use of infrastructure and organizational efficiency by pooling of financial, managerial, and technical resources, personnel, capabilities, skills, expertise and technologies of the Transferor Company and the Transferee Company, thereby significantly contributing to the future growth and maximizing shareholder value.

f) Better financial leverage, resulting in greater efficiency in cash and debt management and access to cash flow generated by the combined business, which can be deployed more efficiently to realize higher profits/margins for the combined entity.

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For ADOR FONTECH LIMITED  
  
Company Secretary

*[Signature]*  
Company Secretary

For ADOR FONTECH LIMITED

- 5.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and Undertakings(s) of the Transferor Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, under the provisions of Section 230 to 232 of the Act and all other applicable provisions, if any, of the Act and also in accordance with section 2(1B) of the IT Act, without any further deed or act, subject to existing charges or lis pendens, if any thereon, in favour of banks/financial institutions.
5. Transfer and Vesting of Undertaking

**Amalgamation of Transferor Company with the Transferee Company**  
**PART - II**

Some of the salient features of the proposed Scheme are as follows:

**KEY TERMS OF THE SCHEME**

6

In view of the aforesaid, it is proposed to amalgamate the entire undertaking and business of the Transferor Company with the Transferee Company. Accordingly, this Scheme of Amalgamation is formulated for the transfer and vesting of the entire undertaking and business of the Transferor Company within and into the Transferee Company, pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Act.

- g) Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience, to compete successfully in an increasingly competitive industry.
- h) Cost savings because of standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
- i) Reduction in regulatory and legal compliances and avoidance of multiple records keeping.
- j) Strengthening ability to face increasing competitive, regulatory, environmental and global risks, thereby resulting in sustainable and profitable long-term growth for the combined entity.

Company Secretary

For ADOR FONTECH LIMITED

5.5. Without prejudice to the generality of the foregoing, with effect from the Appointed Date, it is expressly provided that in respect of such of the assets of the Transferor Company that are movable in nature and / or are otherwise capable of transfer by manual or constructive delivery and / or endorsement and delivery or novation, the same shall be deemed to have been so transferred by Transferor Company and shall become the property of the Transferee Company,

5.4. All lease and license agreements, if any, entered into by the Transferor Company with landlords, owners, and lessors in connection with the use of the assets of the Transferor Company, shall stand automatically transferred in favor of the Transferee Company on the same terms and conditions, subject to applicable law, without any further act, instruments, deed, matter or thing being made, done or executed. The Transferee Company shall continue to pay rent amounts, as provided for in such agreement and shall comply with the other terms, conditions, and covenants thereunder and shall also be entitled to refund of security deposits paid under such agreement by the Transferor Company.

5.3. Notwithstanding anything contained in this Scheme, with respect to the immovable properties in the nature of land and buildings situated in India, whether owned or leased, for the purpose of, inter alia, payment of stamp duty, registration fees or other similar taxes or fees, if the Transferee Company so decides, the Transferor Company and Transferee Company, whether before or after the Effective Date, may execute and register or cause to be executed and registered, separate deeds of conveyance or deeds of assignment of lease, as the case may be, in favour of the Transferee Company in respect of such immovable properties. Each of the immovable properties, only for the purposes of the payment of stamp duty, registration fees or other similar taxes or fees (if required under applicable law), shall be deemed to be conveyed at a value determined by the relevant authorities in accordance with the applicable circle rates. The transfer of such immovable properties shall form an integral part of this Scheme.

5.2. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all immovable properties of the Transferor Company, whether freehold or leasehold, and any documents of title, rights, agreements to sell / agreements of sale and easements in relation thereto, shall stand vested in the Transferee Company, without any act or deed done by the Transferee Company, and without any approval or acknowledgement of any third party. With effect from the Appointed Date, the Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to such immovable properties shall be made and duly recorded in the name of the Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and in accordance with the terms hereof. The Transferor Company shall take all steps, as may be necessary, to ensure that lawful, peaceful, and unencumbered possession, right, title, interest of its immovable property is given to the Transferee Company.

FOR ADOR FONTECH LIMITED  
Company Secretary  
*[Signature]*

- 5.6. In respect of movables, other than those dealt with in Clause 5.5 above, including sundry debts, receivables, bills, credits, loans and advances, if any, whether 17 recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments, earnest money and deposits with any Government, quasi Government, local or other authority or body or with any Company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Transferee Company, without any notice or other intimation to the debtors (although the Transferee Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).
- 5.7. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all liabilities relating to and comprised in the Undertaking of Transferee Company including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferee Company of every kind, nature and description, whatsoever and howsoever arising, raised or incurred or utilised for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 5.8. The transfer and vesting, as aforesaid, shall be subject to subsisting charges, if any, in respect of any assets of the Transferee Company. PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security in relation to subsisting charges, if any, thereof after the date of approval of this Scheme by the NCLT or otherwise.
- 5.9. Upon the Scheme becoming effective, all staff, workmen and employees, as 18 detailed under Clause 1.20(xii) above in relation to the Transferee Company, shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferee Company or the Transferee Company.
- 5.10. Upon approval of the Scheme by the Tribunal, the Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which the Transferee Company is a party in order to give formal effect to the above provisions. The Transferee Company shall be deemed to be authorized to execute any such writings, on behalf of the Transferee Company to carry out or perform all such formalities or compliances referred to above, on part of the Transferee Company.



