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Independent Auditor’s Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Ador Welding Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results (‘the Statement’) of **Ador Welding Limited** (‘the Holding Company’) and its subsidiary (the Holding Company and its subsidiary together referred to as ‘the Group’), (refer table below for the name of subsidiary included in the Statement) for the quarter ended 31 December 2020 and the consolidated year to date results for the period 1 April 2020 to 31 December 2020, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

Name of subsidiary included in the Statement

| S. No. | Subsidiary |
|--------|--------------------------------------|
| 1 | Ador Welding Academy Private Limited |

2. This Statement, which is the responsibility of the Holding Company’s management and approved by the Holding Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting (‘Ind AS 34’), prescribed under section 133 of the Companies Act, 2013 (‘the Act’), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

Ador Welding Limited

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matters

5. We draw attention to:

Note 5 of the accompanying Statement which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and consolidated financial results of the Group as at the reporting date, the extent of which is significantly dependent on future developments.

Note 6 to the accompanying Statement regarding the restatement carried out by the management of the Holding Company in accordance with the principles of Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors" on account of various adjustments pertaining to revenue recognition under Ind AS 115 - "Revenue from Contract with Customers" which is further described in the aforesaid note.

Our conclusion is not modified in respect of these matters.

6. We did not review the interim financial information of one subsidiary included in the Statement, whose financial information reflects total revenues of ₹ 9.66 lakhs and ₹ 42.76 lakhs, total net (loss)/profit after tax of ₹ (1.56) lakhs and ₹ 20.18 lakhs, total comprehensive (loss)/profit of ₹ (1.56) lakhs and ₹ 20.18 lakhs, for the quarter and year-to-date period ended on 31 December 2020, respectively, as considered in the Statement. These interim financial results have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

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Khushroo B. Panthaky

Partner

Membership No:042423

UDIN:21042423AAAAAU9460

Place: Mumbai

Date: 05 February 2021



ADOR WELDING LIMITED

Regd. Office: Ador House, 6, K.Dubash Marg, Fort, Mumbai - 400 001-16 CIN : L70100MH1951PLC008647

Statement of Consolidated Financial Results for Quarter and Nine months ended 31 December 2020

(Rs. in lakhs)

| Sr. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|-------------------------|-------------------|------------------|-------------------------|------------------|---------------|
| | | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | 31 March 2020 |
| | | (Unaudited) | | | | | (Audited) |
| | | Restated (Refer note 6) | | | Restated (Refer note 6) | | |
| 1 | Income | | | | | | |
| | Revenue from operations | 13,515 | 9,595 | 12,791 | 28,601 | 38,646 | 52,636 |
| | Other income | 178 | 57 | 242 | 499 | 786 | 903 |
| | Total income | 13,693 | 9,652 | 13,033 | 29,100 | 39,432 | 53,539 |
| 2 | Expenses | | | | | | |
| | Cost of raw materials and components consumed | 9,602 | 7,683 | 7,883 | 21,242 | 26,304 | 36,219 |
| | Purchases of stock-in-trade | 142 | 166 | 142 | 336 | 453 | 653 |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (141) | (224) | 623 | (656) | 86 | (58) |
| | Employee benefits expense | 941 | 944 | 1,171 | 2,692 | 3,315 | 4,264 |
| | Finance costs | 121 | 154 | 223 | 490 | 645 | 861 |
| | Depreciation and amortisation expense | 276 | 278 | 270 | 838 | 789 | 1,075 |
| | Other expenses | 2,250 | 1,510 | 1,802 | 4,537 | 5,441 | 7,472 |
| | Total expenses | 13,191 | 10,511 | 12,114 | 29,479 | 37,033 | 50,486 |
| 3 | Profit/ (loss) before tax (1-2) | 502 | (859) | 919 | (379) | 2,399 | 3,053 |
| 4 | Income tax expense / (credit) | | | | | | |
| | Current tax | - | (5) | 281 | - | 772 | 861 |
| | Deferred tax | 157 | (290) | (22) | (142) | (363) | (420) |
| | Total tax expenses / (credit) (net) | 157 | (295) | 259 | (142) | 409 | 441 |
| 5 | Net Profit/(Loss) for the period (3-4) | 345 | (564) | 660 | (237) | 1,990 | 2,612 |
| 6 | Other comprehensive income/(loss) for the period/year (net of tax) | | | | | | |
| | Items not to be reclassified subsequently to profit or loss | | | | | | |
| | - (Loss) / gain on fair value of defined benefit plans as per actuarial valuation | - | 7 | - | 7 | (207) | (197) |
| | - Income tax effect on above | - | (2) | - | (2) | 52 | 50 |
| 7 | Total comprehensive (loss)/ income for the period(after tax) | 345 | (559) | 660 | (232) | 1,835 | 2,465 |
| 8 | Paid-up equity share capital (Face value of Rs. 10 per share) | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 |
| 9 | Other equity (excluding revaluation reserve Rs. Nil) | - | - | - | - | - | 23,380 |
| 10 | Earnings per share (EPS) (net of tax) (in Rs.) | | | | | | |
| | Basic and diluted EPS (not annualised) | 2.54 | (4.15) | 4.85 | (1.74) | 14.63 | 19.20 |

