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## **Independent Auditor's Review Report on Unaudited Quarterly Financial 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 **30 June 2023** being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
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 Listing Regulations. 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 Unaudited Quarterly Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

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5. The comparative financial information presented in the accompanying financial results includes the financial information of erstwhile wholly owned subsidiary, Ador Welding Academy Private Limited ('the transferor company') which has been merged with the Company as explained in Note 4 to the accompanying financial results. Such financial information of the transferor company for the quarter ended 30 June 2022, has been reviewed by the auditor of the transferor company, M/s Phadke & Associates, who had issued an unmodified conclusions vide their review report dated 25 July 2022, which have been furnished to us by the management and have been relied upon by us for the aforementioned purpose.

Our conclusion is not modified in respect of the matter referred above.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

**KHUSHROO** Digitally signed by  
KHUSHROO B PANTHAKY  
**B PANTHAKY** Date: 2023.08.02  
16:48:20 +05'30'

**Khushroo B. Panthaky**

Partner

Membership No:042423

**UDIN:23042423BGWIVR1675**

Place: Mumbai

Date: 02 August 2023



ADOR WELDING LIMITED

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

Statement of Unaudited Financial Results for the Quarter ended 30 June 2023

		(Rs. in lakhs)			
Sr. No.	Particulars	Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022 (Restated)^	31 March 2023
		(Unaudited)	(Refer note 7)	(Unaudited)	(Audited)
<b>1</b>	<b>Income</b>				
	Revenue from operations	18,963	23,548	15,788	77,676
	Other income	302	124	203	667
	<b>Total income</b>	<b>19,265</b>	<b>23,672</b>	<b>15,991</b>	<b>78,343</b>
<b>2</b>	<b>Expenses</b>				
	Cost of raw materials and components consumed	12,728	14,411	11,545	51,065
	Purchases of stock-in-trade	1,452	584	653	2,643
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,190)	634	(1,767)	(1,396)
	Employee benefits expense	1,701	1,496	1,364	5,685
	Finance costs	71	69	41	236
	Depreciation and amortisation expense	334	305	278	1,161
	Other expenses	2,665	3,245	2,367	10,958
	<b>Total expenses</b>	<b>17,761</b>	<b>20,744</b>	<b>14,481</b>	<b>70,352</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>	<b>1,504</b>	<b>2,928</b>	<b>1,510</b>	<b>7,991</b>
<b>4</b>	Exceptional items (net) Gain / (Loss) (Refer note 3)	-	66	(125)	(80)
<b>5</b>	<b>Profit before tax (3-4)</b>	<b>1,504</b>	<b>2,994</b>	<b>1,385</b>	<b>7,911</b>
<b>6</b>	<b>Income tax expenses / (credit)</b>				
	Current tax	368	825	406	2,174
	Deferred tax (credit)/charge	12	(67)	(62)	(173)
	Tax pertains to earlier years	-	(19)	-	(19)
	<b>Total tax expenses / (credit) (net)</b>	<b>380</b>	<b>739</b>	<b>344</b>	<b>1,982</b>
<b>7</b>	<b>Net Profit for the period / year (5-6)</b>	<b>1,124</b>	<b>2,255</b>	<b>1,041</b>	<b>5,929</b>
<b>8</b>	<b>Other comprehensive income/(loss) for the year /period (net of tax)</b>				
	Items not to be reclassified subsequently to profit or (loss)				
	- Gain/(loss) on fair value of defined benefit plans as per actuarial valuation	-	(13)	-	(91)
	- Income tax effect on above	-	3	-	23
<b>9</b>	<b>Total comprehensive income for the year / period (after tax)</b>	<b>1,124</b>	<b>2,245</b>	<b>1,041</b>	<b>5,861</b>
<b>10</b>	<b>Paid-up equity share capital (Face value of Rs. 10 per share)</b>	<b>1,360</b>	<b>1,360</b>	<b>1,360</b>	<b>1,360</b>
<b>11</b>	<b>Other equity (excluding revaluation reserve Rs. Nil)</b>	-	-	-	<b>30,991</b>
<b>12</b>	<b>Earnings per share (EPS) (net of tax) (in Rs.)</b>				
	Basic and diluted EPS (not annualised)	8.26	16.58	7.65	43.60

(See accompanying notes to the financials results)