*Shreya*  
Company Secretary

FOR ADOR FONTECH LIMITED

- 5.11. Pursuant to this Scheme becoming effective, the Transferee Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Transferor Company in accordance with the provisions of Sections 230 to 232 of the Act. The Transferor Company and the Transferee Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 5.12. All taxes, duties, cess payable by the Transferor Company including all or any refunds / credit / claims pertaining to the period prior to the Appointed Date shall be treated as the liability or refunds / credit / claims, as the case may be, of the Transferee Company.
- 5.13. All the licenses, permits, quotas, approvals, concessions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, patents, rights, leases, tenancy rights, liberties, concessions, grants, rights, special status and other benefits or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable 19 provisions of the Act, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and be available to the Transferee Company, so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permits, concessions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or conferred upon or held or availed of by the Transferor Company, as the case may be, on the same terms and conditions, as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company, as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies, which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned
- 5.14. All the insurance policies registered in the name of the Transferor Company, which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall, pursuant to the provisions of Section 230 to 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Company, so as to ensure that all the rights and privileges under all such policies available to the Transferor Company and / or to any other person/director/employee of such Transferor Company, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of the Transferee Company, as the case may be, on the same terms and conditions, as they were applicable to the Transferor Company concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company, as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. However, for the insurance policies, which do not permit such transfer/assignment, the Transferee Company may make fresh application(s) to the concerned

authority/insurance Company(ies) on such terms and conditions, as may be prescribed. It is hereby clarified that all the costs and / or expenses and / or premiums, in relation to the transfer/assignment of the 20 insurance policies in the name of Transferor Company shall be borne by the Transferee Company and the Transferor Company shall have no further obligations in this regard.

5.15. All the brands and trademarks (including logo and right to use the trademarks) of the Transferor Company, including registered and unregistered trademarks, along with all rights of commercial nature including goodwill, title, interest, labels and brand registrations, copyrights, trademarks, and all such other industrial and intellectual property rights of whatsoever nature, shall stand transferred to and vest in and deemed to be transferred to and vested in the Transferee Company. The Transferee Company shall take such actions, as may be necessary and permissible to get the same transferred and / or registered in the name of the Transferee Company.

5.16. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all existing and future incentives, un-availed credits and expenditures, exemptions and deductions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including MAT credit under the IT Act), excise (including Modvat / Cenvat), customs, VAT, sales tax, service tax, GST including the ICGST input tax credit, CGST input tax credit and SGST input tax credit for the registrations of the Transferor Company in all the states, to which the Transferor Company is entitled to, shall be available to and vest in the Transferee Company and deemed to be available to and vested in the Transferee Company.

5.17. The Transferee Company shall file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including but not limited to permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions, and other authorizations of the Transferor Company.

5.18. It is hereby clarified that all assets and liabilities appearing in the books of account of the Transferor Company, as on the Appointed Date, which are set forth in the closing balance sheet of the Transferor Company, as of the opening of business hours on the Appointed Date, shall be transferred to the Transferee Company.

5.19. The Transferee Company shall, under the provisions of the Scheme be deemed to be authorized to execute any such writings, on behalf of the Transferor Company, to implement and carry out all formalities and compliances, if required, referred to above.

**6. LEGAL, TAXATION AND OTHER PROCEEDINGS**

6.1. Upon coming into effect of this Scheme, all suits, actions and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or Tribunal or Court authorities, as the case be) by or against the Transferor Company, pending on the Effective Date, shall be

For ADOR FONTECH LIMITED  
Company Secretary  
*Jenny*

7.3. On the Scheme becoming effective, such contracts / escrow arrangements / deeds / any other arrangements shall stand transferred to or deemed to be transferred to the Transferee Company, without any further act or instrument or deed and further it shall not be necessary to obtain the consent of any third party or other person, who is party to any such contract / escrow arrangements / deeds / any other arrangements.

7.2. The Transferee Company may, at any time after coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds, confirmations or other writings, confirmations or novations or tripartite arrangements with any party to any contract or arrangements to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions.

7.1. Upon coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, including contracts for tenancies and licenses, deeds, bonds, agreements, incentives, benefits, exemptions, entitlements, arrangements, escrow arrangements and other instruments, of whatsoever nature, in relation to the Transferor Company, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect on or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee hereto.

**7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

6.3. In case of any litigation, suits, recovery proceedings, which are to be initiated or may be initiated against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

6.2. If any suit, appeal or other proceeding, of whatever nature, by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent, as it would or might have been continued, prosecuted and enforced by or against the Transferor Company, as if this Scheme had not been made.

continued and / or enforced by or against the Transferee Company, as effectually and in the same manner and to the same extent, as if the same had been instituted by or against the Transferee Company.

8. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

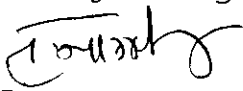
8.1. With effect from the Appointed Date and upto and including the Effective Date, the Transferor Company shall carry on and be deemed to have carried on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of its entire business for and on account of and in trust for the Transferor Company; i. All the profits or income accruing or arising to the Transferor Company or expenditure, or losses incurred by the Transferor Company shall, for all purposes, be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferor Company; and ii. The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferor Company. iii. The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferor Company. iv. The Transferor Company shall be deemed to have held and stood possessed of and shall hold and stand possessed of and in trust for the Transferor Company; and v. All the profits or income accruing or arising to the Transferor Company or expenditure, or losses incurred by the Transferor Company shall, for all purposes, be treated and deemed to be the profits or income or expenditure or losses (as the case may be) of the Transferor Company; and vi. The Transferor Company shall carry on their business and activities with reasonable diligence and business prudence and shall not venture into/expand any new businesses, alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business, without the prior consent of the Transferor Company.

8.2. The Transferor Company shall be entitled, pending the sanction of the Scheme, to apply to the Central Government and all other agencies, departments and authorities concerned, as are necessary under any law for such consents, approvals and sanctions, which the Transferor Company may require to carry on the business of the Transferor Company.

8.3. For the avoidance of any doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follows:

8.3.1. With effect from the Effective Date and till such time that the name of the bank accounts of the Transferor Company have been replaced with that of the Transferor Company, the Transferor Company shall be entitled to operate the bank accounts of the Transferor Company in the name of the Transferor Company in so far as may be necessary. All cheques and negotiable instruments, payment orders received or presented for encashment, which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferor Company and credited to the account of the Transferor Company, if presented by the Transferor Company. Similarly, till the time any regulatory filings of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferor Company shall be entitled to do so to comply with the relevant regulations.

