

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

September 23, 2023

Sir/Madam,

Ref: Scrip code: 530431

Sub: Notice to the Meeting of Equity Shareholders of Ador Fontech Limited convened as per directions provided in the Order of Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') in the matter of the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited (Transferor Company) with Ador Welding Limited (Transferee Company) and their respective Shareholders ('Scheme').

This is to inform that by Order dated August 24, 2023, Hon'ble NCLT has directed inter-alia that a meeting of the Equity Shareholders of the Company be convened and held on Monday, October 30, 2023 at 11 a.m. through Video Conference or other Audio-Visual-Means ('VC/OAVM') to consider and if thought fit {with or without modification(s)} to approve the Scheme of Amalgamation.

In terms of the above referred NCLT order and in compliance with the provisions of the Companies Act, 2013; Securities & Exchange Board of India Regulations, Secretarial Standards issued by the Institute of Company Secretaries of India and other applicable Legislations, Provisions, Rules, Regulations, Guidelines, Notifications, Circulars etc. as may be applicable, **Meeting of the Equity Shareholders of the Company has been convened on Monday, October 30, 2023 at 11 a.m.** and the Notice convening the meeting along with Statement under Sections 102, 230 to 232 and other applicable provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 is enclosed.

The Notice, Explanatory Statement (inter-alia providing the rationale of the Scheme) along with Annexures are being sent by electronic mode only to those Members whose e-mail addresses are registered with the Company/Depositories/ Registrar and Share Transfer Agent (RTA) as on September 15, 2023.

Pursuant to the provisions of Section 108 and other provisions of the Companies Act, read with Rule 20 of the Companies (Management and Administration) Rules 2014 (as amended), Regulation 44 and other provisions of the SEBI (LODR) Regulations, Circulars issued by the Ministry of Corporate Affairs for providing e-Voting in respect of Meetings convened over VC/OAVM and in terms of the requirements of Secretarial Standards, the Company will be providing facility for remote e-Voting, prior to the Meeting and e-Voting at the Meeting in respect of business to be transacted at the Meeting. The Company has appointed M/s. National Securities Depository Limited ('NSDL') to provide the facility for casting of votes by the Members using remote e-Voting/e-Voting system, as well as to enable Shareholders of the Company to attend and participate in the meeting through VC/OAVM.

Details for remote e-Voting is as under:

| Remote e-Voting | Details |
|---------------------------|--|
| EVEN | 126841 |
| Commencing on | 27 th October 2023 (Friday) at 9.00 a.m. (IST) |
| Ending on | 29 th October 2023 (Sunday) at 5.00 p.m. (IST). |
| Cut off date for e-Voting | 23 rd October 2023 (Monday) |

ADOR FONTECH LIMITED

Regd. and Head Office: Belview, 7 Haudin Road, Bangalore 560 042, Karnataka - India.

☎ +91 80 25596045 / 73 | 📞 +91 80 25596073 | ✉ customerservice@adorfon.com

CIN: L31909KA1974PLC020010



Detailed instructions for joining the Meeting through VC/OAVM, manner of casting vote through remote e-Voting/e-Voting at the meeting and registration of email address of the Shareholders for the Meeting are provided in the Notice.

The Notice is available on the website of the Company at www.adorfon.com at the website of NSDL at www.evoting.nsdl.com.

Request to kindly take note of the above and acknowledge receipt.

**Thanking you,
Yours faithfully,
For ADOR FONTECH LIMITED**

**Geetha D
Company Secretary**

ADOR FONTECH LIMITED

Regd. and Head Office: Belview, 7 Haudin Road, Bangalore 560 042, Karnataka - India.

☎ +91 80 25596045 / 73 | 📞 +91 80 25596073 | ✉ customerservice@adorfon.com

CIN: L31909KA1974PLC020010

ADOR FONTECH LIMITED

CIN: L31909KA1974PLC020010

Registered Office: Belview, 7 Haudin Road, Bengaluru-560042 Karnataka India

Tel No: (080) 2559 6045 / 73 Fax No: (080) 2559 7085

Email: investorservice@adorfon.com Website: www.adorfon.com

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF ADOR FONTECH LIMITED

AS PER THE DIRECTIONS OF NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH, MUMBAI
(REFERRED TO AS 'NCLT' OR THE 'TRIBUNAL')

| SCHEDULE AND MODE | DETAILS |
|---------------------------|---|
| Day | Monday |
| Date | 30th October 2023 |
| Time | 11:00 a.m. (IST) |
| Mode of Meeting | As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench, the meeting shall be conducted through Video Conference (VC) or Other Audio-Visual Means ("OAVM") |
| Cut-off date for e-Voting | Monday, 23rd October 2023 |

| REMOTE E-VOTING | DETAILS |
|-----------------|--|
| EVEN | 126841 |
| Commencing on | 27th October, 2023 (Friday) at 9:00 a.m. (09:00 hours) (IST) |
| Ending on | 29th October, 2023 (Sunday) at 5:00 p.m. (17:00 hours) (IST) |

NOTICE AND EXPLANATORY STATEMENTS

| Sl. No. | Contents | Page Nos. |
|---------|--|-----------|
| 1. | Notice to the Meeting of Equity Shareholders of Ador Fontech Limited pursuant to the provisions of Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and any amendments thereto, convened as per the directions of the National Company Law Tribunal, Mumbai. | 03 |
| 2. | Statement under Section 230(3) read with Section 102 and other applicable provisions of the Companies Act, 2013. | 14 |

| Sl. No. | Contents | Page Nos. |
|---------|---|-----------|
| 3. | Annexure A 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 ('Scheme' or 'the Scheme'). | 37 |
| 4. | Annexure B Valuation Report dated 31st May 2022 issued by Mr. Niranjan Kumar, Independent Registered Valuer, describing the methodology adopted by him in arriving at the share exchange ratio. | 80 |
| 5. | Annexure C1 and C2 Fairness Opinion dated 31st May 2022 issued by Fedex Securities Private Limited, SEBI Registered Merchant Banker, providing Fairness Opinion on the share exchange ratio along with Fairness Opinion obtained by Ador Welding Limited from M/s. Systematix Corporate Services Limited [C1 and C2 of Ador Fontech and Ador Welding respectively]. | 94 |
| 6. | Annexure D Observation Letter dated 26th September 2022 from BSE Limited. | 106 |
| 7. | Annexure E Complaints Report filed with the BSE Limited dated 24th August 2022 along with response letter sent to the Shareholders dated August 18, 2022. | 109 |
| 8. | Annexure F1 and F2 Audited Financial Results of Ador Fontech Limited together with the Audited Financial Results of Ador Welding Limited as at 31st March, 2023 along with Limited Review Reports and results for the quarter ended June 30, 2023. [F1 and F2 of Ador Fontech and Ador Welding respectively] | 112 |
| 9. | Annexure G1 and G2 Report adopted by the Board of Directors of Ador Fontech Limited and Ador Welding Limited pursuant to Section 232(2)(C) of the Companies Act, 2013 explaining the effect of Amalgamation etc. | 178 |

The Notice of the Meeting, Statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules (page nos. 3 to 36) and Annexure A to Annexure G (page nos. 37 to 178) constitute a single and complete set and should be read together as they form an integral part of this document.

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
FORM NO. CAA. 2
[PURSUANT TO SECTION 230 (3) AND RULE 6 AND 7]**

TRANSFER PETITION/1/2023

**IN THE MATTER OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)
OF
ADOR FONTECH LIMITED
(TRANSFEROR COMPANY)
WITH
ADOR WELDING LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS**

| | |
|--|--|
| Ador Fontech Limited, a Public Limited Listed Company incorporated | } |
| under the provisions of the Companies Act, 1956 having its | } |
| registered office at Belview, 7 Haudin Road, | } |
| Bengaluru-560042 Karnataka India | } |
| CIN: L31909KA1974PLC020010 | } |
| | ... Applicant Company/ Transferor Company |

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF ADOR FONTECH LIMITED

To The Equity Shareholders of Ador Fontech Limited

1. NOTICE is hereby given that, in accordance with the Order dated 24th August 2023, (the 'Order') in the above mentioned Company Application, passed by the Hon'ble National Company Law Tribunal, Mumbai Bench, a meeting of the Equity Shareholders of the Applicant Company, will be held through video conference ('VC') or Other Audio-Visual Means ('OAVM') for the purpose of considering and if thought fit, for approving with or without modification(s), the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective Shareholders ('Scheme' or 'the Scheme') on Monday, 30th October 2023 at 11:00 a.m. (IST).
2. Pursuant to the said Order and as directions issued therein, the Meeting of the Equity Shareholders of the Company ("Meeting") will be held through Video Conference ("VC")/ Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to consider, and if thought fit, to pass, with or without modification(s), the following resolution for approval of the Scheme by requisite majority as prescribed under Section 230(1) and (6) read with Section 232(1) of the Act and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November, 2021, as amended.

"RESOLVED THAT pursuant to the provisions of Sections 230 and 232 of the Companies Act, 2013, the Rules, Circulars and Notifications made thereunder (including any Statutory modification(s) or re- enactment(s) thereof, for the time being in force), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re- enactment(s) and circulars issued thereof, for the time being in force) and subject to the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal ("Tribunal") and subject to such other approvals, permissions and sanctions of Regulatory and other Authorities, (including but not limited to the Government (both Central & States), Various Departmental Authorities of the Government(s), Ministry of Corporate Affairs/Registrar of Companies etc.) as may be necessary and subject to such conditions and modifications as may be deemed appropriate by the parties to the Scheme, at any time and for any reason whatsoever, or which may otherwise be considered necessary, desirable or as may be prescribed or imposed by the Tribunal or by any Regulatory or other Authorities, while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective Shareholders (Hereinafter referred to as the "Scheme" and based on the share exchange ratio as per 'Valuation Report' appended to this Notice), be and are hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorised to irrevocably do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the amalgamation embodied in the Scheme and to make any modifications or amendments to the Scheme at any time and for any reason whatsoever, and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal, while sanctioning the arrangement embodied in the Scheme or by any Authorities under Law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise, including appointment of Authorised Persons for making representations, authentications, undertakings, effecting compromise & arbitrate, affix common seal, execution of documents and passing of such accounting entries and/or making such adjustments in the books of accounts as may be considered necessary for giving effect to the Scheme, as the Board may deem fit and proper."

3. **TAKE FURTHER NOTICE** that the Equity Shareholders shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes(a) through e-Voting system available at the Meeting to be held virtually ("e-Voting at the Meeting"); or (b) by remote electronic voting ("remote e-Voting") during the period as stated below:

| REMOTE E-VOTING PERIOD | |
|------------------------|--|
| Commencement of voting | 27th October, 2023 (Friday) at 9:00 a.m. (09:00 hours) (IST) |
| End of voting | 29th October, 2023 (Sunday) at 5:00 p.m. (17:00 hours) (IST) |

4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date, i.e., Monday, 23rd October 2023, only shall be entitled to exercise his/ her/ its voting rights on the resolution proposed in the Notice and attend the Meeting. A person who is not an Equity Shareholder as on the cut-off date, should treat the Notice for information purpose only.
5. A copy of the said Scheme, statement under Sections 230 and 232 read with Section 102 and other applicable provisions of the Act and Rule 6 of the CAA Rules along with all annexures to such statement are appended. A copy of this Notice and the accompanying documents are also placed on the website of the Company and can be accessed at Website www.adorfon.com, the website of National Securities Depository Limited ("NSDL") viz. www.evoting.nsdl.com, being the agency appointed by the Company to provide the e-Voting and other facilities for being convening of the Meeting and the website of the Stock Exchange i.e., BSE Limited ("BSE") viz. www.bseindia.com.
6. **The Tribunal has appointed Mr. V Nallasenapathy, former Member of NCLT and Ms. Shruti Kelji as Alternate Chairperson to the Meeting.**
7. **Mr. Kannan S, Practicing Company Secretary of M/s. S Kannan and Associates (Membership No. 6261 and CP No. 13016) has been appointed to be the Scrutiniser by the Tribunal.**
8. The Scheme, if approved at the aforesaid Meeting, will be subject to subsequent sanction of the Tribunal and such other approvals, permissions and sanctions of Regulatory and/or such other Authorities, as may be necessary.

Place: Bengaluru
Dated: 23rd September, 2023

Sd/-
V Nallasenapathy
Chairman Appointed by the Tribunal for the Meeting

Ador Fontech Limited
CIN: L31909KA1974PLC020010
Registered Office: Belview, 7 Haudin Road, Bengaluru-560042
Website: <https://www.adorfon.com/>
E-mail: investorservice@adorfon.com
Tel.: (080)-2559 6045
Fax: (080)-2559 7085

NOTES

General instructions for accessing and participating in the Meeting through VC/OAVM Facility and voting through electronic means including remote e-Voting.