Statement of Consolidated Segment Information for Quarter and Nine months ended 31 December 2020

(Rs. in lakhs)

| Sr. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended |
|---------|---|-------------------------|-------------------|------------------|-------------------------|------------------|---------------|
| | | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | 31 March 2020 |
| | | (Unaudited) | | | | | (Audited) |
| | | Restated (Refer note 6) | | | Restated (Refer note 6) | | |
| | Segmentwise revenue, results, assets, liabilities and capital employed | | | | | | |
| 1 | Segment revenue | | | | | | |
| | Consumables | 10,712 | 8,099 | 9,373 | 23,018 | 29,819 | 40,502 |
| | Equipments and project engineering | 2,833 | 1,511 | 3,434 | 5,629 | 8,875 | 12,276 |
| | Less: Inter segment revenue | (30) | (15) | (16) | (46) | (48) | (142) |
| | Total revenue from operations | 13,515 | 9,595 | 12,791 | 28,601 | 38,646 | 52,636 |
| 2 | Segment results | | | | | | |
| | Consumables | 1,498 | 1,222 | 1,619 | 3,063 | 5,039 | 6,444 |
| | Equipments and project engineering | (689) | (1,748) | (213) | (2,488) | (1,465) | (1,710) |
| | Total | 809 | (526) | 1,406 | 575 | 3,574 | 4,734 |
| | Less: | | | | | | |
| | Finance costs (unallocable) | (54) | (80) | (101) | (273) | (294) | (410) |
| | Other unallocable expenses net of unallocable income | (253) | (253) | (386) | (681) | (881) | (1,271) |
| | Total Profit/(loss) before tax | 502 | (859) | 919 | (379) | 2,399 | 3,053 |
| 3 | Segment assets | | | | | | |
| | Consumables | 22,033 | 20,914 | 20,157 | 22,033 | 20,157 | 22,115 |
| | Equipments and project engineering | 14,655 | 15,611 | 17,426 | 14,655 | 17,426 | 18,018 |
| | Unallocable corporate assets | 3,208 | 3,557 | 4,179 | 3,208 | 4,179 | 3,613 |
| | Total segment assets | 39,896 | 40,082 | 41,762 | 39,896 | 41,762 | 43,746 |
| 4 | Segment liabilities | | | | | | |
| | Consumables | 6,039 | 5,583 | 3,818 | 6,039 | 3,818 | 5,035 |
| | Equipments and project engineering | 6,317 | 6,615 | 8,217 | 6,317 | 8,217 | 6,549 |
| | Unallocable corporate liabilities | 3,033 | 3,721 | 4,551 | 3,033 | 4,551 | 7,422 |
| | Total segment liabilities | 15,389 | 15,919 | 16,586 | 15,389 | 16,586 | 19,006 |
| 5 | Capital employed | | | | | | |
| | Consumables | 15,994 | 15,331 | 16,339 | 15,994 | 16,339 | 17,080 |
| | Equipments and project engineering | 8,338 | 8,996 | 9,209 | 8,338 | 9,209 | 11,469 |
| | Unallocable corporate assets net of unallocable corporate liabilities | 175 | (164) | (372) | 175 | (372) | (3,809) |
| | Total capital employed | 24,507 | 24,163 | 25,176 | 24,507 | 25,176 | 24,740 |