8.3.2. With effect from the Effective Date, the Transferor Company shall be entitled to use all packed / labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, brochures, other publicity material, etc. lying unused with the Transferor Company or their vendors, suppliers or third party or in their supply chain or distribution channel and which the Transferor Company is entitled to use under any statutes/

For ADOR FONTECH LIMITED  
  
Company Secretary

Company Secretary

FOR ADOR FONTECH LIMITED

9.2. The existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme (including without limitation any employees stock option plan) or benefits created by the Transferor Company for its employees shall be continued on the same terms and conditions or be transferred to the existing provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, etc., being maintained by the Transferee Company or as may be created by the Transferee Company for such purpose. Pending such transfer, the

9.1. Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payroll of the Transferor Company shall become the staff, workmen and employees of the Transferee Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees of the Transferee Company shall become employees/personnel on contract basis, contract labourers and interns/trainees, as the case may be of the Transferee Company with effect from the Effective Date, on such terms and conditions as are not less favorable than those on which they are currently engaged by the Transferor Company, without any interruption of service, as a result of this Scheme. With regard to provident fund, gratuity, leave encashment and any other special scheme or benefits created or existing for the benefit of such employees of the Transferor Company, upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes, whatsoever, including with regard to the obligation to make contributions to relevant authorities, in accordance with the provisions of applicable laws or otherwise. It is hereby clarified that upon this Scheme becoming effective, the aforesaid benefits or schemes shall continue to be provided to the transferred employees and the services of all the transferred employees of the Transferor Company, for such purpose, shall be treated as having been continuous.

**9. STAFF, WORKMEN AND EMPLOYEES**

8.3.3. With a view to avoid any disruption of business, to ensure continuity of operations and exports and to maintain the same quality of products, with effect from the Effective Date and till such time all critical licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of Transferee Company are transferred, recorded, effected and / or perfected, in the record of the relevant governmental / regulatory authorities in all applicable jurisdictions in favour of Transferee Company, the Transferee Company shall carry on and be deemed to have been carrying on all the business and activities of the Transferor Company in the name and style of the Transferor Company and under the relevant licenses, product registrations, marketing authorizations, permits, quotas, approvals, incentives, subsidies, etc. of the Transferor Company. Further, during such period, the Transferee Company can procure or use or manufacture, all material and product including packed / labeled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, brochures, other publicity material, etc. in the name and format of the Transferor Company.

regulations, till such time as all of such stock is exhausted, without making any amendment on those goods or materials.

FOR ADOR FONTECH LIMITED  
Company Secretary  
*[Signature]*

11.2. Further, it is clarified that the above clause has no impact, whatsoever, on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

11.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument, or deed.

**11. INTER-SE TRANSACTIONS**

The transfer and vesting of the Undertaking under Clause 5 above, and the continuation of proceedings by or against the Transferee Company in Clause 6 above shall not affect any transactions or proceedings already concluded or liabilities incurred, or any liabilities discharged by the Transferor Company, on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company shall accept and adopt all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

**10. SAVING OF CONCLUDED TRANSACTIONS**

9.4. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Company with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

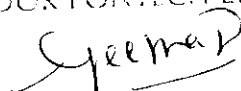
9.3. The Transferee Company undertakes that for the purpose of payment of any retirement compensation, gratuity and other terminal benefits to the employees of the Transferor Company, the past services of such employees with the Transferor Company shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Company will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its staff, workmen and employees and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities, relating to benefits transferred pursuant to this sub-clause.

contributions required to be made in respect of such employees shall continue to be made by the Transferee Company to the existing funds maintained by the Transferor Company.

## 12. CONSIDERATION

- 12.1. Upon the Scheme coming into effect and in consideration of the transfer and vesting of Transferor Company in the Transferee Company pursuant to Part II of this Scheme and subject to the provisions of this Scheme, the Transferee Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot equity shares ("New Shares"), on a proportionate basis to each shareholder of the Transferor Company, whose name is recorded in the register of members, as member of the Transferor Company, as on the Record Date, as follows: "5 (Five) equity shares of AWL having a face value of INR 10/- each fully paid-up shall be issued for every 46 (Forty-six) equity shares held in ADFL having a face value of INR 2/- each fully paid-up"
- 12.2. The equity shares to be issued and allotted pursuant to amalgamation of the Transferor Company with the Transferee Company, under this Scheme, shall be subject to the provisions of the Memorandum of Association and Articles of Association of Transferee Company and shall rank *pari passu* in all respects with any existing equity shares of the Transferee Company after the Effective Date including with respect to dividend, bonus, rights shares, voting rights and other corporate benefits attached to the shares of the Transferee Company.
- 12.3. The issue and allotment of the shares is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or the Transferor Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Law, as may be applicable, were duly complied with. It is clarified that the approval of the members of the Transferee Company to this Scheme, shall be deemed to be their consent/approval for the issue and allotment of shares of the Transferee Company.
- 12.4. The New Shares to be issued by the Transferee Company shall be issued in dematerialized form to those members of the Transferor Company, as on the Record Date, who hold shares of the Transferor Company in dematerialized form, into the account in which shares of the Transferor Company are held or such other account, as is intimated in writing by the members of the Transferor Company and/ or its registrar, provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. All those members, as on the Record Date, who hold shares of the Transferor Company in physical form shall also receive the New Shares to be issued by the Transferee Company, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to the Transferor Company and/ or its registrar, provided such intimation has been received by the Transferor Company and/or its registrar at least 7 (seven) days before the Record Date. If no such intimation is received from any member who holds shares of the Transferor Company in physical form 7 (seven) days before the Record Date, or if the details furnished by any member do not permit electronic credit of the shares of the Transferee Company, then the Transferee Company shall deal with the relevant equity shares in such manner as may be


For ADOR FONTECH LIMITED

  
Company Secretary

*permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialized form to a trustee nominated by the Board of the Transferee Company ("Trustee of Transferee Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of the Transferee Company held by the Trustee of the Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of the Transferee Company, along with such other documents as may be required by the Trustee of the Transferee Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of the Transferee Company.*