- a. Pursuant to the Order passed by the NCLT, Meeting of the Equity Shareholders of the Company will be held through VC/OAVM.
- b. Since the meeting is being held pursuant to the Order passed by the NCLT and MCA Circulars through VC/OAVM, physical attendance of the Equity Shareholders has been dispensed with. Accordingly, the facility for appointment of proxies by Equity Shareholders will not be available for the Meeting. However, in pursuance of Section 113 of the Act, authorized representatives of institutional/corporate shareholders may be appointed for the purpose of voting through remote e-Voting, for participation in the Meeting through VC/OAVM facility and e-Voting during the Meeting provided that, such Shareholder sends a scanned copy (PDF/JPG Format) of the organisation's Board or Governing body resolution/authorization etc. authorizing its representative to attend the Meeting through VC/OAVM on its behalf, for casting vote through e-Voting during the Meeting and/or to vote through remote e-Voting, on its behalf. The scanned copy of the above mentioned documents should be in the name format 'ADFL'. The said resolution/authorization shall be sent to the scrutiniser by email through registered email id addressed to cs.skannan@gmail.com or kannans@kannancs.in and to the Company at investorservice@adorfon.com before the VC / OAVM Meeting or before the remote e-Voting, as the case may be. The corporate Shareholders can also upload documents in the NSDL e-voting system for verification by the Scrutiniser.
- c. The proceedings of this Meeting would be deemed to have been conducted at the registered office of the Company located at Belview, 7 Haudin Road, Bengaluru-560042 Karnataka India.
- d. **The quorum for the meeting shall be 1,000 in number present through video conference and/or other audio-visual means. If the quorum is not present within half an hour from the time appointed for the holding of the meeting, Members present shall be the quorum and the meeting shall be held.**
- e. **The aforesaid particulars are being sent (i) through electronic mode to those Equity Shareholders whose e-mail IDs are registered with the Company Registrar & Share Transfer Agent (RTA) i.e., Integrated Registry Management Services Private Limited or Depositories or the Company. The aforesaid particulars are being sent to all the Equity Shareholders whose names appear in the register of Members / list of beneficial owners as on Friday, 15th September 2023.**
- f. M/s. National Securities Depository Limited ("NSDL"), e-voting agency, will provide the facility for voting by Equity Shareholders through remote e-voting, for participation in the Meeting through VC/OAVM and e-Voting during the Meeting.
- g. All the documents referred to in the accompanying explanatory statement shall be available for inspection through electronic mode during the proceedings of the Meeting. Equity Shareholders seeking / requesting to inspect copies of the said documents may send an email to investorservice@adorfon.com. Further, all the documents referred to in the accompanying explanatory statement shall also be open for inspection by the Equity Shareholders at the Registered Office of the Company during working hours on all working days up to 1 (One) day prior to the date of the Meeting.
- h. The Notice convening the Meeting will be published through advertisement in 'Economic Times' in English having nation-wide circulation and 'Udayavani' in Kannada having circulation in Karnataka.

- i. **The Scheme shall be considered approved by the Equity Shareholders of the Company if the resolution mentioned in the Notice has been approved by majority of persons representing three-fourth in value of the Equity Shareholders voting at the Meeting through VC/OAVM and by remote e-Voting, in terms of the provisions of Sections 230 to 232 of the Act.**

In addition to the above, the Scheme shall be acted upon only if the votes cast by the Public Shareholders of the Company in favour of the resolution mentioned in the Notice are more than the number of votes cast by the Public Shareholders of the Company against it.

- j. Since the Meeting will be held through VC/OAVM in accordance with the Order passed by NCLT, the route map, proxy form and attendance slip are not attached to this Notice.
- k. A person whose name is recorded in the Register of Members (RoM) maintained by the Company/ Registrar and Transfer Agent (RTA) or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off-Date only shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the Meeting and to attend the Meeting. A person who is not an Equity Shareholder as on the Cut-Off-Date should treat the Notice for information purpose only.
- l. The voting rights of the Equity Shareholders shall be in proportion to their shareholding of the paid-up equity share capital of Ador Fontech Limited as on the close of business hours on the Cut-Off Date, i.e., Monday, 23rd October 2023.
- m. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of the names as per the Register of Members (RoM) of the Company will be entitled to vote at the Meeting.
- n. It is clarified that casting of votes by remote e-Voting (prior to the Meeting) does not disentitle Members from attending the Meeting. However, after exercising the right to vote through remote e-Voting prior to the Meeting, a Member shall not vote again at the Meeting. In case the Shareholders cast their vote via both the modes i.e., remote e-Voting prior to the Meeting as well as e-Voting during the Meeting, then voting done through remote e-Voting before the Meeting shall prevail. Once the vote on a resolution is cast by the Shareholder, whether partially or otherwise, the Shareholder shall not be allowed to change it subsequently.
- o. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Equity Shareholders holding shares in electronic form are requested to submit their PAN to their Depository Participants and those holding shares in physical form are requested to submit their PAN to the Company's RTA.
- p. All grievances connected with the facility for voting by electronic means may be addressed to evoting@nsdl.co.in or call on toll free no.: 1800 1020 990 or 1800 22 44 30

INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING AND FOR JOINING THE MEETING

Introduction: In view of the massive outbreak of COVID-19 pandemic, social distancing is a norm to be followed and pursuant to Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 & Circular No. 02/2021 dated January 13, 2021 and all other relevant Circulars issued from time to time, physical attendance of the Members at the Annual General Meeting (AGM) venue is not required and the General Meeting can be held through video conference (VC) or other audio visual means (OAVM).

In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, Notice calling the meeting has been uploaded on the website of the Company at www.adorfon.com. Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com and the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

- **Login method for e-Voting and joining of virtual meeting for Individual Shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with their Depositories. Shareholders are advised to update their mobile number(s) and email id(s) in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

| Type of Shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL NSDL MOBILE APP IS AVAILABLE ON     | <ul style="list-style-type: none"> • Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a Mobile. On the e-Services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. This will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see the e-Voting page. Click on Company Name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting. • If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned alongside for seamless voting experience. |

| Type of Shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> For direct access, visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a Mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Members' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or for joining the virtual meeting and for voting during the meeting. |
| Individual Shareholders holding securities in demat mode with CDSL | <ul style="list-style-type: none"> Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon and New System Myeasi Tab and then input your existing my easi username and password. After successful login, the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per information provided by the Company(ies). On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting. Additionally, there is also a link provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service provider's website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com. Click on login & New System Myeasi Tab and then click on Registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on the registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) can login through their Depository Participants | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see the e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or for joining the virtual meeting and voting during the meeting.</p> |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at the above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues relating to login through Depository i.e., NSDL and CDSL

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request to evoting@nsdl.co.in or call 022 - 4886 7000 and 022 -2499 7000 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contact 022- 23058738 or 022-23058542-43 |

- **Login method for e-Voting and for joining of virtual meeting by Shareholders other than individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.
- Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under the 'Shareholder/Members' section.
- A new screen will open. You will have to enter your User ID, Password/OTP and a Verification Code as shown on the screen.
- Alternatively, if you are registered for NSDL e-Services i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | User ID |
|--|--|
| For Members who hold shares in demat account with NSDL | 8 Characters DP ID followed by 8 Digit Client ID For example if your DP ID is IN 300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****. |
| For Members holding shares in Physical form | EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'Initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (i) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (ii) Physical User Reset Password? (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (iii) If you are still unable to get the password by aforesaid two options, you can send a request to evoting@nsdl.co.in mentioning your Name, Demat account number/Folio number, PAN and your Registered address etc.
 - (iv) Members can also use the OTP (One Time Password) based login for casting votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to the 'Terms and Conditions' by selecting on the check box.
- You will then have to click 'Login' button.
- After you click on the 'Login' button, Home page of e-Voting will open.
- Any Shareholder(s), who acquires shares of the Company and becomes a member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e. Monday, 23rd October 2023, may obtain login ID and password by sending a request at HYPERLINK "<mailto:evoting@nsdl.co.in>" "evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on HYPERLINK "<mailto:www.evoting.nsdl.com>" "www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30.
- In case of Individual Shareholders holding securities in demat mode, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., Monday, 23rd October 2023, may follow steps mentioned in the Notice of the EOGM under "Access to NSDL e-Voting system".

STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN THE MEETING ON NSDL E-VOTING SYSTEM

How to cast your vote electronically and join the Meeting on the NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and Meetings are in active status.
- Select 'EVEN' of the company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join Meeting'.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- You can also take printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail-cs.skannan@gmail.com and/or kannans@kannancs.in with a copy marked to evoting@nsdl.co.in. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-Voting' tab in their login.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mahtre-evoting@nsdl.co.in.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD

- In case shares are held in physical mode please provide Folio No., Name of the Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to investorservice@adorfon.com.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to investorservice@adorfon.com. If you are an individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 i.e. Login method for e-Voting and for joining virtual meeting for individual Shareholders holding securities in demat mode.
- Alternatively Shareholders/Members may send request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing the above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number(s) and email Id(s) correctly in their demat account in order to access e-Voting facility.

INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE MEETING

Procedure for e-Voting on the day of the Meeting is the same as per instructions mentioned above for remote e-Voting.

Only those Members/Shareholders, who will be present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through the e-Voting system.

Members who have voted through 'Remote e-Voting' will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

Details of the person who may be contacted for any grievance connected with the facility for e-Voting on the day of Meeting will be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- Member will be provided facility to attend the Meeting through VC/OAVM of the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of 'VC/OAVM' placed under 'Join meeting' menu against the Company's name. You are requested to click on VC/OAVM link placed under the Join Meeting menu. The link for VC/OAVM will be available in the Shareholder/Members' login where the EVEN of the Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten their User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
- Members are encouraged to join the Meeting through 'Laptops' for better experience.
- Members will be required to allow Camera access and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

SPEAKER REGISTRATION

- **Shareholders who would like to speak/express their views may register themselves as 'Speaker Shareholders' at least five working days in advance with the following details:**
(i) Name (ii) Demat account number/folio number (iii) Email id (iv) Mobile number
The request may kindly be sent to ncltmeeting@adorfon.com.
- **Members are also requested to send in their queries, if any, in advance to the dedicated email id ncltmeeting@adorfon.com**
- **The email is exclusively dedicated for the purpose of NCLT convened meeting and the same will be accessible to the Chairman/Chairperson and Scrutiniser, besides the Secretarial team of the Applicant Company/Ador Fontech Limited.**

OTHER INFORMATION

Mr. Kannan S, Practicing Company Secretary of M/s. S Kannan and Associates (Membership No. 6261 and CP No.13016) has been appointed as the Scrutiniser by the Tribunal to scrutinize the process of remote e-Voting and e-Voting at the meeting in a fair and transparent manner.

The Scrutiniser will after the conclusion of e-Voting at the Meeting, scrutinise the votes cast both at the Meeting and through remote e-Voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman/Chairperson of the Meeting. The results of the Meeting shall be announced by the Chairman/Chairperson within two working days of the conclusion of the Meeting and the same along with the consolidated Scrutinizer's Report, will be placed on the website of the Company i.e. "<https://www.adorfon.com>" and on the website of NSDL at HYPERLINK "www.evoting.nsdl.com". The Company shall also submit the results to the Stock Exchange and the same will be available at HYPERLINK www.bseindia.com.

Subject to receipt of requisite majority of votes in favour of the Scheme i.e., majority in number representing three-fourth in value (as per Sections 230 to 232 of the Act) and the votes cast by the public shareholders of the Company in favour are more than the number of votes cast by the public shareholders of the Company against it (as per SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021), the Resolution shall be deemed to have been passed on the date of the Meeting i.e. Monday, 30th October 2023.

Equity Shareholders are requested to carefully read all the Notes set out herein and in particular, instructions for joining the Meeting, manner of casting vote, through remote e-Voting or e-Voting at the Meeting.