*Signature*

Notes to the consolidated financial results:

- The above consolidated financial results have been reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on 5 February 2021.
- The above financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The limited review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- The consolidated financial results of the Company and its subsidiary (the 'Group') have been prepared as per Ind AS 110 Consolidated Financial Statements.
- Management has made an assessment of the impact of COVID 19, in preparation of these financial results. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of assets of the Group, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial results are required. As the lock down is lifted in India, the business activities are slowly coming back to normalcy and the new projects have also gradually started. This has resulted in slowly picking up the demand for Welding products. The performance in quarter 3 has been significantly better than quarter 2. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with it, however no significant impact is envisaged on the operations, as of now bearing unforeseen circumstances.
- During the quarter ended September 2020, the Group was made aware of certain liquidated damages and project cost overrun with respect to the delay in the execution of an overseas Engineering Procurement and Constructions (EPC) project. The management believes that the impact of this should be restated in the respective lines on the financial statements / information of the previous periods. The restatement is on account of omissions of the past, which have now been taken into consideration in the relevant accounting periods to which they relate to. Accordingly, the impact on Earnings Per Share (EPS) has been considered.

Pursuant to the impact of aforesaid changes, the Group had restated the financial statements/ results for the comparative periods, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. The Retained Earnings (other equity) as at 1 April 2019, within the Statement of Changes in Equity, have also been restated to adjust the impact of such adjustments which relate to the prior periods. The impact of aforesaid restatements has been summarized as follows:

Impact on Statement of Profit and Loss:

| Particulars | Quarter ended | Nine months ended | Year ended |
|---|------------------|-------------------|---------------|
| | 31 December 2019 | 31 December 2019 | 31 March 2020 |
| Revenue from operations | - | (18) | (18) |
| Other income | (17) | (61) | (108) |
| Cost of raw materials and components consumed | 34 | 168 | 193 |
| Other expenses | - | - | - |
| Profit/(Loss) before tax | (51) | (247) | (319) |
| Tax expense/(benefit) | (9) | (48) | (54) |
| Profit/(Loss) after tax | (42) | (199) | (265) |
| Total comprehensive income for the period (after tax) | (42) | (199) | (265) |
| Basic and diluted earnings/(loss) per share | (0.31) | (1.46) | (1.95) |

(figures in bracket represents decrease)

Impact on Balance Sheet:

| Particulars | As at 31 March 2020 | As at 1 April 2019 |
|--------------------------------|------------------------|-----------------------|
| Other current financial assets | (1,838) | (1,709) |
| Non-current tax assets, net | 1,041 | 926 |
| Trade payables | 1,202 | 949 |
| Retained Earnings | (1,998) | (1,733) |

(figures in bracket represents decrease)

- The Board discussed the matter of re-statement of accounts for the earlier financial years, which was necessitated on account of certain omissions in the past. In line with good corporate governance practices, the Board at its meeting held on February 5, 2021, decided to call upon the Whole Time Directors of the Group, including Ex-Managing Director, Mr. Satish Bhat, to refund to the Company, the excess/ differential remuneration paid to them during the period for which the financial statements were re-stated.
- During the quarter ending December 2020, Group has entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 33,300 square meters for a consideration of Rs. 551 lakhs. Further, Group has also got approval from the Board for sale/transfer of its right for balance part of Ahmednagar property admeasuring 32,800 square meters for consideration of Rs. 911 lakhs.
- Previous period's / year's figures have been regrouped or reclassified wherever necessary.