- 12.5. *For the purpose of allotment of the shares, pursuant to this Scheme, in case any shareholder holding in the Transferor Company is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares to a trustee (nominated by the Transferee Company in that behalf) in dematerialised form, who shall hold such shares, with all additions or accretions thereto, in trust for the benefit of the respective shareholders, to whom they belong, for the specific purpose of selling such shares in the market at such price or prices within 90 days from the date of allotment of shares and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company pertaining to the fractional entitlements.*
- 12.6. *On approval of this Scheme by members of the Transferee Company pursuant to Sections 230-232 of the Act and / or relevant provisions of the Act, if applicable, it shall be deemed that the said members have also accorded their consent under Sections 13, 42, 61 and 62 of the Act and / or any other applicable provisions of the Act and rules and regulations framed thereunder, as may be applicable for the aforesaid issuance of shares of the Transferee Company, and no further resolution or actions shall be required to be undertaken by the Transferee Company under Sections 13, 42, 61 or 62 of the Act or any other applicable provisions of the Act and rules and regulations framed thereunder.*
- 12.7. *In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Company, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer, as if such changes in the registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Company, after the effectiveness of this Scheme.*

For ADOR FONTECH LIMITED

  
Company Secretary



- 12.8. *The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor Company, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance.*
- 12.9. *The shares to be issued by the Transferee Company, in lieu of the shares of the Transferor Company held in the respective unclaimed suspense account of the Transferor Company shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Company.*
- 12.10. *In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio, stated in Clause 12.1 above, shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.*
- 12.11. *If necessary, the Transferee Company shall, before allotment of the equity shares in term of the Scheme, increase, reclassify, and / or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.*
- 12.12. *The Transferee Company shall apply for listing of New Shares allotted by Transferee Company on the Stock Exchange in terms of and in compliance of SEBI Circular and other relevant provisions, as may be applicable. The New Shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.*
- 12.13. *The Transferee Company shall enter into such arrangements and give such confirmations and / or undertakings, as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchange and SEBI Circular.*

### 13. **ACCOUNTING TREATMENT**

*Upon the Scheme becoming effective and with effect from the Appointed Date, the amalgamation of the Transferor Company, with the Transferee Company shall be accounted for in accordance with "Pooling of Interest Method" in accordance with the principles laid down in Appendix C (i.e. Business Combinations under Common Control) of the Indian Accounting Standard (Ind AS) 103- "Business Combination" notified under Section 133 of the Act read with the applicable rules issued thereunder and as amended from time to time such that:*

- 13.1. *The Transferee Company shall record all the assets and liabilities of the Transferor Company vested in it pursuant to this Scheme, at the respective book values as appearing in the books of the Transferor Company.*

For ADOR FONTECH LIMITED

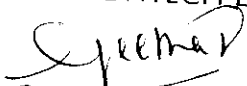
  
Company Secretary

- 13.2. *The identity of the reserves of the Transferor Company shall be preserved and shall appear in the financial statements of the Transferee Company in the same form and at the same values as they appear in the financial statements of the Transferor Company.*
- 13.3. *Pursuant to the amalgamation of the Transferor Company with the Transferee Company, the inter-company balances between the Transferee Company and the Transferor Company, if any, shall stand cancelled.*
- 13.4. *The nominal value of New Shares issued by the Transferee Company pursuant to clause 12.1 above shall be credited to the share capital account of the Transferee Company.*
- 13.5. *The surplus/deficit, if any arising after taking the effect of clause 13.1, 13.2 and 13.4 after giving the effect of the adjustments referred to in clause 13.3, shall be transferred to capital reserve in the financial statements of the Transferee Company.*
- 13.6. *In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies and impact of difference, if any, will be adjusted against retained earnings of the Transferee Company.*
- 13.7. *The financial information in the financial statements of the Transferee Company in respect of prior periods would be restated as if the aforesaid business combination had occurred from the beginning of the earliest period presented in the financial statements, irrespective of the actual date of the combination.*

#### 14. **COMPLIANCE WITH TAX LAWS**

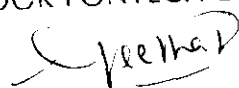
- 14.1. *This Scheme has been drawn up to comply with the conditions relating to "Amalgamation", as specified under Section 2(1B) of the IT Act and other relevant provisions of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said section at a later date including resulting from a retrospective amendment of law or for any other reason, whatsoever, till the time the Scheme becomes effective, the provisions of the said section of the IT Act, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act and other relevant provisions of the IT Act.*
- 14.2. *On or after the Effective Date, the Transferee Company is expressly permitted to revise, its financial statements and returns along with prescribed forms, filings and annexures under the IT Act (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the provisions of the Scheme as per relevant applicable laws.*

For ADOR FONTECH LIMITED

  
Company Secretary

- 14.3. *All tax assessment, reassessment and recomputation proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by or against the Transferor Company pending and / or arising at on the Appointed Date and relating to the Transferor Company shall be continued and / or enforced until the Effective Date, by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Company.*
- 14.4. *Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.*
- 14.5. *Any tax liabilities including but not limited to liabilities under the IT Act, Tax Treaties, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company to the extent not provided for or covered by tax provisions in the accounts made as on the date immediately preceding the Appointed Date, shall be transferred to the Transferee Company.*
- 14.6. *Any refund including but not limited to refund under the IT Act, foreign tax laws, Customs Act 1962, Service Tax laws, VAT laws, Goods and Service Tax laws or other applicable laws / regulations dealing with taxes / duties / levies allocable or related to the business of the Transferor Company, due to the Transferor Company, consequent to the assessment made on the Transferor Company and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.*
- 14.7. *All taxes including income-tax, minimum alternate tax, foreign taxes, custom duty, service tax, goods and service tax, etc. paid or payable by the Transferor Company in respect of their operations and / or on the profits of the business before the Appointed Date, shall be on account of the Transferor Company and, in so far as it relates to the tax payment (including, without limitation, income-tax, minimum alternate tax, custom duty, service tax, goods and service tax, etc.), whether by way of deduction of tax at source, advance tax or otherwise, howsoever, by the Transferor Company in respect of their profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any tax deducted at source by the Transferor Company / Transferee Company on payables to the Transferee Company / Transferor Company, on account of inter-se transactions, which have been deemed not to be accrued, shall be deemed to be advance taxes paid by the Transferee Company and shall, in all proceedings, be dealt with accordingly. Further, any goods and service tax paid by the Transferor Company / Transferee Company to the Transferee Company / Transferor Company, on account of*

For ADOR FONTECH LIMITED

  
Company Secretary

*interse transactions, which have been deemed not to be accrued, shall be deemed to have been paid by or on behalf of the Transferee Company and shall, in all proceedings, be dealt with accordingly.*