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
FORM NO. CAA. 2
[PURSUANT TO SECTION 230 (3) AND RULE 6 AND 7]

TRANSFER PETITION/1/2023

IN THE MATTER OF SECTION 230 TO 232 OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)
OF
ADOR FONTECH LIMITED
(TRANSFEROR COMPANY)
WITH
ADOR WELDING LIMITED
(TRANSFeree COMPANY)
AND
THEIR RESPECTIVE SHAREHOLDERS

| | | |
|--|---|--|
| Ador Fontech Limited, a Public Limited Listed Company incorporated | } | |
| under the provisions of Companies Act, 1956 having its | } | |
| registered office at Belview, 7 Haudin Road, | } | |
| Bengaluru-560042 Karnataka India | } | |
| CIN: L31909KA1974PLC020010 | } | |
| | | ... Applicant Company/ Transferor Company |

STATEMENT UNDER SECTION 230(3) OF THE COMPANIES ACT, 2013 READ WITH SECTION 102 OF THE COMPANIES ACT 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF ADOR FONTECH LIMITED AS PER THE DIRECTIONS OF THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

1. The Transferor Company had filed first motion application with Bengaluru Bench on 2nd February, 2023 bearing file no 2903111002132023 and CA (CAA) no. 07/BB. Further, for the sake of convenience and removal of administrative hinderances, the Transferor Company had made an application to the Principal Bench, New Delhi for transfer of application from Bengaluru Bench to Mumbai Bench. The Principal Bench vide its order dated 17th March, 2023 had approved and allowed such transfer of first motion application from Bengaluru Bench to Mumbai Bench. The matter was listed as Transfer Petition No.1/2023 for admission and a hearing was fixed on 24th August, 2023 by the Hon'ble National Company Law Tribunal, Mumbai Bench.
2. Pursuant to the Order dated 24th August 2023, passed by Hon'ble National Company Law Tribunal, Mumbai Bench in the Transfer Petition No.1/2023, a meeting of the Equity Shareholders of the Applicant Company is scheduled to be held on Monday, 30th October 2023 at 11:00 a.m. (IST) to obtain their approval for the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective Shareholders ('Scheme' or 'the Scheme').

The Hon'ble National Company Law Tribunal, Mumbai Bench, by an Order dated 24th August 2023 was pleased to issue directions for convening the meeting of the Equity Shareholders of the Applicant Company through "Video Conference ("VC") or "Other Audio-Visual Means" ("OAVM")" on Monday, 30th October 2023 at 11:00 a.m. (IST) to be presided over by Mr. V Nallasenapathy, former Member of NCLT and Ms. Shruti Kelji, Advocate as the Alternate Chairperson for the Meeting. The said Order will be available for inspection at the Registered Office of the Company at Belview, 7 Haudin Road, Bengaluru-560042 Karnataka India on any working day of the Company up to the date of meeting, after receipt from the Tribunal.

3. In addition to the meeting of the Equity Shareholders of the Applicant Company convened on the directions of the National Company Law Tribunal, to seek the approval of the said Shareholders pursuant to Section 230 read with Section 232 of the Companies Act, 2013 read with other relevant provisions of the Companies Act, 2013, approval of the Equity Shareholders of the Applicant Company is also sought by way of remote e-Voting as required under Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Circulars and the Companies Act, 2013.
4. The Board of Directors of the Transferor Company in their meeting held on 31st May 2022 have approved the Scheme of Amalgamation, while the Board of Directors of the Transferee Company in their meeting held on 31st May 2022 have approved the Scheme of Amalgamation under which the entire undertaking of the Transferor Company will get amalgamated with the Transferee Company. A copy of the Scheme, setting out the terms and conditions of the amalgamation as approved by the Board of Directors of Ador Fontech Limited (Transferor Company) and Ador Welding Limited (Transferee Company) is enclosed herewith as Annexure A. The proposed scheme is envisaged to be effective from the Appointed Date, but shall be made operative from the Effective Date (as defined in the Scheme).
5. Particulars of the Companies

5.1. Ador Fontech Limited

5.1.1. Ador Fontech Limited, the Transferor Company, is a public limited company incorporated under the Companies Act, 1956 on 22nd August 1974 in the State of Maharashtra. The Corporate Identity Number of the Transferee Company is L31909KA1974PLC020010, and the PAN is AABCA1724H. The e-mail address of the Company is investorservice@adorfon.com. The Applicant Company is engaged in the business of 'Life enhancement of Industrial Components' which inter-alia includes providing products, services and solutions for reclamation, repairs and maintenance. The Transferor Company is a publicly listed company whose shares are listed on the BSE Limited. The registered office of the Applicant Company is at Belview, 7 Haudin Road, Bengaluru-560042 Karnataka India. During the last five years, there has been no change in the name and registered office of the Transferor Company.

5.1.2. The main and other objects of the Applicant Company/Transferor Company are inclusive of the following:

Main Objects: To trade, sell, distribute, import, export and otherwise deal in India and abroad in semiconductor devices, light, power, electronic equipment, electro mechanical devices and electronics & electronic apparatus.

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.

Other Objects: To carry on the business of manufacture and marketing of all types of specialised welding consumables and equipment, thermal, coating products, industrial pumps and allied products for the purpose of maintenance and reclamation of vital machinery components, to transact and carry out all kinds of agency business in relation to the objects of the Company, to manufacture, produce, sell, distribute, export, import or otherwise deal in India and abroad reclamation welding products, thermal coating products, brazing, soldering alloys, inorganic putties, industrial positive displacement and process pumps.

To carry on the business of providing specialised reclamation and cladding services for vital machinery parts both in situ and at specially equipped workshops for this purpose. To provide such services through use of stick metal arc, as well as semi automatic and automatic continuous welding processes, thermal spray and coating process and laser hardfacing as well as plasma transferred arc processes. To provide wear plate cladding and solutions for service life improvement in a wide range of industries such as power plants, cement industries, mining and metallurgical complexes, road, rail and other transportation networks, sugar mills, oil exploration, drilling, refining and petrochemical industries, defence workshops, chemical, fertilizer plants and a host of other heavy engineering and general industries.

5.1.3 The authorised, issued, subscribed and paid-up capital of the Applicant Company / Transferor Company as on 31st March 2023 is as follows:

| Particulars | Amount in INR |
|---|----------------|
| AUTHORISED SHARE CAPITAL | |
| 5,00,00,000 Equity Shares of INR 2/- each | 10,00,00,000/- |
| TOTAL | 10,00,00,000/- |
| ISSUED | |
| 3,50,00,000 Equity Shares of INR 2/- each | 7,00,00,000/- |
| TOTAL | 7,00,00,000/- |

There has been no change in the authorized, issued, subscribed and paid up share capital of the Transferor Company, from 31st March, 2023 till date.

5.1.4 The details of the Directors and Promoters of the Transferor Company along with their addresses are as follows:

| Name | Designation | Address |
|--|----------------|---|
| Promoter and Promoter Group | | |
| J B Advani and Company Private Limited | Promoter | Ador House, 4th Floor, Plot-6, Kakushroo Dubash Marg, Kala Ghoda, Fort, Mumbai-400001 |
| Mr. Aditya Tarachand Malkani* | Promoter Group | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| (Late) Mr. Ajit Tolaram Mirchandani | Promoter Group | - |
| Ms. Aruna Bhagwan Advani | Promoter Group | C/7, 7th Floor, Rashmi CHS II, Byramji Gamadia Dahanukar Marg, Cumballa Hill, Mumbai-400026 |
| Dr. Deep Ashda Lalvani* | Promoter Group | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| Mrs. Gulshan Gulu Malkani | Promoter Group | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Ms. Michelle Gulu Malkani | Promoter Group | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mrs. Ninotchka Malkani Nagpal* | Promoter Group | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mrs. Rajbir Tarachand Malkani | Promoter Group | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Mr. Ravin Ajit Mirchandani* | Promoter Group | 432/328, 4th Road, Sindh Co-Operative Housing Society, Aundh, Pune-411007 |
| Ms. Reshma Ashda Lalvani | Promoter Group | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| Mrs. Shirin Aditya Malkani | Promoter Group | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Mrs. Tania Ajit Mirchandani | Promoter Group | 432/328, 4th Road, Sindh Co-Operative Housing Society, Aundh, Pune-411007 |
| Ms. Tanya Halina Advani* | Promoter Group | C / 7, Rashmi CHS Society, 11, Byaramjee Gamadia Road, Off Carmichael Road, Cumbala Hill, Mumabi-400026 |
| Mrs. Vimla Ashda Lalvani | Promoter Group | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |

| Name | Designation | Address |
|---|-----------------------------------|---|
| Directors | | |
| Mr. Aditya Tarachand Malkani DIN: 01585637 | Non-Executive Director & Chairman | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Mr. Harish Phatandas Ledwani- DIN: 00040629 | Managing Director & CEO | B-302, Adarsh Residency, 8th Block, 47th Cross, Near Sangam Circle, Jayanagar, Bengaluru-560070 |
| Mrs. Ninotchka Malkani Nagpal- DIN: 00031985 | Non- Executive Director | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mr. Navroze Shiamak Marshall- DIN: 00085754 | Independent Director | 71, El-CID, 13 Ridge Road, Near Hanging Garden, Malabar Hill, Mumbai-400006 |
| Mr. Santosh Janakiram Iyer- DIN: 06801226 | Independent Director | A-11, The Paradise Apartments, Co-Operative Housing Society Limited, 44/44A, Nepean Sea Road, Mumbai-400026 |
| Mr. Rafique Abdul Malik DIN: 00521563 | Independent Director | B-1703, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi Mumbai-400011 |

Notes: (i) *First named Shareholders and Directors of J B Advani and Company Private Limited(JBA). (ii) Details on Shareholding (including details of the Promoter Company/JBA) are available on the website of the Company at <https://www2.adorfon.com/investors-info/share-holding-pattern/> and <https://www2.adorfon.com/investors-info/promoters/> (iii) CIN & PAN of JBA-U51900MH1925PTC004217/AAACJ1966D.

5.2. Ador Welding Limited

5.2.1 Ador Welding Limited, the Transferee Company, is a public limited company incorporated under the provisions of the Indian Companies Act VII of 1913, on 22nd October 1951 in the State of Maharashtra. The Corporate Identity Number of the Transferee Company is L70100MH1951PLC008647 and the PAN is AAACA9076B. The e-mail address of the Company is investorservices@adorians.com. The Transferee Company is engaged in the business of manufacturing & selling of various welding products such as welding consumables, 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 and is a publicly listed company whose share are listed on the BSE Limited and National Stock Exchange of India Limited. The registered office of the Transferee Company is at Ador House, 6, K., Dubash Marg, Fort, Mumbai – 400001 Maharashtra, India. During the last five years, there has been no change in the name and registered office of the Transferee Company.

5.2.2 The main objects of the Transferee Company are as follows:

- To carry on the business of manufacture of arc welding electrodes and allied appliances.
- To carry on the business of manufacture of electrode making machinery and its components, rectifiers, power transformers, fluxes, electronic equipment, device & apparatus, solder fillers and joining metals.
- 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.
- To carry on the business of sale and distribution of products manufactured or fabricated by the Company and otherwise deal therein.
- 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.
- 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.

- g. To manufacture, produce, sell, distribute, import, export and otherwise deal, in India and abroad, any machinery capable of making Textiles, Plastics and Garments.
- h. 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.
- i. To transact and carry on all kinds of agency business in relation to the objects of the Company.
- j. To promote any other company for any purpose, which may be directly or indirectly calculated to benefit the company.
- k. 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.

- l. 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, whomsoever, 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 & indemnity business and every kind of counter-guarantee & counter indemnity business.
- m. 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.
- n. 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.

5.2.3 The authorised, issued, subscribed and paid-up capital of the Transferee Company as on 31st March 2023 is as follows:

| Particulars | Amount in INR |
|--|----------------|
| AUTHORISED SHARE CAPITAL: | |
| 3,00,00,000 Equity Shares of INR 10/- each | 30,00,00,000/- |
| TOTAL | 30,00,00,000/- |
| Issued, Subscribed and Paid Up: | |
| 1,35,98,467 Equity Shares of INR 10/- each | 13,59,84,670/- |
| TOTAL | 13,59,84,670/- |

There has been no change in the issued, subscribed and paid-up share capital of the Transferee Company, from 31st March 2023 till date except for its authorised share capital. The authorised share capital stands under, pursuant to the order of amalgamation of Ador Welding Academy Pvt. Ltd. with Ador Welding Ltd.

| Particulars | Amount in INR |
|--|----------------|
| AUTHORISED SHARE CAPITAL | |
| 3,30,00,000 Equity Shares of INR 10/- each | 33,00,00,000/- |
| TOTAL | 33,00,00,000/- |