For ADOR WELDING LIMITED



(Signature)

A. T. Malkani
MANAGING DIRECTOR

DIN : 01585637

Mumbai
5 February 2021

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Ador Welding Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Ador Welding Limited** ('the Company') for the quarter ended 31 December 2020 and the year to date results for the period 1 April 2020 to 31 December 2020, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

Ador Welding Limited

Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Emphasis of Matters

5. We draw attention to:

Note 4 of the accompanying Statement which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and standalone financial results of the Company as at the reporting date, the extent of which is significantly dependent on future developments.

Note 5 to the accompanying Statement regarding the restatement carried out by the management of the Company in accordance with the principles of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors on account of various adjustments pertaining to revenue recognition under Ind AS 115- "Revenue from Contract with Customers" which is further described in the aforesaid note.

Our conclusion is not modified in respect of these matters.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

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Khushroo B. Panthaky

Partner

Membership No:042423

UDIN:21042423AAAAAT8515

Place: Mumbai

Date: 05 February 2021



ADOR WELDING LIMITED

Regd. Office: Ador House, 6, K.Dubash Marg, Fort, Mumbai - 400 001-16 CIN : L70100MH1951PLC008647

Statement of Standalone Financial Results for Quarter and Nine months ended 31 December 2020

(Rs. in lakhs)

| Sr. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended | |
|---------|---|-------------------------|-------------------|------------------|-------------------------|------------------|---------------|-----------|
| | | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | 31 March 2020 | |
| | | (Unaudited) | | | | | | (Audited) |
| | | Restated (Refer note 5) | | | Restated (Refer note 5) | | | |
| 1 | Income | | | | | | | |
| | Revenue from operations | 13,505 | 9,578 | 12,772 | 28,569 | 38,578 | 52,556 | |
| | Other income | 176 | 56 | 242 | 493 | 788 | 908 | |
| | Total income | 13,681 | 9,634 | 13,014 | 29,062 | 39,366 | 53,464 | |
| 2 | Expenses | | | | | | | |
| | Cost of raw materials and components consumed | 9,602 | 7,683 | 7,883 | 21,242 | 26,304 | 36,219 | |
| | Purchases of stock-in-trade | 142 | 166 | 145 | 336 | 459 | 653 | |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | (141) | (224) | 623 | (656) | 86 | (58) | |
| | Employee benefits expense | 938 | 940 | 1,168 | 2,682 | 3,306 | 4,251 | |
| | Finance costs | 121 | 154 | 223 | 490 | 645 | 861 | |
| | Depreciation and amortisation expense | 274 | 276 | 268 | 832 | 783 | 1,068 | |
| | Other expenses | 2,243 | 1,517 | 1,794 | 4,537 | 5,420 | 7,463 | |
| | Total expenses | 13,179 | 10,512 | 12,104 | 29,463 | 37,003 | 50,457 | |
| 3 | Profit/ (loss) before tax (1-2) | 502 | (878) | 910 | (401) | 2,363 | 3,007 | |
| 4 | Income tax expense / (credit) | | | | | | | |
| | Current tax | - | (5) | 281 | - | 777 | 855 | |
| | Deferred tax | 86 | (233) | (23) | (143) | (364) | (410) | |
| | Total tax expenses / (credit) (net) | 86 | (238) | 258 | (143) | 413 | 445 | |
| 5 | Net Profit/ (Loss) for the period (3-4) | 416 | (640) | 652 | (258) | 1,950 | 2,562 | |
| 6 | Other comprehensive income/ (loss) for the period (net of tax) | | | | | | | |
| | Items not to be reclassified subsequently to profit or (loss) | | | | | | | |
| | - (Loss) / gain on fair value of defined benefit plans as per actuarial valuation | - | 7 | - | 7 | (207) | (197) | |
| | - Income tax effect on above | - | (2) | - | (2) | 52 | 50 | |
| 7 | Total comprehensive (loss)/ income for the period (after tax) | 416 | (635) | 652 | (253) | 1,795 | 2,415 | |
| 8 | Paid-up equity share capital (Face value of Rs. 10 per share) | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 | |
| 9 | Other equity (excluding revaluation reserve Rs. Nil) | - | - | - | - | - | 23,530 | |
| 10 | Earnings per share (EPS) (net of tax) (in Rs.) | | | | | | | |
| | Basic and diluted EPS (not annualised) | 3.06 | (4.71) | 4.79 | (1.90) | 14.34 | 18.84 | |