- 14.8. *All deductions, otherwise admissible to the Transferor Company including payment admissible on actual payment or on deduction of appropriate taxes or on payment or tax deducted at source (such as u/s 40, 40A, 43B, etc. of the Income Tax Act, 1961), shall be available for deduction to the Transferee Company, as it would have been available to the Transferor Company.*
- 14.9. *After the Appointed Date, obligation for deduction of tax at source on any payment made by or to be made by the Transferor Company including but not limited to obligation under the IT Act, customs law, goods and service tax law or other applicable laws / regulations dealing with taxes / duties / levies, shall be made or deemed to have been made and duly complied with by the Transferee Company. Without prejudice to the generality of the above, all benefits, incentives, losses, credit for tax including on book profits, accumulated losses, credits (including, without limitation income tax, excise duty, service tax, applicable state value added tax, Cenvat Credit, goods and service tax credit, etc.) to which the Transferor Company is entitled to, in terms of applicable laws, shall be available to and vest in the Transferee Company on and after the Appointed Date, even if such credits have not been availed off in the books as on the date of transfer. Also, the Transferee Company will be entitled to avail Cenvat Credit / Goods and Service Tax Credit after the Appointed Date in respect of all duties / taxes where the documents are in the name of the Transferor Company. Further, licenses issued to the Transferor Company by any regulatory authorities, if any, and all benefits and tax credits, if any, associated with it shall stand transferred to the Transferee Company, upon the Scheme becoming effective.*

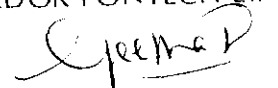
15. **DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP**

*Subject to an order being made by / under Section 230 to 232 of the Act, the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective, in accordance with the provision of the Act and the Rules made hereunder.*

16. **COMBINATION OF AUTHORISED SHARE CAPITAL**

- 16.1. *Upon the Scheme becoming effective, the Authorised Share Capital of the Transferor Company shall stand transferred, re-organised, credited and merged with that of the Transferee Company with payment of additional fees and stamp duty, if any, after setoff of the fees and stamp duty already paid by the Transferor Company and the Authorised Share Capital of the Transferee Company will be increased to that effect, by just filing requisite forms and no separate procedure shall be followed under the Act. Consequently, the Memorandum of Association of the Transferee Company, shall, without any act, instrument or deed be and stand altered, modified and amended pursuant to Sections 13, 61 and other applicable provisions of the Act.*

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Company Secretary

- 16.2. Accordingly, the words and figures in Clause 5 of the Memorandum of Association of the Transferee Company shall stand modified and be substituted to read as follows: "The authorized share capital of the company is Rs.40,00,00,000/- (Forty Crores only) divided into 4,00,00,000 (Four Crores only) equity shares of Rs.10 (Rupees Ten) each with power to the Company to increase or reduce the capital of the Company and to divide the share capital for the time being into several classes and to attach thereto, respectively, such preferential, deterred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force or as provided by the Articles of Association of the Company"
- 16.3. The approval of this Scheme under Sections 230 to 232 of the Companies Act, 2013 shall be deemed to have the approval under Section 13, 61 and other applicable provisions of the Companies Act, 2013, and any other approvals required in this regard. It is clarified that the approval of the members of the Transferee Company to the Scheme shall be deemed to be their approval also to the alteration to the Memorandum of Association of the Transferee Company, as may be required under the Act.

**PART - III**  
**GENERAL CLAUSES, TERMS AND CONDITIONS**

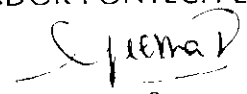
**17. DIVIDENDS**

- 17.1. The Transferor Company and the Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of the accounting period commencing from and after Appointed Date and up to the Effective Date. The dividend, if any, shall be declared by the Transferor Company only with the prior written consent of the Board of Directors of the Transferee Company.
- 17.2. It is clarified that the provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholders of the Transferor Company and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the Board of Directors of the Transferee Company, subject to such approval of the shareholders, as may be required.

**18. VALIDITY OF RESOLUTIONS**

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and / or shareholders of the Transferor Company, as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such

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Company Secretary

*resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits, as are considered necessary by the Board of Directors of the Transferee Company, shall be added to the limits, if any, under like resolutions passed by the Board of Directors and / or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.*

**19. APPLICATIONS TO THE NCLT**

*The Transferor Company shall make applications to the NCLT, Bengaluru Bench and the Transferee Company shall make applications to the NCLT, Mumbai Bench, since the registered office of Transferor Company is situated in Bengaluru and Transferee Company is situated in Mumbai, for sanctioning this Scheme under Sections 230-232 of the Act, for orders thereof, for carrying this Scheme into effect.*

**20. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 20.1. *Subject to approval of NCLT, the Parties through their respective Board of Directors including any Committee of Directors or other persons, duly authorised by the Board of Directors in this regard, may make, or assent to, any alteration or modification to this Scheme or to any conditions or limitations or orders, which the NCLT or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do and to execute all such acts, deeds, matters and things necessary for putting this Scheme into effect, or to review the portion relating to the satisfaction of the conditions to this Scheme and if necessary, to waive any of those (to the extent permitted under law) for bringing this Scheme into effect. The shareholders approving the Scheme, shall be deemed to have given their consent to the proposed modification to the Scheme, without any further recourse to them.*
- 20.2. *If any part or provision of this Scheme is found to be unworkable for any reason, whatsoever, the same shall not, subject to the decision of the Board of Directors of the Transferor Company and the Transferee Company, affect the validity of implementation of the other parts and / or provisions of the Scheme. If any part or provision of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Transferor Company and the Transferee Company, that such part or provision, as the case may be, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to the Transferor Company and / or to the Transferee Company, in which case the Transferor Company and / or the Transferee Company shall attempt to bring about a modification in the Scheme, as will best preserve for the Transferor Company and / or the Transferee Company, the benefits and obligations of the Scheme, including but not limited to such part or provision.*