5.2.4. Details of the Directors and Promoters of the Transferee Company along with their addresses are as follows:

| Name | Designation | Address |
|-------------------------------------|----------------|---|
| Promoter and Promoter Group | | |
| Mrs. Gulshan Gulu Malkani | Promoter | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mrs. Pravena Krishna Mathur | Promoter | 825, Sadhu Vaswani Nagar, Reveille, Aundh, Pune-411007 |
| Dr. Deep Ashda Lalvani | Promoter | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| Ms. Reshma Ashda Lalvani | Promoter | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| Mr. Ravin Ajit Mirchandani | Promoter | 432/328, 4th Road, Sindh Co-Operative Housing Society, Aundh, Pune-411007 |
| Mrs. Shirin Aditya Malkani | Promoter Group | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Mrs. Vimla Ashda Lalvani | Promoter Group | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| (Late) Mr. Ajit T. Mirchandani | Promoter Group | - |
| Mrs. Rajbir Tarachand Malkani | Promoter | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Ms. Michelle Gulu Malkani | Promoter | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mr. Aditya Tarachand Malkani | Promoter | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Mrs. Ninotchka Malkani Nagpal | Promoter | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Ms. Aruna Bhagwan Advani | Promoter | C/7, 7th Floor, Rashmi CHS II, Byramji Gamadia Dahanukar Marg, Cumballa Hill, Mumbai-400026 |
| M/s. J B Advani and Company Pvt Ltd | Promoter Group | Ador House, 4th Floor, Plot-6, Kakushroo Dubash Marg, Kala Ghoda, Fort, Mumbai-400001 |
| Ms. Priya Darshini Lambert | Promoter Group | 62 Rue Molière, 94200 Ivry Sur Seine, France |

| Name | Designation | Address |
|-------------------------------|--------------------------------------|--|
| Directors | | |
| Mrs. Ninotchka Malkani Nagpal | Executive Chairman | 292, Tahnee Heights, 66 Nepean Sea Road, Nr. Pelit Hall, Malabar Hill, Mumbai-400006 |
| Mr. Aditya Tarachand Malkani | Managing Director | 26 A, Sans Souci, B. G. Kher Marg, Malabar Hill, Mumbai-400006 |
| Dr. Deep Ashda Lalvani | Non-Executive Director | Flat No. 41, 4th Floor, Seagull, 13 Carmichael Road, M L Dhanukar Marg, Mumbai-400026 |
| Mr. Ravin Ajit Mirchandani | Non-Executive Director | 432/328, 4th Road, Sindh Co-Operative Housing Society, Aundh, Pune-411007 |
| Ms. Tanya Halina Advani | Non-Executive Director | C / 7, Rashmi CHS Society, 11, Byaramjee Gamadia Road, Off Carmichael Road, Cumbala Hill, Mumbai 400026 |
| Mr. Piyush Kumar Gupta | Non-Executive & Independent Director | DLF Phase-1, H-5/5, Sikanderpur, Ghosi (68), Gurgaon-122002 |
| Mr. Rakesh Narain Sapru | Non-Executive & Independent Director | Flat No. 1, Ground Floor, 43 Anand Lok, Siri Fort Road, Andrewsganj, Defence Colony, South Delhi-110049 |
| Mr. Kunwar Digvijay Singh | Non-Executive & Independent Director | 12 Greenfields, 134 Maharshi Karve Road, Opp. Oval Maidan, Churchgate, Mumbai-400020 |
| Mr. Gaurav Mohan Lalwani | Non-Executive & Independent Director | 21-C, Land Breeze, 52, Pali Hill, Bandra (W), Mumbai-400050 |
| Mrs. Nita Dempo Mirchandani | Non-Executive & Independent Director | 162, Tanhnee Heights, 16th Floor, A Block, 66 Neapean Sea Road, Near Petit Hall Complex, Malabar Hill, Mumbai - 400006 |
| Mr. Navroze Shiamak Marshall | Non-Executive & Independent Director | 71, El-CID, 13 Ridge Road, Near Hanging Garden, Malabar Hill, Mumbai-400006 |

RATIONALE AND BENEFITS OF THE SCHEME OF AMALGAMATION

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 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:

- Enable 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.
- 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 the 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 Transferee Company thereby significantly contributing to the future growth and maximizing Shareholder Value.
- f. Better financial leverage, resulting in greater efficiency in cash & debt management and unfettered access to cash flow generated by the combined business, which can be deployed more efficiently, to realize higher profits for the combined entity.
- 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 & 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.

SALIENT FEATURES OF THE SCHEME

PART – I

DEFINITIONS, SHARE CAPITAL AND DATE OF OPERATION OF SCHEME

1. Definitions

- a. *Appointed Date" means 01st April 2022, or such other date, as may be fixed or approved by Hon'ble National Company Law Tribunal or such other competent authority/Appropriate Authority.*
- b. *"Effective Date" means the last of the dates, on which the authenticated copies or certified copies of the Order of NCLT under Sections 230 to 232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and the Transferee Company. References in this Scheme to the date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;*
- c. *"Scheme" or "the Scheme" or "this Scheme" or "Scheme of Merger by Absorption" or "Scheme of Amalgamation" means this Scheme of Amalgamation, in its present form, submitted to the NCLT or with any modification(s) made under Clause 20 of this Scheme or with such other modifications/amendments as the NCLT may direct;*

PART – II

AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFeree COMPANY

2. *Transfer and Vesting of Undertaking*

- a. *Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and Undertaking(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 the banks/financial institutions.*
- b.. *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 & 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.*
- c. *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.*
- d. *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 Undertaking, together with security deposit, shall stand automatically transferred in favour 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.*

- e. *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 the Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.*
- f. *In respect of movables other than those dealt with in Clause (e) above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, property development rights, investments (including overseas 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 deposittee, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Transferee Company).*
- g. *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 Transferor 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 Transferor 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.*
- h. *The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of the Transferor Company.*

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor 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.

- i. *Upon the Scheme becoming effective, all staff, workmen and employees as detailed under Clause 1.20(xii) of the scheme in relation to the Transferor Company shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor Company or the Transferee Company.*
- j. *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 Transferor 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 Transferor Company to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company.*

- k. 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.
- l. 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.
- m. All the licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed 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 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 vested in and be available to the Transferee Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- n. 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, available to the benefit of the Transferee Company and/or to any other person/director/employee of 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 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.
- o. 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 attached 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.

- p. *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 IGST 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 are entitled to shall be available to and vest in the Transferee Company and deemed to be available to and vested in the Transferee Company.*
- q. *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.*
- r. *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.*
- s. *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, as referred to above.*

3. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

- a. *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 Transferee 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 Transferee 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 Transferee Company.*
- b. *The Transferee 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 Transferee Company may require to carry on the business of the Transferor Company.*
- c. *For the avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified as follows:*
 - i. *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 Transferee Company, the Transferee 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 Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.*

- ii. *With effect from the Effective Date, the Transferee 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/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.*
- iii. *With a view to avoid any disruption of business, to ensure continuity of operations & 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 the Transferor Company are transferred, recorded, effected and /or perfected, in the record of the relevant Governmental / Regulatory authorities in all applicable jurisdictions in favour of the 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, 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 form/format of the Transferor Company.*

4. STAFF, WORKMEN AND EMPLOYEES

- a. *Upon the coming into effect of this Scheme, all staff, workmen and employees, who are on the payrolls of the Transferor Company, employees/personnel engaged on contract basis & contract labourers and interns/trainees of the Transferor Company who are on its payrolls shall become employees of the Transferee Company with effect from the Effective Date, on such terms and conditions as are no 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.*
- b. *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 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.*

- c. *The Transferee Company undertakes that for the purpose of payment of any retrenchment 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 the benefits transferred pursuant to this sub-clause.*
- d. *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.*

5. CONSIDERATION

- a. *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 Ador Welding Ltd. (AWL) having a face value of INR 10/- each fully paid-up shall be issued for every 46 (Forty-six) equity shares held in Ador Fontech Ltd. (ADFL) having a face value of INR 2/- each fully paid-up".

- b. *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 the 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.*
- c. *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.*
- d. *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 details of their account with the depository participant are intimated in writing to the Transferor Company and/or its Registrar and 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 within 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 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(s) 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.

- e. For the purpose of allotment of the shares, pursuant to this Scheme, in case any Shareholder holding Shares in the Transferor Company 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.
- f. On approval of this Scheme by the 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 Member(s) 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 & Regulations framed thereunder.
- g. 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 event subsequent to the Record Date, to effectuate such 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.
- h. 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 the Court or otherwise, be held in abeyance.

- i. *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.*
- j. *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 5(a) above, shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.*
- k. *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.*
- l. *The Transferee Company shall apply for listing of New Shares allotted by the 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.*
- m. *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.*

6. DISSOLUTION OF THE TRANSFEROR COMPANY WITHOUT WINDING UP

Subject to an order being made by the 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 provisions of the Act and the Rules made hereunder.

7. COMBINATION OF AUTHORISED SHARE CAPITAL

- a. *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 without payment of additional fees and stamp duty as the said fees and stamp duty have already been 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.*
- b. *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".
- c. *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

1. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

- a. *The Scheme is conditional upon and subject to:*
 - i. *approval of Appropriate Authorities and receipt of 'No Objection letter' from the Stock Exchanges, where such approval or consent is necessary;*
 - ii. *approval/notification 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. *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 e-Voting in terms of Para 10(a) of Part 1 of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23 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;*
 - vi. *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 approval, as may be required by law in respect of this Scheme, being obtained.*
- b. *The Salient features, as set out above, being only the salient features of the Scheme of Amalgamation as are statutorily required to be included in this explanatory statement, the Members are requested to read the entire text of the Scheme of Amalgamation (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Amalgamation.*

2. EXTENT OF SHAREHOLDING OF PROMOTER(S) DIRECTORS(S) AND KEY MANAGERIAL PERSONNEL

- a. *The Promoters/Promoter Group Members of the Applicant Company / Ador Fontech Limited and Transferee Company / Ador Welding Limited may be deemed to be concerned and/or interested in the Scheme and of the Resolution(s) pertaining to the merger/amalgamation to the extent of their shares that may be held by them (Individually, along with Joint Holders and Collectively) and of Companies, Firms, Institutions, Trusts of which they are Directors, Partners, Members or Trustees with respect to their holdings in the Applicant Company and Transferee Company, besides interest in the consequent devolvement on the Promoter and/or Holding Company..*
- b. *None of the (i) Directors {other than Promoter Directors forming part of (a) above}, (ii) Key Managerial Personnel ('KMPs'), (iii) other Managerial Personnel/Managers (iv) Relatives of (i) to (iii) mentioned herein; of the Applicant Company and Transferee Company have any material, financial or other interest, in the proposed Scheme of Merger/Amalgamation and of the Resolution(s) except as Shareholders, to the extent of their respective Shareholding appearing in the Register of Directors' Shareholding and/or of Register of Members (as applicable), maintained by the Applicant Company and Transferee Company.*

- c. None of the Directors, KMPs and/or Managerial/Managers along with their Relatives (as may be applicable) of the Applicant Company and Transferee Company have any material or financial or other interest in the proposed Scheme of Merger/Amalgamation and of the Resolution(s) except as Shareholders/Members.

The details of the present Directors, Key Managerial Personnel of the Transferor Company, and their shareholding either individually or jointly as a first holder or as a nominee in the Applicant Company and Transferee Company, as on 31st March 2023, are as under:

| Name of the Director & Key Managerial Personnel | Position | Equity Share held in | |
|---|---|----------------------|-------------------|
| | | Ador Fontech Ltd. | Ador Welding Ltd. |
| Mr. Aditya Tarachand Malkani | Non-Executive Director & Chairman | 15,86,452 | 1,23,198 |
| Mr. Harish Phatandas Ledwani | Managing Director & CEO | 1,29,948 | 993 |
| Mrs. Ninotchka Malkani Nagpal | Non- Executive Director | 7,60,700 | 1,99,952 |
| Mr. Navroze Shiamak Marshall | Independent Director | 1,16,198 | 37,800 |
| Mr. Santosh Janakiram Iyer | Independent Director | NIL | NIL |
| Mr. Rafique Abdul Malik | Independent Director | NIL | NIL |
| Ms. Geetha D | Company Secretary & Chief Financial Officer | 5,000 | NIL |

- d. The details of the present Directors & Key Managerial Personnel of the Transferee Company and their shareholding either individually or jointly as the first holder or as a nominee in the Applicant Company and Transferee Company, as on 31st March 2023, are as under:

| Name of the Director & Key Managerial Personnel | Position | Equity Share held in | |
|---|--------------------------------------|----------------------|-------------------|
| | | Ador Fontech Ltd. | Ador Welding Ltd. |
| Mrs. Ninotchka Malkani Nagpal | Executive Chairman | 7,60,700 | 1,99,952 |
| Mr. Aditya Tarachand Malkani | Managing Director | 15,86,452 | 1,23,198 |
| Dr. Deep Ashda Lalvani | Non - Executive Director | 39,774 | 4,419 |
| Mr. Ravin Ajit Mirchandani | Non - Executive Director | 11,910 | 8,002 |
| Ms. Tanya Halina Advani | Non - Executive Director | 1,800 | NIL |
| Mr. Piyush Kumar Gupta | Non-Executive & Independent Director | NIL | NIL |
| Mr. Rakesh Narain Sapru | Non-Executive & Independent Director | NIL | NIL |
| Mr. Kunwar Digvijay Singh | Non-Executive & Independent Director | NIL | NIL |
| Mr. Gaurav Mohan Lalwani | Non-Executive & Independent Director | NIL | 10 |
| Mrs. Nita Dempo Mirchandani | Non-Executive & Independent Director | NIL | NIL |
| Mr. Navroze Shiamak Marshall | Non-Executive & Independent | 1,16,198 | 37,800 |
| Mr. Vinayak M. Bhide | Company Secretary | NIL | 150 |
| Mr. Surya Kant Sethia | Chief Financial Officer | NIL | NIL |

3. PRE AND POST AMALGAMATION CAPITAL STRUCTURE

a. The Pre-amalgamation capital structure of the Applicant Company and Transferee Company has been provided under Para 4 of this Statement.

b. The Post Amalgamation capital structure of the Transferee Company is as follows:

i. Name of the Company: Ador Welding Limited

| Particulars | Amount in INR |
|--|----------------|
| AUTHORISED SHARE CAPITAL | |
| 4,00,00,000 Equity Shares of INR 10/- each | 40,00,00,000/- |
| TOTAL | 40,00,00,000/- |
| ISSUED, SUBSCRIBED AND PAID UP | |
| 1,74,02,815 Equity Shares of INR 10/- each | 17,40,28,150/- |
| TOTAL | 17,40,28,150/- |

ii. Name of the Company: Ador Fontech Limited

Upon the proposed Scheme becoming effective, the entire share capital of the Transferor Company shall stand cancelled.