Statement of Standalone Segment Information for Quarter and Nine months ended 31 December 2020

(Rs. in lakhs)

| Sr. No. | Particulars | Quarter ended | | | Nine months ended | | Year ended | |
|---------|---|-------------------------|-------------------|------------------|-------------------------|------------------|---------------|-----------|
| | | 31 December 2020 | 30 September 2020 | 31 December 2019 | 31 December 2020 | 31 December 2019 | 31 March 2020 | |
| | | (Unaudited) | | | | | | (Audited) |
| | | Restated (Refer note 5) | | | Restated (Refer note 5) | | | |
| 1 | Segmentwise revenue, results, assets, liabilities and capital employed | | | | | | | |
| | Segment revenue | | | | | | | |
| | Consumables | 10,712 | 8,099 | 9,373 | 23,018 | 29,819 | 40,502 | |
| | Equipments and project engineering | 2,823 | 1,494 | 3,415 | 5,597 | 8,807 | 12,196 | |
| | Less: Inter segment revenue | (30) | (15) | (16) | (46) | (48) | (142) | |
| | Total revenue from operations | 13,505 | 9,578 | 12,772 | 28,569 | 38,578 | 52,556 | |
| 2 | Segment results | | | | | | | |
| | Consumables | 1,498 | 1,222 | 1,619 | 3,063 | 5,039 | 6,444 | |
| | Equipments and project engineering | (688) | (1,768) | (222) | (2,510) | (1,501) | (1,756) | |
| | Total | 810 | (546) | 1,397 | 553 | 3,538 | 4,688 | |
| | Less: | | | | | | | |
| | Finance costs (unallocable) | (54) | (80) | (101) | (273) | (294) | (410) | |
| | Other unallocable expenses net of unallocable income | (254) | (252) | (386) | (681) | (881) | (1,271) | |
| | Total Profit/ (loss) before tax | 502 | (878) | 910 | (401) | 2,363 | 3,007 | |
| 3 | Segment assets | | | | | | | |
| | Consumables | 22,033 | 20,914 | 20,157 | 22,033 | 20,157 | 22,115 | |
| | Equipments and project engineering | 14,420 | 15,371 | 17,223 | 14,420 | 17,223 | 17,803 | |
| | Unallocable corporate assets | 3,561 | 3,910 | 4,534 | 3,561 | 4,534 | 3,966 | |
| | Total segment assets | 40,014 | 40,195 | 41,914 | 40,014 | 41,914 | 43,884 | |
| 4 | Segment liabilities | | | | | | | |
| | Consumables | 6,039 | 5,583 | 3,818 | 6,039 | 3,818 | 5,034 | |
| | Equipments and project engineering | 6,305 | 6,832 | 8,209 | 6,305 | 8,209 | 6,538 | |
| | Unallocable corporate liabilities | 3,033 | 3,559 | 4,551 | 3,033 | 4,551 | 7,422 | |
| | Total segment liabilities | 15,377 | 15,974 | 16,578 | 15,377 | 16,578 | 18,994 | |
| 5 | Capital employed | | | | | | | |
| | Consumables | 15,994 | 15,331 | 16,339 | 15,994 | 16,339 | 17,081 | |
| | Equipments and project engineering | 8,115 | 8,539 | 9,014 | 8,115 | 9,014 | 11,265 | |
| | Unallocable corporate assets net of unallocable corporate liabilities | 528 | 351 | (17) | 528 | (17) | (3,456) | |
| | Total capital employed | 24,637 | 24,221 | 25,336 | 24,637 | 25,336 | 24,890 | |