For ADOR FONTECH LIMITED

  
Company Secretary

**21. SCHEME CONDITIONAL ON APPROVALS /SANCTIONS**

21.1. *The Scheme is conditional upon and subject to:*

- i. *Approval of Appropriate Authorities and receipt of 'No Objection letter' from Stock Exchanges, where such approval or consent is necessary;*
- ii. *the approval of the Scheme by the requisite majority of the respective creditors and such class of persons of the Transferor Company and Transferee Company, as required in terms of the applicable provisions of the relevant Act as well as any requirements that may be stipulated by the Appropriate Authority in this respect;*
- iii. *the approval of the shareholders of Transferor Company and Transferee Company, through e-voting and / or other mode, as may be required under any applicable law and the SEBI Circular. The scheme is conditional upon Scheme being approved by the public shareholders through evoting in terms of Para 10(a) of Part I of SEBI Master Circular No. 40 BI/HO/CFD/DILI/CIR/P/2021/0000000665 dated 23rd November 2021 and the Scheme shall be acted upon only if votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders against it.*
- iv. *sanction of the Appropriate Authority, being obtained under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Act, if so required on behalf of the Transferor Company and the Transferee Company;*
- v. *the necessary certified copies of the order under Sections 230 to 232 of the Act, and other applicable provisions of the Act are duly filed with the Registrar of Companies; and*
- vi. *all other sanctions and approvals, as may be required by law in respect of this Scheme, being obtained.*

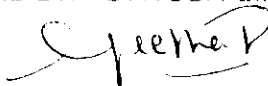
**22. BINDING EFFECT**

*Upon the Scheme becoming effective, the same shall be binding on the Transferor Company, the Transferee Company, Governmental Authorities and all concerned parties, without any further act, deed, matter or thing.*

**23. COSTS**

*All costs, charges, levies and expenses (including, but not limited to, any taxes and duties, stamp duty, registration charges, etc.) of the Transferor Company and Transferee Company, respectively in relation to or in connection with or incidental to this Scheme or the implementation thereof shall be borne and paid for by the Transferor Company and Transferee Company respectively, unless*

For ADOR FONTECH LIMITED

  
Company Secretary

otherwise determined by the Boards of Directors of the Transferor Company and the Transferee Company.

## 24. SEVERABILITY

- 24.1. If any part of this Scheme is found to be unworkable for any reason, whatsoever, the same shall not, subject to the decision of the Transferor Company and / or the Transferee Company, affect the validity or implementation of the other parts and / or provisions of this Scheme.
- 24.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Company and the Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

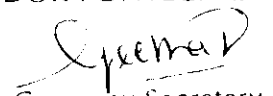
## 25. PROPERTY IN TRUST

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertaking of the Transferor Company are transferred, vested, recorded, effected and / or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favor of the Transferee Company, such Transferee Company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement, as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time, as may be mutually agreed by the relevant Parties, the Transferor Company will continue to hold the property and / or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

## 26. REMOVAL OF DIFFICULTIES

The Transferor Company and the Transferee Company through mutual consent and acting through their respective Boards, jointly and as mutually agreed in writing, may give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue of this Scheme in relation to the arrangement contemplated in this Scheme and / or matters concerning or connected therewith or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any manner, whatsoever, connected therewith, or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those, to the extent permissible under Applicable Law; and do all such acts, deeds and things, as may be necessary, desirable or expedient for carrying the Scheme into effect.

For ADOR FONTECH LIMITED

  
Company Secretary



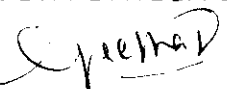
27. **EFFECT OF NON-RECEIPT OF APPROVALS**

- 27.1. *In the event if / of, any of the said sanctions and approvals referred to in Clause 21 not being obtained and / or the Scheme not being sanctioned by the NCLT or such other appropriate authority, if any, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto, as is contemplated hereunder or as to any rights and / or liabilities, which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out, as is specifically provided in the Scheme or as may otherwise arise in law and agreed between the respective parties to this Scheme. Upon the termination of this Scheme, as set out in above clause, no rights and liabilities shall accrue to or be incurred by respective Parties or their shareholders or creditors or employees or any other persons. In such case, each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme unless otherwise mutually agreed.*
- 27.2. *The Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the Scheme of no effect, if they are of the view that the coming into effect of the Scheme with effect from the Appointed Date could have adverse implications on the combined entity, post the amalgamation.*

A copy of the proposed Scheme is annexed hereto and marked as “**Annexure E**”.

- 7 The Board of Directors of Applicant Company has by its resolution dated 31<sup>st</sup> May 2022 approved the proposed Scheme between the Applicant Company and the Non-Applicant Company and its respective shareholders. Annexed hereto and marked as “**Annexure F**” is a copy of the Board Resolution dated 31<sup>st</sup> May 2022 passed by the Board of Directors of Applicant Company.
- 8 The Board of Directors of the Non-Applicant Company has by its resolution dated 31<sup>st</sup> May 2022 approved the proposed Scheme between the Applicant Company and the Non-Applicant Company and its respective shareholders. Annexed hereto and marked as “**Annexure G**” is a copy of the Board Resolution dated 31<sup>st</sup> May 2022 passed by the Non-Applicant Company.
- 9 Save as expressly provided for in the Scheme, the rights of the existing members of the Transferor Company and the Transferee Company will not be affected in any manner whatsoever by the Scheme. However, in order to give effect to the proposed Scheme

For ADOR FONTECH LIMITED

  
Company Secretary

under the provisions of law, the approval of the members of the Transferor Company is required to be obtained.