4. PRE AND POST AMALGAMATION SHAREHOLDING PATTERN

a. The expected pre and post Scheme shareholding pattern of the Applicant Company/Transferor Company is as follows:

| Particulars | Pre-Scheme of Amalgamation (As on 31st March 2022) | | Post-Scheme of Amalgamation | |
|---|---|--------------|-----------------------------|---------|
| | No. of Shares | Percent | No. of Shares | Percent |
| Promoter & Promoter Group | | | | |
| Individuals | 45,15,763 | 12.90 | - | - |
| Bodies Corporate | 92,13,301 | 26.33 | - | - |
| Sub-total (A)(1) | 1,37,29,064 | 39.23 | - | - |
| Foreign | - | - | - | - |
| Sub-total (A)(2) | - | - | - | - |
| Total A = (A)(1) + (A)(2) | 1,37,29,064 | 39.23 | - | - |
| Public Shareholding | | | | |
| Institutions | | | - | - |
| Foreign Portfolio Investors | 87,525 | 0.25 | - | - |
| Sub-total (B)(1) | 87,525 | 0.25 | - | - |
| Central Government/ State Government(s) / President of India | - | - | - | - |
| Non-Institutions | | | | |
| Individual share capital up to Rs. 2 lakhs | 1,59,17,345 | 45.48 | - | - |
| Individual share capital in excess-Rs. 2 lakhs | 40,65,092 | 11.61 | - | - |
| Sub-total (B)(2) | 1,99,82,437 | 57.09 | - | - |

| Particulars | Pre-Scheme of Amalgamation (As on 31st March 2022) | | Post-Scheme of Amalgamation | |
|--|---|---------------|-----------------------------|---------|
| | No. of Shares | Percent | No. of Shares | Percent |
| Any Other (specify) | | | | |
| Investor Education and Protection Fund | 5,49,722 | 1.57 | - | - |
| Clearing Members | 52,226 | 0.15 | - | - |
| Bodies Corporate | 5,99,026 | 1.71 | - | - |
| Sub-total (B)(3) | 12,00,974 | 3.43 | - | - |
| Total B=B1+B2+B3 | 2,12,70,936 | 60.77 | - | - |
| Non-Promoter Non-Public | - | - | - | - |
| Total C | - | - | - | - |
| Total Shareholding (A+B+C) | 3,50,00,000 | 100.00 | - | - |

b The expected pre and post Scheme shareholding pattern of the Transferee Company is as follows:

| Particulars | Pre-Scheme of Amalgamation (As on 31st March 2022) | | Post-Scheme of Amalgamation | |
|---|---|--------------|-----------------------------|--------------|
| | No. of Shares | Percent | No. of Shares | Percent |
| Promoter & Promoter Group | | | | |
| Individuals | 8,88,131 | 6.53 | 13,78,967 | 7.92 |
| Bodies Corporate | 68,00,531 | 50.01 | 78,01,976 | 44.83 |
| Sub-total (A)(1) | 76,88,662 | 56.54 | 91,80,943 | 52.75 |
| Foreign | 49,050 | 0.36 | 49,050 | 0.28 |
| Sub-total (A)(2) | 49,050 | 0.36 | 49,050 | 0.28 |
| Total A = (A)(1) + (A)(2) | 77,37,712 | 56.90 | 92,29,993 | 53.03 |
| Public Shareholding | | | | |
| Institutions | | | | |
| Mutual Funds | 9,12,941 | 6.71 | 9,12,941 | 5.25 |
| Foreign Portfolio Investors | 30,563 | 0.22 | 40,076 | 0.23 |
| Financial Institutions / Banks | 582 | 0.01 | 582 | 0.01 |
| Sub-total (B)(1) | 9,44,086 | 6.94 | 9,53,599 | 5.49 |
| Central Government/ State Government(s) / President of India | - | - | - | - |
| Non-Institutions | | | | |
| Individual share capital up to Rs. 2 lakhs | 25,08,343 | 18.45 | 42,38,489 | 24.36 |
| Individual share capital in excess-Rs. 2 lakhs | 10,60,732 | 7.80 | 15,02,589 | 8.63 |
| Sub-total (B)(2) | 35,69,075 | 26.25 | 57,41,078 | 32.99 |
| Any Other (specify) | | | | |
| Bodies Corporate | 3,57,699 | 2.63 | 4,22,810 | 2.43 |
| Clearing Members | 15,389 | 0.11 | 21,065 | 0.12 |

| Particulars | Pre-Scheme of Amalgamation (As on 31st March 2022) | | Post-Scheme of Amalgamation | |
|--|---|---------------|-----------------------------|---------------|
| | No. of Shares | Percent | No. of Shares | Percent |
| Foreign Nationals | 1,182 | 0.01 | 1,182 | 0.01 |
| HUF | 5,32,696 | 3.92 | 5,32,696 | 3.06 |
| Investor Education and Protection Fund | 2,39,374 | 1.76 | 2,99,126 | 1.71 |
| Non-Resident Indians (NRI) | 2,00,254 | 1.47 | 2,00,254 | 1.15 |
| Trusts | 1,000 | 0.01 | 1,000 | 0.01 |
| Trustee for Ador Fontech Limited | - | - | 12 | 0.00 |
| Sub-total (B)(3) | 13,47,594 | 9.91 | 14,78,145 | 8.49 |
| Total B=B1+B2+B3 | 58,60,755 | 43.10 | 81,72,822 | 46.97 |
| Non-Promoter Non-Public | - | - | - | - |
| Total C | - | - | - | - |
| Total Shareholding (A+B+C) | 1,35,98,467 | 100.00 | 1,74,02,815 | 100.00 |

5. Valuation, Fairness Opinion and Approvals

- a. Mr. Niranjana Kumar, an independent Chartered Account firm, based on their Valuation Report dated 31st May 2022, recommended to the Board of Directors of Ador Fontech Limited and Ador Welding Limited the share exchange ratio, in which equity shares of the Transferee Company should be issued to the Shareholders of the Applicant Company. A copy of the Valuation Report Issued by the Valuer is enclosed herewith as Annexure B.
- b. Fairness Opinion dated 31st May 2022 on the Valuation Report of Mr. Niranjana Kumar was obtained from Fedex Securities Private Limited for the Applicant Company; a SEBI registered Category I Merchant Banker as prescribed by the Securities and Exchange Board of India (SEBI). Copy of Fairness Opinion issued by Fedex Securities Private Limited is enclosed herewith as Annexure C1.
- c. Fairness Opinion dated 31st May 2022, on the Valuation Report of Mr. Niranjana Kumar, was obtained from Systematix Corporate Services Limited for Transferee Company; a SEBI registered Category I Merchant Banker, as prescribed by the Securities and Exchange Board of India (SEBI). Copy of Fairness Opinion issued by Systematix Corporate Services Limited is enclosed herewith as Annexure C2.
- d. The Auditor of the Applicant Company and the Transferee Company have confirmed that the accounting treatment in the said Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013.
- e. The proposed Scheme was placed before the Audit Committee of the Applicant Company at its meeting held on 31st May, 2022. The Audit committee recommended and approved the proposed Scheme after considering the Valuation Report of Mr. Niranjana Kumar and the Fairness Opinion of Fedex Securities Private Limited, a SEBI registered Merchant Banker.
- f. The Board of Directors of the Applicant Company at its Board Meeting held on 31st May, 2022 unanimously, approved the Scheme based on the recommendation of the Audit Committee, Valuation Report of the Valuer recommending the Share Exchange Ratio in which the equity shares of the Transferee Company should be issued to the Shareholders of Applicant Company and the Fairness Opinion of Fedex Securities Private Limited, a SEBI registered Merchant Banker.
- g. The copies of the said Valuation Report of the Valuer, Fairness Opinion and other documents submitted to the Stock Exchange are also displayed on the website of the Applicant Company at "https://www.adorfon.com" and the website of BSE Limited, the designated stock exchange where the shares of the Applicant Company are listed, in terms of the Securities and Exchange Board of India circular CFD/DIL3/CIR/2017/21 dated March 10, 2017.

6. At the Board Meeting held on 31st May 2022 all the Directors present of the Applicant Company, approved the Scheme.
7. Pursuant to the Securities and Exchange Board ("SEBI") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017 (the "SEBI Circular") read with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") the Applicant Company had applied to BSE Limited for seeking their No objection to the proposed Scheme of Amalgamation. Further, BSE Limited, the Designated Stock Exchange forwarded the said application along with Draft Scheme to SEBI for its approval & / or comments. BSE Limited gave its Observation letter on 26th September, 2022, conveying "No Objection" for the scheme, which is enclosed herewith as Annexure D.
8. The Scheme of Amalgamation, along with related documents, were hosted on the websites of the Applicant Company, BSE Limited and were open for complaints / comments from 28th June 2022 to 18th July 2022 for a period of 21 days. During the above period, the Transferor Company had received complaints / comments and accordingly the complaints report was filed with BSE Limited on 24th August 2022. A copy of the said Complaints Report filed with BSE Limited is enclosed as Annexure E.
9. A copy of the Audited Financial Results of the Transferor Company as on 31st March, 2023 together with the Audited Financial Results of the Transferee Company as on 31st March, 2023 along with Limited Review Reports and financials of the first quarter of 2023-24 are enclosed herewith as Annexure F1 and F2.
10. The Applicant Company will make / file a petition under Section 230-232 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Hon'ble National Company Law Tribunal, Mumbai Bench, for sanctioning of the Scheme.
11. Under Section 230 of the Companies Act, 2013, the proposed Scheme will have to be approved by a majority in number representing three- fourth in value of the Equity Shareholders voting at the Meeting through VC/OAVM and by remote e- voting, in terms of the provisions of Sections 230 to 232 of the Act.
12. The scheme is conditional upon scheme being approved by the public shareholders through e-Voting in terms of Para 10(a) of Part I of SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 and the Scheme shall be acted upon only if vote cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public Shareholders against it.
13. The rights and interests of the Members and the Creditors of the Applicant Company and Transferee Company will not be prejudicially affected by this Scheme of Amalgamation.
14. No investigation proceedings are pending under the provisions of Chapter XIV of the Companies Act, 2013 or under the provisions of the Companies Act, 1956/2013 against the Applicant Company.
15. No ongoing adjudication & recovery proceedings, prosecution and no other enforcement action is pending against the Company, its Promoters and Directors.
16. A copy of the Board resolution proposing the merger/amalgamation and the Scheme of Amalgamation have been filed with the Registrar of Companies (ROC), Bengaluru, Karnataka vide MGT-14/SRN F14382477 dated 08.07.2022 and GNL-1/SRN F62930359 dated 07/08/2023, which have been duly approved.
17. No winding up petition is pending against the Applicant Company.
18. In compliance with the provisions of Section 232(2) of the Companies Act, 2013, the Board of Directors of the Applicant Company and Transferee Company, vide resolution dated 31st May 2022, have adopted a Report, inter-alia, explaining the effect of the Scheme on each class of Shareholders (Promoter and Non-Promoter Shareholders) and Key Managerial Personnel. A copy of the said Report adopted by the Board of Directors of the Applicant Company and the Transferee Company is enclosed to this Explanatory Statement as Annexure G1 & G2 respectively.