^Restated pursuant to Merger of subsidiary company (Refer note 4)





ADOR WELDING LIMITED

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

Statement of Unaudited Segment Information for the Quarter ended 30 June 2023

Sr. No.	Particulars	(Rs. in lakhs)			
		Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022 (Restated) <sup>^</sup>	31 March 2023
	(Unaudited)	(Refer note 7)	(Unaudited)	(Audited)	
	Segmentwise revenue, results, assets, liabilities and capital employed				
1	<b>Segment revenue</b>				
	Consumables	14,492	18,737	12,138	61,490
	Equipment and automation	3,627	3,593	2,274	11,535
	Flares & Process Equipment Division	876	1,295	1,393	4,779
	Less: Inter segment revenue	(32)	(77)	(17)	(128)
	<b>Total revenue from operations</b>	<b>18,963</b>	<b>23,548</b>	<b>15,788</b>	<b>77,676</b>
2	<b>Segment results</b>				
	Consumables	2,016	2,994	1,837	8,876
	Equipment and automation	142	290	69	772
	Flares & Process Equipment Division	(132)	127	200	486
	<b>Total</b>	<b>2,026</b>	<b>3,411</b>	<b>2,106</b>	<b>10,134</b>
	Less:				
	Finance costs (unallocable)	(56)	(61)	(28)	(182)
	Other unallocable expenses net of unallocable income	(466)	(422)	(568)	(1,961)
	<b>Profit before exceptional items and tax</b>	<b>1,504</b>	<b>2,928</b>	<b>1,510</b>	<b>7,991</b>
	<b>Exceptional items (net) Gain / (Loss)</b>				
	Consumables	-	-	(125)	(146)
	Equipment and automation	-	-	-	-
	Flares & Process Equipment Division	-	-	-	-
	Other unallocable expenses net of unallocable income	-	66	-	66
	<b>Total Exceptional items (net) Gain / (Loss) (Refer note 3)</b>	<b>-</b>	<b>66</b>	<b>(125)</b>	<b>(80)</b>
	<b>Total Profit before tax</b>	<b>1,504</b>	<b>2,994</b>	<b>1,385</b>	<b>7,911</b>
3	<b>Segment assets</b>				
	Consumables	27,100	25,184	23,920	25,184
	Equipment and automation	10,252	9,925	7,739	9,925
	Flares & Process Equipment Division	4,211	4,435	4,426	4,435
	Assets classified as held for sale (unallocable)	25	80	-	80
	Unallocable corporate assets	5,396	5,544	4,801	5,544
	<b>Total segment assets</b>	<b>46,984</b>	<b>45,168</b>	<b>40,886</b>	<b>45,168</b>
4	<b>Segment liabilities</b>				
	Consumables	6,092	5,375	5,595	5,375
	Equipment and automation	2,509	2,677	2,149	2,677
	Flares & Process Equipment Division	1,867	2,016	2,083	2,016
	Unallocable corporate liabilities	3,043	2,749	1,811	2,749
	<b>Total segment liabilities</b>	<b>13,511</b>	<b>12,817</b>	<b>11,638</b>	<b>12,817</b>
5	<b>Capital employed</b>				
	Consumables	21,008	19,809	18,325	19,809
	Equipment and automation	7,743	7,248	5,590	7,248
	Flares & Process Equipment Division	2,344	2,419	2,343	2,419
	Unallocable corporate assets net of unallocable corporate liabilities	2,378	2,875	2,990	2,875
	<b>Total capital employed</b>	<b>33,473</b>	<b>32,351</b>	<b>29,248</b>	<b>32,351</b>

(See accompanying notes to the financials results)

<sup>^</sup>Restated pursuant to Merger of subsidiary company (Refer note 4)



**Notes to the financial results:**

- The above unaudited financial results have been reviewed by the Audit Committee and then approved by the Board of Directors at their respective meetings held on 02 August 2023.
- The above unaudited 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.