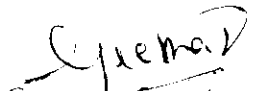
- 10 The Applicant Company and Non-Applicant Company state that the certificates issued by the Statutory Auditors of the Applicant Company and Non-Applicant Company confirming the accounting treatment adopted under the Scheme of Amalgamation is marked and annexed as “**Annexure H1 to H2**”.
- 11 The copy of the Joint Valuation Report dated 31st May 2022 provided by Mr. Niranjana Kumar, Registered Valuer – Securities or Financial Assets having IBBI Registration no. IBBI/RV/06/2018/10137, is hereto annexed and marked as “**Annexure I**”.
- 12 Fairness Opinion on the Share Exchange Ratio for the proposed Scheme of Amalgamation (Merger by Absorption) has been provided on behalf of the Applicant Company by Fedex Securities Private Limited on 31st May, 2022. Copy of the Fairness Opinion Report is hereto annexed and marked as “**Annexure J**”.
- 13 Fairness Opinion on the Share Exchange Ratio for the proposed Scheme of Amalgamation (Merger by Absorption) has been provided on behalf of the Non-Applicant Company by Systematix Corporate Services Limited on 31st May, 2022. Copy of the Fairness Opinion Report is hereto annexed and marked as “**Annexure K**”.
- 14 **SHAREHOLDING PATTERN, CAPITAL STRUCTURE, ETC.**
  - 14.1 The statement showing the pre-amalgamation shareholding pattern of the Applicant Company as on 31<sup>st</sup> March, 2022 is annexed hereto and marked as “**Annexure L**”. The statement showing pre-amalgamation shareholding pattern of the Non-Applicant Company as on 31<sup>st</sup> March, 2022, is annexed hereto and marked as “**Annexure M**”. Further, the capital structure of the Transferee Company after the implementation of the Scheme is annexed hereto and marked as “**Annexure N**”.
  - 14.2 As regards the equity shareholders of the Applicant Company, the Applicant Company has 13,806 (Thirteen thousand eight hundred and six only) equity shareholders holding 7,00,00,000 equity shares of INR 2/- of the Applicant Company in aggregate of as on

For ADOR FONTECH LIMITED

  
Company Secretary

- 31<sup>st</sup> December 2022. Annexed hereto and marked as “**Annexure O**” is a list of equity shareholders of Applicant Company certified by a practicing Chartered Accountant.
- 14.3 As regards the Secured Creditors of the Applicant Company, as on 31<sup>st</sup> December, 2022, the Applicant Company has no Secured Creditors. Annexed hereto and marked as “**Annexure P**” is a certificate issued by a practicing Chartered Accountant stating that the Applicant Company has no Secured Creditors.
- 14.4 As regards the Unsecured Creditors of the Applicant Company, as on 31<sup>st</sup> December 2022, the Applicant Company has 761 Unsecured Creditors and the total amount due and payable by the Applicant Company to the aforementioned creditors is 24,78,10,778/- (Rupees twenty four crores seventy eight lakhs ten thousand seven hundred and seventy eight only) Annexed hereto and marked as “**Annexure Q**” is a list of Unsecured Creditors of the Applicant Company as on 31<sup>st</sup> December 2022, certified by a practicing Chartered Accountant.
- 14.5 The Non - Applicant Company has no debenture holders. A copy of the certificate issued by a practicing Chartered Accountant stating that as on 31<sup>st</sup> December 2022, there are no debenture holders is annexed hereto and marked as “**Annexure R**”.
- 14.6 Under the Scheme no compromise is offered to any of the Creditors of the Applicant Company and Non-Applicant Company and no liability of the Creditors under the Scheme is being reduced or extinguished. Thus, it is submitted that under the Scheme there is no arrangement by the Applicant Company and Non-Applicant Company with their respective Creditors.
- 14.7 The dues of the Unsecured Creditors of the Applicant Company will be paid off in the ordinary course of business as and when their dues become due and payable.
- 14.8 Under the circumstances, the meetings of Unsecured Creditors (as may be applicable) of the Applicant Company are not required to be called for as the interest of the Unsecured Creditors of the Applicant Company are in no way affected by the present Scheme. It is, therefore, prayed that this Hon’ble Tribunal be pleased to hold that no meetings of the

For ADOR FONTECH LIMITED

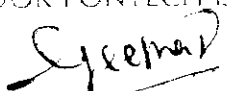
  
Company Secretary

Unsecured Creditors of the Applicant Company are required to be held or convened to consider the Scheme.

- 15 Under the provisions of Section 230(5) of the Act, necessary directions be given to the Applicant Company to send the notice of the Scheme under Section 230(5) of the Act to the (i) Central Government through Regional Director, Southeast Region, Ministry of Corporate Affairs, (ii) Registrar of Companies, Bengaluru (iii) concerned Income-Tax Authority, (iv) Goods and Service Tax Authority (v) Official Liquidator (vi) BSE, NSE and (vii) SEBI;
- 16 The Scheme does not affect the material interests of any of the directors, key managerial personnel, promoters, creditors, employees of the Applicant Company in any manner.
- 17 No investigation proceedings are pending against the Applicant Company and/or the Non-Applicant Company under Sections 210 to 222 of the Companies Act, 2013.
- 18 No winding up proceedings are pending against the Applicant Company and/or the Non-Applicant Company.
- 19 Since both the Applicant Company and Non-Applicant Company are listed entities, they have already obtained Observation Letters for the Scheme from Stock Exchanges vide letter dated 26<sup>th</sup> September 2022 from BSE for Applicant Company and letter dated 26<sup>th</sup> September 2022 from BSE and letter dated 27<sup>th</sup> September 2022 NSE for Non-Applicant Company and is annexed hereto and marked as "**Annexure - S1 to S3**". The following comments / observations have been received by Applicant Company from BSE:

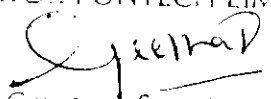
a) *"Company shall ensure that it discloses all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and Shareholders, while seeking approval of the scheme."*

For ADOR FONTECH LIMITED

  
Company Secretary

- b) *"Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges."*
- c) *"Company shall ensure compliance with the SEBI Circulars issued from time to time."*
- d) *"The entities involved in the scheme shall duly comply with various provisions of the Circular."*
- e) *"Company is advised that the information pertaining to all the Unlisted Companies involved in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."*
- f) *"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."*
- g) *"Company is advised that the details of the proposed Scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the Shareholders."*
- h) *"Company is advised that the proposed Equity Shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."*
- i) *"Company shall ensure that the 'Scheme' shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."*

For ADCOR FONTECH LIMITED

  
Company Secretary

- j) *"Company to ensure that no changes to the draft Scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."*
- k) *"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company obliged to bring the observations to the notice of Hon'ble NCLT."*
- l) *"Company is advised to comply with all the applicable provisions of the Companies Act, 2013, rule and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."*
- m) *"It is to be noted that the petitions are filed by the Company before Hon'ble NCLT after processing and communication of comments/observations on draft Scheme by SEBI/Stock Exchange. Hence, the Company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/representations."*

20 The Applicant Company submit that they be permitted to file the Company Application under the provisions of Sections 230 to 232 of the Act for sanctioning of the proposed Scheme by this Hon'ble Tribunal.