19. *The Shareholders of the Applicant Company will be issued shares in accordance with the Share Exchange Ratio provided in the Valuation Report. The Scheme is not expected to have any adverse effect on the Key Managerial Personnel, Directors, Secured or Unsecured Creditors, Non-Promoter Members and Employees of the Applicant Company wherever relevant, as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.*
20. *The amount due to Unsecured Creditors of the Transferee Company/Ador Welding Limited on 31st August, 2023 was approximately INR 78.47 Crores and to the Secured Creditors was Rs. 14.39 Crores besides, Working Capital Demand Loan (WC DL) was Rs. 20 Crores. The amount due to Unsecured Creditors of the Transferor Company/Ador Fontech Limited, on 31st August, 2023 was approximately INR 16.51 Crores and to the Secured Creditors was Nil.*
21. *In addition to the documents appended hereto, the electronic copy of following documents will be available for inspection in the investors section of the website of the Company at <https://www.adorfon.com>.*
 - a. *Certified copy of the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench dated 24th August 2023 passed in Transfer Petition/1/2023 directing and convening of the meeting of Equity Shareholders of the Applicant Company.*
 - b. *Scheme of Amalgamation.*
 - c. *Memorandum and Articles of Association of Ador Fontech Limited and Ador Welding Limited.*
 - d. *Annual Reports of Ador Fontech Limited and Ador Welding Limited for the last three financial years ending 31st March 2021, 31st March 2022, and 31st March 2023.*
 - e. *Limited Review Reports and Financial Results for the Quarter ended 30th June 2023 of Ador Fontech Limited and Ador Welding Limited.*
 - f. *Copy of the Observation Letter from BSE Limited dated 26th September 2022.*
 - g. *Copy of the Valuation Report providing for the Share Exchange Ratio dated 31st May 2022 issued by Mr. Niranjana Kumar.*
 - h. *Copy of the Fairness opinion by Merchant Banker, Fedex Securities Private Limited dated 31st May 2022. w.r.t. Transferor Company and M/s. Systematix Corporate Services Limited dated 31st May 2022 w.r.t. the Transferee Company.*
 - i. *Copy of the Audit Committee Report dated 31st May 2022.*
 - j. *Copies of the Resolutions passed by the respective Board of Directors of Ador Fontech Limited and Ador Welding Limited dated 31st May 2022.*
 - k. *Copy of the Statutory Auditor's certificate dated 16th January 2023 issued by Praveen & Madan, Chartered Accountants, Bengaluru of Ador Fontech Limited confirming that the accounting treatment provided in the Scheme is in compliance with Section 133 of the Companies Act, 2013.*
21. *This statement may be treated as an Explanatory Statement under Section 230 of the Companies Act, 2013 read with Sections 102 and 110 of the Companies Act, 2013. A copy of the Scheme and Explanatory statement may also be obtained free of cost from the Registered office of the Applicant Company.*

Place: Bengaluru
Dated: 23rd September, 2023

V Nallasenapathy
Chairman Appointed by the Tribunal for the Meeting

Ador Fontech Limited
CIN: L31909KA1974PLC020010
Registered Office: Belview, 7 Haudin Road, Bengaluru-560042
Website: <https://www.adorfon.com> E-mail: investorservice@adorfon.com
Tel.: (080) 2559 6045 Fax: (080) 2559 7085

SCHEME OF AMALGAMATION (MERGER BY ABSORPTION)

OF

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

WITH

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

AND

THEIR RESPECTIVE SHAREHOLDERS

(Under the provisions of Section 230 to 232 of the Companies Act, 2013)



For ADOR FONTECH LIMITED

[Handwritten Signature]
Company Secretary



For ADOR WELDING LIMITED

[Handwritten Signature]
Company Secretary

I) PREAMBLE AND BACKGROUND

1. This Scheme of Amalgamation (hereinafter referred to as “**the Scheme**” or “**this Scheme**”) is presented pursuant to the provisions of Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and the rules made thereunder (to the extent applicable) for the amalgamation of Ador Fontech Limited with Ador Welding Limited. This Scheme (as defined hereinafter) also provides for various other matters consequential to, or otherwise integrally connected with the above, as more specifically stated hereinafter.

2. The brief background of various entities are as follows:

- A) Ador Fontech Limited, (“**Transferor Company**” or “**ADFL**”) is a Listed 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 22nd 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 07th 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 21st 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, Bangalore on 11th



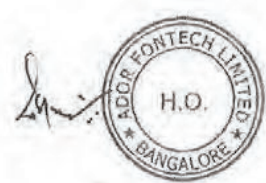
For ADOR FONTECH LIMITED

[Signature]
Company Secretary



September, 1996. The equity shares of Transferor Company are listed on BSE Limited. JB Advani & Company Private Limited and Promoters together hold 39.23% in the Transferor Company. The Transferor Company is engaged in the business of 'Life enhancement of Industrial Components' which inter-alia includes providing products, services and solutions for reclamation, repairs and maintenance.

- B) Ador Welding Limited, ("**Transferee Company**" or "**AWL**") 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 27th 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 09th September 2003, by the Registrar of Companies, Maharashtra, Mumbai. The equity shares of Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited ("NSE Limited"). JB Advani & Company Private Limited and Promoters together hold 56.90% in the Transferee Company. The Transferee Company is 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.



For ADOR FONTECH LIMITED

Prema D
Company Secretary



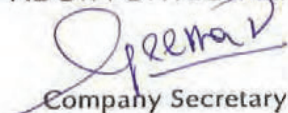
II) RATIONALE AND PURPOSE OF THE SCHEME

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 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:

1. 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.
2. 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.
3. 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.
4. 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.
5. 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



For ADOR FONTECH LIMITED


Company Secretary



maximizing shareholder value.

6. 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.
7. 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.
8. Cost savings because of standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.
9. Reduction in regulatory and legal compliances and avoidance of multiple records keeping.
10. Strengthening ability to face increasing competitive, regulatory, environmental and global risks, thereby resulting in sustainable and profitable long-term growth for the combined entity.

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.

- III) Further, under the Scheme, there is no arrangement proposed to be entered into with the creditors, either secured and / or unsecured creditors of the Transferor Company and / or the Transferee Company. No compromise is offered under this Scheme to any of the creditors of the Transferor Company and / or the Transferee Company. The liability towards the creditors of the Transferor Company and / or



For ADOR FONTECH LIMITED
Sprema V
Company Secretary



the Transferee Company, under the Scheme, is neither being reduced nor being extinguished, but shall be assumed and discharged by the Transferee Company in its ordinary course of business.

IV) PARTS OF THE SCHEME

The Scheme is divided into following parts:

- Part I – Deals with the definitions of the terms used in this Scheme, details of share capital of the Companies, and Date of Operation of this Scheme
- Part II– Deals with the amalgamation of the Transferor Company with the Transferee Company.
- Part III– Deals with general clauses, terms and conditions, applicable to the Scheme.

PART – I

Definitions, Share Capital and Date of Operation of the Scheme

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings:

- 1.1. **“Act” or “the Act”** means the Companies Act, 2013 and shall include any statutory modifications, re-enactment, or amendments thereof for the time being in force, and the rules and regulations made thereunder;
- 1.2. **“Applicable Law(s)”** means any statute, notification, bye laws, rules, regulations, guidelines, circulars or common law, policy, code, directives, ordinance, schemes, notices, orders, or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof, for the time being in force;



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



- 1.3. **"Appointed Date"** means 01st April 2022, or such other date, as may be fixed or approved by Hon'ble National Company Law Tribunal or such other competent authority / Appropriate Authority;
- 1.4. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization, to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or of any other country including the Registrar of Companies, Regional Director, Official Liquidator, Securities and Exchange Board of India, National Company Law Tribunal and such other sectoral regulators or authorities, as may be applicable;
- 1.5. **"Board of Directors"** or **"Board"** shall mean the Board of Directors of the Transferor Company or the Transferee Company, as the case may be or any committee thereof duly constituted, or any other person duly authorized by the Board for the purpose of this Scheme;
- 1.6. **"Effective Date"** means the last of the dates on which the authenticated copies or certified copies of the Order of NCLTs under Sections 230 to 232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Company and the Transferee Company. References in this Scheme to the date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date;



For ADOR FONTECH LIMITED

Company Secretary



- 1.7. **“IT Act”** means the Income-tax Act, 1961, of India, including any statutory modifications, re-enactments, or amendments thereof for the time being in force;
- 1.8. **“NCLT” or “the Tribunal”** means the National Company Law Tribunal, Bench at Bengaluru and Mumbai in relation to the Transferor Company and the Transferee Company, respectively.
- 1.9. **“New Shares”** shall mean the shares of the Transferee Company, to be issued to the shareholders of the Transferor Company, in accordance with Clause 12.1.
- 1.10. **“Parties” / “Companies”** shall mean collectively the Transferor Company and the Transferee Company and **“Party” / “Company”** shall mean each of them, individually;
- 1.11. **“Record Date”** means such date, as may be mutually fixed by the Board of Directors of the Transferor Company and the Transferee Company for the purpose of reckoning names of Equity Shareholders of the Transferor Company, who shall be entitled to receive shares of the Transferee Company, upon coming into effect of this Scheme;
- 1.12. **“Registrar of Companies”** means the Registrar of Companies in Mumbai and Bengaluru;
- 1.13. **“Scheme” or “the Scheme” or “this Scheme” or “Scheme of Merger by Absorption” or “Scheme of Amalgamation”** means this Scheme of Amalgamation, in its present form, submitted to the NCLT or with any modification(s) made under Clause 20 of this Scheme or with such other modifications/amendments as the NCLT may direct;
- 1.14. **“SEBI”** means the Securities Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.



For ADOR FONTECH LIMITED

Company Secretary



- 1.15. **"SEBI Circulars"** mean the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall *inter-alia* refer to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 or SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021, SEBI Circular dated 3rd January, 2022 and 1st February, 2022, as amended from time to time.
- 1.16. **"Stock Exchange"** means the stock exchange, where the equity shares of the Transferor Company and the Transferee Company are listed and admitted to trading, viz, BSE Limited for Transferor Company and Transferee Company and NSE Limited for Transferee Company;
- 1.17. **"Tax Laws"** mean IT Act, Customs Act, 1962, Central Excise Act, 1944, Value Added Tax Act, applicable to any state in which the Transferor Company and / or the Transferee Company operate, Central Sales Tax Act, 1956, any other State Sales Tax / Value Added Tax laws, or Service Tax, Goods and Service Tax or other applicable laws/ regulations dealing with taxes/ duties/ levies/cess.
- 1.18. **"Transferee Company"** or **"AWL"** means Ador Welding Limited having CIN L70100MH1951PLC008647 and registered office at Ador House, 6. K, Dubash Marg, Fort, Mumbai- 400001-16, Maharashtra, India.
- 1.19. **"Transferor Company"** or **"ADFL"** means Ador Fontech Limited having CIN L31909KA1974PLC020010 and registered office at Belview, 7 Haudin Road, Bengaluru – 560042, Karnataka, India.
- 1.20. **"Undertaking"** means and includes all the assets, properties, liabilities and the undertaking(s) and entire business(s) of the Transferor Company, of whatsoever nature and kind and wherever situated, on a going concern basis, which shall include, without limitation the following:



For ADOR FONTECH LIMITED
Spennad
Company Secretary



- i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Company, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipment, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipment, computers and all stocks;
- ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Company;
- iii. all investments (including shares, scrips, stocks, bonds, debentures, debenture stock, units of mutual funds, overseas investments and other securities), including dividends declared or interest accrued thereon of the Transferor Company;
- iv. all rights or benefits, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and / or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;
- v. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other



For ADOR FONTECH LIMITED
Prema D
Company Secretary



interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favor of or enjoyed by the Transferor Company or in connection with or relating to the said Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favor of or held for the benefit of or enjoyed by the Transferor Company;

- vi. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities of every kind, nature and description, whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- vii. all licenses (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, sales tax credits, Good and Service Tax credits and income tax credits), privileges, advantages and all other rights and facilities of every kind, nature and description, whatsoever, of the Transferor Company;
- viii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease / license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements / contracts with the



For ADOR FONTECH LIMITED

Shreena D
Company Secretary



supplier / manufacturer of goods / service providers and all rights, title, interests, claims and benefits there under of the Transferor Company;

- ix. all application monies, advance monies, earnest monies and / or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Company;
- x. all debts, borrowings, obligations, duties and liabilities, both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or un-asserted, matured or un-matured, liquidated or un-liquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Company;
- xi. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names, used by or held for use by the Transferor Company, whether or not recorded in the books of accounts of the Transferor Company, and other intellectual rights of any nature, whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Company, whether used or held for use by it; and



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



xii. any and all permanent employees, who are on the payroll of the Transferor Company, employees/personnel engaged on contract basis and contract labourers and interns/trainees, engaged by the Transferor Company, at its respective offices, or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by the Transferor Company.