3	Exceptional items	(Rs. in lakhs)			
		Quarter ended			Year ended
		30 June 2023	31 March 2023	30 June 2022 (Restated)^	31 March 2023
	Impairment in the value of wire manufacturing facility [Refer note a below]	-	-	(125)	(146)
	Profit on sale of Flat [Refer note b below]	-	66	-	66
	<b>Total</b>	-	<b>66</b>	<b>(125)</b>	<b>(80)</b>

**Notes:**

- During the previous year, the Company had provided Rs. 146 lakhs towards impairment in the carrying value of one of the manufacturing facility of wires (For the quarter ended 30 June 2022 - 125 lakhs and quarter ended 31 December 2022 - 21 lakhs). The same had been shown under exceptional items.
- During the previous year, the Company had partly sold its property situated at Kochi and the profit on sale had been recognised as an exceptional item.

**4 Merger of subsidiary company (Ador Welding Academy Private Limited)**

As a part of reorganization of the Company, the Board of Directors of the Company (Company is one of India's leading player in the field of Welding Products, Technologies and Services) and its wholly owned subsidiary, Ador Welding Academy Private Limited (AWAPL) (engaged in providing training in respect of welding activity) have in their respective board meetings held on 28 May 2021 unanimously approved the proposal for the amalgamation of AWAPL with the Company, subject to all the necessary statutory / regulatory approvals. Necessary notices were accordingly filed with the statutory & regulatory authorities.

The Scheme of Amalgamation ("The Scheme")/ merger of AWAPL with the Company was approved by the National Company Law Tribunal (NCLT), Mumbai Bench under Section 230 to Section 232 of Chapter XV of the Companies Act, 2013 on 03 February 2023 and the Scheme has become effective from appointed date i.e., 1 April 2021. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103, 'Business Combinations' and comparatives have been restated for merger from the beginning of the preceding year i.e. 1 April 2021. Accordingly, the previous quarter numbers are restated as follows :-

**Table 1 Restatements – Statement of profit and loss** (Rs. in lakhs)

Particulars	Quarter ended	
	30 June 2022	30 June 2022
	Reported	Restated
(1) Total income	15,991	15,991
(2) Total expenses	14,476	14,481
<b>(3) Profit before exceptional items and tax (1-2)</b>	<b>1,515</b>	<b>1,510</b>
(4) Exceptional items (net) Loss	(125)	(125)
<b>(5) Profit before tax (3-4)</b>	<b>1,390</b>	<b>1,385</b>
(6) Income tax expenses / (credit)		
Current tax	406	406
Deferred tax	(62)	(62)
<b>Total tax expenses (net)</b>	<b>344</b>	<b>344</b>
<b>(7) Net Profit for the period (5-6)</b>	<b>1,046</b>	<b>1,041</b>

- The Board of Directors of the Company, at its meeting held on 31 May, 2022, approved 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, under the provisions of Section 230 to 232 of the Companies Act 2013. The Company had obtained necessary NOCs from the Stock exchanges and subsequently filed application with NCLT. The NCLT Mumbai bench has an passed order on 18 May, 2023 wherein it has directed the Company to convene the meeting of the Shareholders on 10 August, 2023, dispensed with convening the meeting of the Secured Creditors and to issue notices to the Unsecured Creditors of value - Rs. 1.00 Lakh and above.
- The Company had filed an application with the Bureau of Indian Standards (BIS) Authorities, for compounding of an alleged Offence under Section 33 of BIS Act, 2016 on 05 May 2023. The Company received an order dated 15 June 2023 allowing the Compounding application, subject to payment of compounding amount of Rs. 36.43 Crore, under the BIS Act 2016 and BIS Rules, 2018. As the Compounding amount was unfair, arbitrary and not reasonable, the Company filed an appeal against the order before / with the Director General (DG) of BIS on 28 June 2023 and also subsequently filed a Writ Petition in the Hon'ble Bombay High Court, since the filing of the appeal with DG was not an efficacious remedy, challenging the said compounding order, and got a stay, till 30 August 2023. As the proceedings are at a nascent stage and the pleadings are not yet completed, no provision has been made towards compounding amount in the books, as of 30 June 2023, as the appropriate amount of compounding is yet to be determined.
- The figures for the quarter ended 31 March 2023 are the balancing figures between the audited financial statements for the year ended 31 March 2023 and the unaudited published year to date figures upto 31 December 2022, on which auditors had performed a limited review.
- Previous periods' / year's figures have been regrouped or reclassified, wherever necessary.

For ADOR WELDING LIMITED



*(Signature)*

A. T. MALKANI  
MANAGING DIRECTOR  
DIN : 01585637

Mumbai  
02 August 2023