21 In view of the above, the Applicant Company submits that the captioned Company Application be made absolute as prayed.

22 **Prayers**

In view of the facts and grounds mentioned above, the Applicants pray for the following reliefs:

For ADOR FONTECH LIMITED


  
Company Secretary

- (A) It is prayed that necessary directions be issued for:
- a. Convening the meeting of the equity shareholders of the Applicant Company under Section 230(1)(b) of the Companies Act, 2013 and Para 10(a) and Para 10(b) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 (as amended from time to time), through VC / OAVM in accordance with the MCA Circulars and fixing the quorum and the procedure to be followed at the meeting;
  - b. Publication of notice of the meeting in newspapers, appointment of Chairman and scrutinizers/ observers for the meetings;
  - c. The present Scheme is an arrangement between the Applicant Company and Non-Applicant Company and its shareholders as contemplated in Section 230(1)(b) and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013. The Scheme does not affect the rights and interests of the Unsecured Creditors of the Applicant Company. Further, there will not be any effect of the proposed Scheme on the liabilities of the Applicant Company and the liabilities will be paid off in the ordinary course of business. In view of the fact that there is no compromise or arrangement with the Unsecured Creditors of the Applicant Company, no meeting is required to be convened.
  - d. Issuing notices to the Unsecured Creditors, Central Government through Regional Director, Registrar of Companies, Income tax Department, Official Liquidator, BSE, NSE and SEBI; for their representations on the Scheme;
  - e. Any such other directions and/or relief/s as this Hon'ble Tribunal deems fit.
  - f. It is prayed that this Hon'ble Tribunal fix a date for presentation of the Company Application and pass such other Order or Orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

**Advocate For Applicant Company**

SAJI .P. JOHN-KAR 290/99

For ADOR FONTECH LIMITED

  
Company Secretary

**Applicant Company**

Bengaluru

Date: 2/2/2023



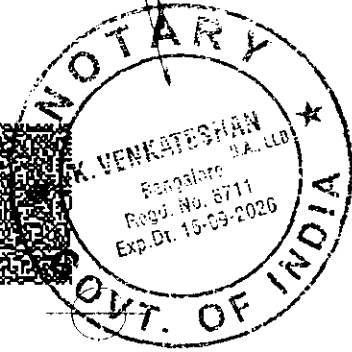
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INDIA NON JUDICIAL

Government of Karnataka

e-Stamp

Certificate No. : IN-KA47729930156945V  
Certificate Issued Date : 11-Jan-2023 04:09 PM  
Account Reference : NONACC (FI)/ kacrsf108/ SHIVAJINAGAR1/ KA-SV  
Unique Doc. Reference : SUBIN-KAKACRSFL0890490481244627V  
Purchased by : ADOR FONTECH LIMITED  
Description of Document : Article 4 Affidavit  
Description : AFFIDAVIT  
Consideration Price (Rs.) : 0  
(Zero)  
First Party : ADOR FONTECH LIMITED  
Second Party : NCLT BENGALURU  
Stamp Duty Paid By : ADOR FONTECH LIMITED  
Stamp Duty Amount(Rs.) : 100  
(One Hundred only)



Please write or type below this line

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH.

For ADOR FONTECH LIMITED

*[Signature]*  
Company Secretary

Statutory Alert:

1. The authenticity of this Stamp certificate should be verified at 'www.shcilestamp.com' or using e-Stamp Mobile App of Stock Holding. Any discrepancy in the details on this Certificate and as available on the website / Mobile App renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



COMPANY APPLICATION (CAA) NO.

OF 2023

BETWEEN:

ADOR FONTECH LIMITED

...APPLICANT COMPANY /  
TRANSFEROR COMPANY

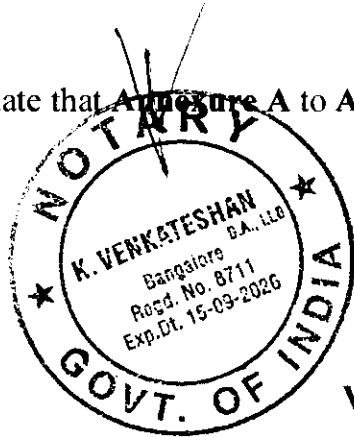
AND

ADOR WELDING LIMITED

...NON-APPLICANT COMPANY/  
TRANSFeree COMPANYVERIFYING AFFIDAVIT

I, Geetha D, aged about 53 years, D/o. Desikachari, Company Secretary of the Applicant Company, working for gain at Belview, 7 Haudin Road, Bengaluru – 560 042 do hereby solemnly affirm and state oath as follows:

1. I am the Authorised Signatory of the Applicant Company, and I am aware of the facts of the instant case and hence competent to swear to this verifying affidavit.
2. I state that the averments contained in paragraph 1 to 22 in the accompanying application are true and correct to the best of my knowledge, information and belief.
3. I state that ~~Annexure A~~ Annexure S1 - S3 are true copies of the originals.



VERIFICATION

For ADOR FONTECH LIMITED

Company Secretary

DEPONENT

I, the deponent above named do hereby verify that the contents of the foregoing affidavit are true, correct and nothing material has been concealed therefrom.

SWORN TO BEFORE ME

Identified by me:

Advocate  
Bengaluru  
Date: 2/2/2023

**K. VENKATESHAN, B.A., LL.B.**  
ADVOCATE & NOTARY  
GOVERNMENT OF INDIA  
#3, Sri Ganesh Nilayam, Ground Floor,  
1st Cross, Oil Mill Road, Opp. Kalyani Bar  
Kammanahalli, Bangalore - 560 033.  
Mob: 9886776570

For ADOR FONTECH LIMITED

Company Secretary

DEPONENT