2. In this Scheme, unless the context otherwise requires:

- a) Words denoting the singular shall include the plural and vice versa;
- b) Headings and bold typefaces are only for convenience and shall be ignored for the purpose of interpretation;
- c) Reference to the word “include” or “including” shall be construed without limitation;
- d) A reference to a clause, section or part is, unless indicated to the contrary, a reference to a clause, section or part of this Scheme;
- e) Unless otherwise defined, the reference to the word “days” shall mean calendar days;
- f) Reference to a document includes an amendment or supplement to, or replacement or novation of that document;
- g) Word(s) and expression(s) elsewhere defined in the Scheme shall have the meaning(s) respectively ascribed to them; and
- h) All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other Applicable Laws.

3. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the NCLT or in terms of this Scheme shall take effect from the Appointed Date but shall be operative from the Effective Date.



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



4. SHARE CAPITAL OF PARTIES

4.1. The share capital of Transferor Company as on 31st March 2022, is as follows:

| Particulars | Amount (INR) |
|---|---------------------|
| Authorized Capital | |
| 5,00,00,000 Equity Shares of Rs. 2 each | 10,00,00,000 |
| Total | 10,00,00,000 |
| Issued, Subscribed & Paid-up Capital | |
| 3,50,00,000 Equity Shares of Rs. 2 each | 7,00,00,000 |
| Total | 7,00,00,000 |

Subsequent to 31st March 2022 and up to the date of approval of the Scheme by the Board of Directors of Transferor Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferor Company. The equity shares of the Transferor Company are listed on BSE Limited.

4.2. The share capital of Transferee Company, as on 31st March 2022 is as follows:

| Particulars | Amount (INR) |
|---|---------------------|
| Authorized Capital | |
| 3,00,00,000 Equity Shares of Rs. 10 each | 30,00,00,000 |
| Total | 30,00,00,000 |
| Issued, Subscribed and Paid-up Capital | |
| 1,35,98,467 Equity Shares of Rs. 10 each | 13,59,84,670 |
| Total | 13,59,84,670 |

Subsequent to 31st March 2022 and up to the date of approval of the Scheme by the Board of Directors of the Transferee Company, there has been no change in the authorized, issued, subscribed and paid-up equity share capital of the Transferee Company. The equity shares of the Transferee Company are listed on BSE Limited and on NSE Limited.



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



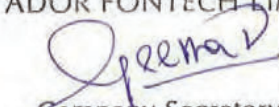
PART – II

Amalgamation of Transferor Company with the Transferee Company

5. Transfer and Vesting of Undertaking

- 5.1. Upon approval of this Scheme by the Tribunal and with effect from the Appointed Date, all properties, assets, liabilities and Undertaking(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.
- 5.2. 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.
- 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



For ADOR FONTECH LIMITED

Company Secretary



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.

- 5.4. 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 Undertaking, together with security deposit, 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.
- 5.5. 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, in pursuance of the provisions of section 230 to 232 of the Act, without any further act, instrument, deed, matter or thing.
- 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



For ADOR FONTECH LIMITED

Company Secretary



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 Transferor 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 Transferor 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 Transferor Company.

PROVIDED always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed by the Transferor 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



For ADOR FONTECH LIMITED
[Handwritten Signature]
Company Secretary



detailed under Clause 1.20(xii) above in relation to the Transferor Company, shall become the staff, workmen and employees of the Transferee Company, without any further act or deed to be done by the Transferor 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 Transferor 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 Transferor Company to carry out or perform all such formalities or compliances referred to above, on part of the Transferor Company.
- 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, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, patents, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed 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



For ADOR FONTECH LIMITED

Company Secretary



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 vested in and be available to the Transferee Company, so as to become, as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits (including tax benefits), subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.

- 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



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



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 attached 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 IGST 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



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



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 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.
- 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.
- 6.3. In case of any litigation, suits, recovery proceedings, which are to be initiated or may be intimated 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.



For ADOR FONTECH LIMITED
Spennar
Company Secretary



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

- 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 thereto.
- 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.
- 7.3. 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.

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



For ADOR FONTECH LIMITED
Preema D
Company Secretary



hold and stand possessed of its entire business for and on account of and in trust for the Transferee 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 Transferee 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 Transferee Company.
 - iii. The Transferee 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 Transferee Company.
- 8.2. The Transferee 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 Transferee 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 Transferee Company, the Transferee 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



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, till the time any regulatory registrations of the Transferor Company are closed / suspended and regulatory filings are required to be done on such registrations, the Transferee Company shall be entitled to do so to comply with the relevant regulations.

8.3.2. With effect from the Effective Date, the Transferee 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/ regulations, till such time as all of such stock is exhausted, without making any amendment on those goods or materials.

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 Transferor 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 form/format of



For ADOR FONTECH LIMITED
Preema D
Company Secretary



the Transferor Company.

9. STAFF, WORKMEN AND EMPLOYEES

- 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 Transferor Company shall become employees/personnel on contract basis, contract labourers and inters/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.
- 9.2. 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



For ADOR FONTECH LIMITED
Preema
Company Secretary



Transferee Company for such purpose. Pending such transfer, the 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.

9.3. The Transferee Company undertakes that for the purpose of payment of any retrenchment 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.

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.

10. **SAVING OF CONCLUDED 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



For ADOR FONTECH LIMITED

Company Secretary



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.

11. INTER-SE TRANSACTIONS

- 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.
- 11.2. 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.

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



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



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



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



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 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



For ADOR FONTECH LIMITED

Prema D
Company Secretary



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.
- 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,



For ADOR FONTECH LIMITED

Company Secretary



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



For ADOR FONTECH LIMITED
Deepa D
Company Secretary



- appearing in the books of the Transferor Company.
- 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



For ADOR FONTECH LIMITED

Company Secretary



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.
- 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.



For ADOR FONTECH LIMITED
Sheema D
Company Secretary



- 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 inter-se 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



For ADOR FONTECH LIMITED

Spennad
Company Secretary



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.



For ADOR FONTECH LIMITED
[Signature]
Company Secretary



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.

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



For ADOR FONTECH LIMITED

Spennad
Company Secretary



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 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



For ADOR FONTECH LIMITED
A handwritten signature in blue ink, appearing to be 'Sneha D.', is written over the text.
Company Secretary



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,



For ADOR FONTECH LIMITED

Company Secretary



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.

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 e-voting in terms of Para 10(a) of Part I of SEBI Master Circular No.



For ADOR FONTECH LIMITED
Preema D
Company Secretary



SEBI/HO/CFD/DIL1/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 otherwise determined by the Boards of Directors of the Transferor Company and the Transferee Company.



For ADOR FONTECH LIMITED
Sheena D
Company Secretary



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



For ADOR FONTECH LIMITED

Company Secretary



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.

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.



For ADOR FONTECH LIMITED
Prema D
Company Secretary

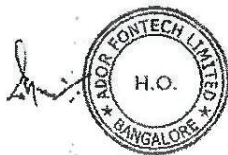


give such directions (acting jointly) and agree to take steps, as may be necessary, desirable or proper, to resolve all doubts, difficulties or questions, arising under this Scheme, whether by reason of any orders of NCLT or of any directive or orders of any Appropriate Authority, under or by virtue 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.

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.



For ADOR FONTECH LIMITED

[Signature]
Company Secretary



For ADOR WELDING LIMITED

[Signature]
Company Secretary

Strictly Private and Confidential

Date: 31 May 2022

The Board of Directors

Ador Welding Limited,
Ador House, 6, K, Dubash Marg,
Fort, Mumbai – 400001

The Board of Directors

Ador Fontech Limited,
Belview 7 Haudin Road,
Bengaluru – 560042

Subject: Recommendation of fair share exchange ratio for the proposed amalgamation of Ador Fontech Limited ('ADFL') with Ador Welding Limited ('AWL')

Dear Sir(s)/ Madam,

We refer to the engagement letter dated 23 May 2022 whereby the Board of Directors of Ador Fontech Limited ('ADFL' or 'Transferor Company') and Ador Welding Limited ('AWL' or 'Transferee Company'), appointed Niranjan Kumar, Registered Valuer - Securities or Financial Assets ('NK', or 'us' or 'we' or the 'Valuer') to undertake valuation exercise and recommend a fair share exchange ratio for the proposed amalgamation ('Proposed Amalgamation') of ADFL with AWL.

Hereinafter, the Management including the Board of Directors of AWL and ADFL shall together be referred to as 'the Management'; the Transferor Company and Transferee Company shall together be referred to as 'Companies'.

Please find enclosed the report (comprising 14 pages including annexures) detailing our recommendation of fair share exchange ratio for the Proposed Amalgamation, methodologies employed, and the assumptions used in our analysis.

This report sets out our scope of work, background, source of information, procedures performed by us, and our recommendation of the fair share exchange ratio.

BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT**Ador Welding Limited**

AWL, founded in 1951 with its head office at Mumbai, Maharashtra, is a subsidiary of J. B. Advani Co. Private Limited ('JB Advani'). AWL is 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. It is also engaged in the business of Flares & Process Equipment. Its consumables products and services include electrodes, wires, agency items related to consumables. Equity shares of AWL is listed on BSE Limited and National Stock Exchange of India Limited (NSE).

AWL has a wholly owned subsidiary viz. Ador Welding Academy Private Limited ('AWAPL'). We understand from the Management of AWL that AWL and AWAPL has filed a scheme of amalgamation (merger by absorption) to merge AWAPL into AWL with an appointed date of 1 April 2021. However, the scheme is pending for National Company Law Tribunal (NCLT) approval.

Ador Fontech Limited

ADFL, founded in 1974 with its head office in Bangalore, Karnataka. ADFL is engaged in the business of 'Life Enhancement of Industrial Components' which includes products, services and solutions for reclamation, repairs and maintenance. It provides its services to mining industries, power plants, railways, road transport workshops, sugar mills, cement plants, fertilizer and chemical plants, defense workshops, shipping industries, oil drilling, refining and transportation sectors. Equity shares of ADFL is listed only on BSE Limited.

We understand that the Management of the Companies are contemplating a scheme of amalgamation (merger by absorption), wherein they intend to amalgamate ADFL with AWL; in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013 or any statutory modifications, re-enactment or amendments thereof for the time being in force ("the Act") read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules"), as amended from time to time and all other applicable provisions, if any, of the Act and any other applicable law for the time being in force including the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars issued therein, in each case, as amended from time to time, in a manner provided in the draft scheme of amalgamation (merger by absorption) ('the Scheme'). Further, as consideration for the Proposed Amalgamation under Part II of the Scheme, equity shares of the Transferee Company would be issued to the equity shareholders of Transferor Company respectively;

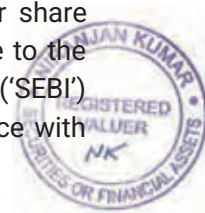
The equity shares to be issued for the aforesaid Proposed Amalgamation will be based on the fair share exchange ratio as determined by the Board of Directors on the basis of the fair share exchange ratio report prepared by us.

In connection with the above-mentioned Proposed Amalgamation, the Management has appointed Niranjana Kumar, Registered Valuer – Securities or Financial Assets ('NK') to submit a report recommending a fair share exchange ratio for the Proposed Amalgamation.

We would like to emphasize that certain terms of the Proposed Amalgamation are stated in our report, however the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the underlying Scheme.

We understand that the appointed date for the Proposed Amalgamation shall be 1 April 2022 as defined in the Scheme, or such other date as the competent authority may direct or approve. We have carried out our Valuation to determine the fair share exchange ratio for the Proposed Amalgamation as at the date of report ('Valuation Date').

The scope of our services is to conduct a relative (and not absolute) valuation exercise as at the Valuation Date to determine the equity value of the Companies and then arrive at the fair share exchange ratio using internationally accepted valuation methodologies as may be applicable to the Companies including requirement prescribed by the Securities Exchange Board of India ('SEBI') Regulations as may be applicable to listed companies and report on the same in accordance with



generally accepted professional standards including ICAI Valuation Standards, 2018 notified by the Institute of Chartered Accountants of India (ICAI).

The Management have informed us that:

- a) There would not be any capital variation in the Companies till the Proposed Amalgamation becomes effective without approval of the shareholders and other relevant authorities;
- b) There are no unusual/ abnormal events in the Companies other than those represented to us by the Management till the report date materially impacting their operating / financial performance.
- c) There would be no significant variation between the Scheme and the final scheme approved and submitted with the relevant authorities.

This report is our deliverable for the said engagement and is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such, the report is to be read in totality and in conjunction with the relevant documents referred to therein.