C. K. Kulkarni

Notes to the standalone financial results:

- The above standalone financial results have been reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on 5 February 2021.
- The above financial results have been prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- The limited review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been completed by the Statutory Auditors.
- Management has made an assessment of the impact of COVID 19, in preparation of these financial results. Management has considered all relevant external and internal factors in the measurement of assets and liabilities including recoverability of carrying values of assets of the Company, its liquidity position and ability to repay debts. No adjustment to key estimates and judgements that impact the financial results are required. As the lock down is lifted in India, the business activities are slowly coming back to normalcy and the new projects have also gradually started. This has resulted in slowly picking up the demand for Welding products. The performance in 3rd quarter has been significantly better than 2nd quarter of the current financial year. However, the impact assessment of COVID19 will be a continuing process given the uncertainties associated with it, however no significant impact is envisaged on the operations, as of now bearing unforeseen circumstances.
- During the quarter ended September 2020, the Company was made aware of certain liquidated damages and project cost overrun with respect to the delay in the execution of an overseas Engineering Procurement and Constructions (EPC) project. The management believes that the impact of this should be restated in the respective lines on the financial statements/ information of the previous periods. The restatement is on account of omissions of the past, which have now been taken into consideration in the relevant accounting periods to which they relate to. Accordingly, the impact on Earnings Per Share (EPS) has been considered.

Pursuant to the impact of aforesaid changes, the Company had restated the financial statements/ results for the comparative periods, in accordance with the requirements of Ind-AS 8 - 'Accounting Policies, Changes in Accounting Estimates and Errors'. The Retained Earnings (other equity) as at 1 April 2019, within the Statement of Changes in Equity, have also been restated to adjust the impact of such adjustments which relate to the prior periods. The impact of aforesaid restatements has been summarized as follows:

Impact on Statement of Profit and Loss:

| Particulars | Quarter ended | Nine months ended | Year ended |
|---|------------------|-------------------|---------------|
| | 31 December 2019 | 31 December 2019 | 31 March 2020 |
| Revenue from operations | - | (18) | (18) |
| Other income | (17) | (61) | (108) |
| Cost of raw materials and components consumed | 34 | 168 | 193 |
| Other expenses | - | - | - |
| Profit/(Loss) before tax | (51) | (247) | (319) |
| Tax expense/(benefit) | (9) | (48) | (54) |
| Profit/(Loss) after tax | (42) | (199) | (265) |
| Total comprehensive income for the period (after tax) | (42) | (199) | (265) |
| Basic and diluted earnings/(loss) per share | (0.31) | (1.46) | (1.95) |

(figures in bracket represents decrease)

Impact on Balance Sheet:

| Particulars | As at 31 March 2020 | As at 1 April 2019 |
|--------------------------------|------------------------|-----------------------|
| Other current financial assets | (1,838) | (1,709) |
| Non-current tax assets, net | 1,041 | 926 |
| Trade payables | 1,202 | 949 |
| Retained Earnings | (1,998) | (1,733) |

(figures in bracket represents decrease)

- The Board discussed the matter of re-statement of accounts for the earlier financial years, which was necessitated on account of certain omissions in the past. In line with good corporate governance practices, the Board at its meeting held on February 5, 2021, decided to call upon the Whole Time Directors of the Company, including Ex-Managing Director, Mr. Satish Bhat, to refund to the Company, the excess/ differential remuneration paid to them during the period for which the financial statements were re-stated.
- During the quarter ending December 2020, the Company has entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 33,300 square meters for a consideration of Rs. 551 lakhs. Further, the Company has also got approval from the Board for sale/transfer of its right for balance part of Ahmednagar property admeasuring 32,800 square meters for consideration of Rs. 911 lakhs.
- Previous period's / year's figures have been regrouped or reclassified wherever necessary.

For ADOR WELDING LIMITED



(Handwritten signature)

A. T. Malkani
MANAGING DIRECTOR
DIN : 01585637

Mumbai
5 February 2021