<<<<< This space has been left blank intentionally >>>>>



SHAREHOLDING PATTERN OF COMPANIES:

Ador Welding Limited

The share capital of AWL as at the Valuation Date comprises of 13,598,467 equity shares with a face value of INR 10/- each. Equity shareholding pattern of AWL as at the Valuation Date is set out below:

| Name of shareholder | Number of shares | Percentage (%) |
|---|-------------------|----------------|
| Promoter & Promoter Group | | |
| Individuals | 937,181 | 6.9% |
| JB Advani | 6,800,531 | 50.0% |
| Public | 5,860,755 | 43.1% |
| Total no. of equity shares outstanding | 13,598,467 | 100.0% |

Ador Fontech Limited

The share capital of ADFL as at the Valuation Date comprises of 3,50,00,000 equity shares with a face value of INR 2/- each. Equity shareholding pattern of ADFL as at Valuation Date is set out below:

| Name of shareholder | Number of shares | Percentage (%) |
|---|-------------------|----------------|
| Promoter & Promoter Group | | |
| Individuals | 4,515,763 | 12.9% |
| JB Advani | 9,213,301 | 26.3% |
| Public | 21,270,936 | 60.8% |
| Total no. of equity shares outstanding | 35,000,000 | 100.0% |

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and/or obtained from the public domain:

A. Companies' specific information:

Information provided by the Management which includes:

- Audited consolidated financial statements of the Companies for the financial year ('FY') ended 31 March 2021 ('FY21') and 31 March 2022 ('FY22');
- Draft scheme of amalgamation (merger by absorption) of ADFL with AWL pursuant to which Proposed Amalgamation is undertaken;
- Shareholding pattern of the Companies as at the Valuation Date; and
- Discussions and correspondences with the Management to inter-alia understand the historical performance, key value drivers, and competitive scenario affecting the Companies;
- Other information and documents considered relevant for the purpose of this engagement.



B. Industry and economy information:

- Information available in public domain and databases such as Capital IQ and other subscribed databases.
- Such other information and relevant data, representations, information and explanations provided by the Management as considered relevant for the purpose of this engagement.

Besides the above listing, there may be other information provided by the Management which may not have been perused by us in detail, if not considered relevant for our defined scope.

We have also considered/ obtained such other analysis, review, explanations and information considered reasonably necessary for our exercise, from the Management.

The Management of the Companies have been provided with the opportunity to review the draft report (excluding the recommended fair share exchange ratio) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our report.

PROCEDURE ADOPTED

Procedures adopted for our analysis included such substantive steps as we considered necessary under the circumstances, including, but not necessarily limited to the following:

- Discussion with the Management to:
 - Understand the business and fundamental factors that affect the business of the Companies including their earning generating capability.
 - Enquire about the historical financial performance and current state of affairs.
- Analyzed the economic and competitive environments in which the Companies operate;
- Considered the draft scheme of amalgamation (merger by absorption) of ADFL with AWL;
- Such other analyses, reviews and inquiries, as we considered necessary;
- Selection of appropriate internationally accepted valuation methodology/ (ies) after deliberations and consideration to the sector in which the Companies operates and analysis of size of business operations, the stage of the Companies in its lifecycle, financial performance, etc.; and
- Arrived at valuations of the Companies using the method/(s) considered appropriate;
- Arrived at the fair share exchange ratio for the Proposed Amalgamation of ADFL with AWL.

<<<< This space has been left blank intentionally >>>>



SCOPE, LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us.

The recommendation contained herein is as at the Valuation Date and is not intended to represent value at any time other than the date of the report.

This report, its contents and the results herein are specific and subject to:

- the purpose of the valuation agreed as per the terms of the engagement;
- the date of the report;
- market price reflecting the fair value of the underlying equity shares of AWL & ADFL; and
- data detailed in the section - Sources of Information

We have been informed by the Management that the business activities of the Companies have been carried out in the normal and ordinary course between the latest financials and the report date and that no material changes have occurred in their respective operations and financial position between the latest available financials and the Valuation Date.

An analysis of this nature is necessarily based on the prevailing stock market, financial, economic and other conditions in general and industry trends in particular. It is based on information made available to us as of the date of this report, events occurring after that date hereof may affect this report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this report.

The ultimate analysis will have to be tempered by the exercise of judicious discretion by the Valuer and judgment taking into account the relevant factors. There will always be several factors e.g., Management capability, present and prospective yield on comparable securities, market sentiment etc., which are not evident on the face of the financial statements, but which will strongly influence the equity value/ the worth of the security.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information furnished by the Management (or its representatives) till the date of this report and other sources, and the said conclusion shall be considered to be in the nature of non-binding advice (our recommendation should not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors).

The determination of fair value for arriving at fair share exchange ratio is not a precise science and the conclusions arrived at in many cases, will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single fair value. While we have provided our recommendation of the fair share exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion. The final responsibility for the determination of the fair share exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of the Companies, who should take into account other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.



In the course of our analysis, we were provided with both written and verbal information, including market, technical, financial and operating data including information as detailed in the section - Sources of Information by the Management.

In accordance with the terms of our engagement, we have assumed and relied upon, without independent verification of,

- i) the accuracy of information that was publicly available which formed a substantial basis for the report; and
- ii) the accuracy of information made available to us by the Management.

We have not carried out a due diligence or audit or review of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided.

We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Amalgamation. We do not express any form of assurance that the financial information or other information as prepared and provided by the Management is accurate. Also, with respect to explanations and information sought from the advisors, we have been given to understand by the Management that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by/ on behalf of the Management. The Management have indicated to us that they have understood any omissions, inaccuracies or misstatements may materially affect our recommendation. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Also, we assume no responsibility for technical information (if any) furnished by the Management. However, nothing has come to our attention to indicate that the information provided was materially misstated/ incorrect or would not afford reasonable grounds upon which to base the report. We do not imply, and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

The report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this report has given no consideration on to matters of a legal nature, including issues of legal title and compliance with local laws and litigation and other contingent liabilities that are not represented to us by the Management.

This report does not look into the business/ commercial reasons behind the Proposed Amalgamation nor the likely benefits arising out of the same. Similarly, the report does not address the relative merits of the Proposed Amalgamation as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available. This report is restricted to recommendation of fair share exchange ratio only.



Certain terms of the Proposed Amalgamation are stated in our report, however the detailed terms of the Proposed Amalgamation shall be more fully described and explained in the Scheme document to be submitted with relevant authorities in relation to the Proposed Amalgamation. Accordingly, the description of the terms and certain other information contained herein is qualified in its entirety by reference to the Scheme document.

The fee for the Engagement is not contingent upon the results reported.

We owe responsibility only to the Board of Directors of ADFL and AWL, who have appointed us, and nobody else. We do not accept any liability to any third party in relation to the issue of this report. It is understood that this analysis does not represent a fairness opinion. In no circumstance, shall the liability of NK exceed the amount as agreed in our Engagement Letter.

This Valuation report is subject to the laws of India.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the purpose of determining the fair share exchange ratio for the Proposed Amalgamation and relevant filing with regulatory authorities in this regard, without our prior written consent.

In addition, this report does not in any manner address the prices at which equity shares of the Companies shall trade following announcements of the Proposed Amalgamation and we express no opinion or recommendation as to how shareholders of the Companies should vote at any shareholders' meetings. Our report and the opinion/ valuation analysis contained herein is not to be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities.

<<<< This space has been left blank intentionally >>>>



VALUATION APPROACH & METHODOLOGY

Basis and Premise of Valuation:

Valuation of the equity shares of the Companies as on the Valuation Date is carried out in accordance with ICAI Valuation Standards ('ICAI VS'), considering 'relative value' base and 'going concern' premise. Valuation base means the indication of the type of value being used in an engagement. Any change in the Valuation base, or the Valuation premise could have a significant impact on the Valuation outcome of the Companies.

Basis of Valuation

It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS is defined as under:

'Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.'

Premise of Value:

Premise of Value refers to the conditions and circumstances how an asset is deployed. Valuation of the Companies is carried out on a Going Concern Value premise which is defined under ICAI VS as under:

'Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc.'

It is pertinent to note that the valuation of any business/company or its assets is inherently imprecise and is subject to various uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions considering inter-alia general business and economic conditions, many of which are beyond the control of the company. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the business, and other factors which generally influence the valuation of the company, its business and assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although, different values may exist for different purpose, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Commonly accepted approach/ methods for determining the value of the equity shares of a company/ business, include:

- Market Approach
 - a. Market Price method
 - b. Comparable Companies Market Multiple method
- Income Approach – Discounted Cash Flow method



- Asset Approach – Net Asset Value Method

For the Proposed Amalgamation, we have considered the following commonly used and accepted methods for determining the value of the equity shares of the Companies for the purpose of recommending the fair share exchange ratio, to the extent relevant and applicable:

Market Approach

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.

Market Price Method

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the shares as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of an amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transaction and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

In the present case, equity shares of AWL are listed on NSE as well as BSE while equity shares of ADFL are listed on BSE only. Equity shares of AWL and ADFL are widely held, regularly and frequently traded with reasonable volumes on NSE and BSE respectively. We have therefore used the market price approach to value the equity shares of ADFL and AWL. We have considered higher of 10 trading days' or 90 trading days' volume weighted average price prior to report date to arrive at the market price of the respective Companies.

Comparable Companies Multiple (CCM) Method

Under this method, the value of the shares / business of a company is estimated by applying the derived market multiple based on market quotations of comparable public / listed companies, in an active market, possessing attributes similar to the business of such company - to the relevant financial parameter of the company / business (based on past and / or projected working results) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued. These valuations are based on the principle that such market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.



Based on our analysis and discussion with the Management, we understand that there are no listed companies that can be considered as a company comparable to the Companies having regard to the size, business profile and financial performance, we have therefore not used CCM Method to value the equity shares of respective Companies.

Comparable Transaction Multiple (CTM) Method

Under Comparable Transaction Method, the value of shares/ business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company. Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration has been given to the specific characteristics of the business being valued.

Based on our market analysis and discussion with the Management, we understand that there are no recent comparable transactions, data of which is available in public domain, involving companies of similar nature and having a similar operating/ financial metrics as that of ADFL and AWL, we have therefore not used CTM method to value the equity shares of these Companies.

Income Approach - Discounted Cash Flow ('DCF')

Income approach is a valuation approach that converts maintainable or future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted or capitalized) amount.

Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. This method is used to determine the present value of a business on a going concern assumption and recognizes the time value of money by discounting the free cash flows for the explicit forecast period and the perpetuity value at an appropriate discount factor. The terminal value represents the total value of the available cash flow for all periods subsequent to the horizon period. The terminal value of the business at the end of the horizon period is estimated, discounted to its present value equivalent, and added to the present value of the available cash flow to estimate the value of the business.

Such DCF analysis involves determining the following:

- Estimating future free cash flows: Free cash flows are the cash flows expected to be generated by the company/ asset that are available to the providers of the company's capital - both debt and equity.
- Appropriate discount rate to be applied to cash flows i.e., the cost of capital: This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.



Under the DCF method the projected free cash flows to the firm for the horizon period are discounted at the weighted average cost of capital. Terminal value of the business at the end of the horizon period is estimated based on an appropriate perpetual growth rate considering inter-alia long-term inflation and other business-related factors. The sum of the discounted value of such free cash flows for the horizon period and terminal value is the enterprise value. Adjustments for debt and debt-like items, cash and cash equivalents, post balance sheet events and contingent liability (if any) adjusted for probability of devolvement is considered to determine the equity value.

AWL and ADFL both are listed companies and since the information related to future financial projections of the Company are price sensitive in nature, we therefore have not used DCF method to determine the value of the equity shares of AWL and ADFL.

Asset Approach

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. A net asset methodology is most applicable for businesses where the value lies in its underlying assets and not in the ongoing operations of the business.

Valuation of AWL and ADFL is carried out on a 'going concern' premise. The historical net asset value of the business may not be representative of their earning potential. Further, self-generated key intangibles such as technology, customer relationship, brand/ trademark, distribution network may not be reflected in their historical net asset value. The Companies are profitable and is expected to continue to generate profits. Since NAV does not value the profit generating ability of the Companies, Asset Approach has not been adopted for the valuation of the Companies.

<<<< This space has been left blank intentionally >>>>



RECOMMENDATION OF FAIR SHARE EXCHANGE RATIO FOR THE PROPOSED AMALGAMATION

The fair share exchange ratio has been arrived at on the basis of a relative (and not absolute) equity value of the Transferor company and Transferee company for the proposed scheme of amalgamation (merger by absorption) based on the various methodologies mentioned herein earlier. Suitable rounding off have been carried out wherever necessary to arrive at the recommended fair share exchange ratio.

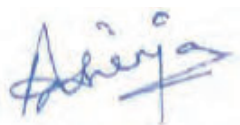
Refer Annexure 1 for value per share under different methods prescribed and the fair share exchange ratio.

In light of the above and on a consideration of all the relevant factors and circumstances as discussed and outlined herein above including scope, limitations and assumptions described in this report and the engagement letter, we recommend the fair share exchange ratio as follows:

To the equity shareholders of ADFL:

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.

Respectfully submitted,



Niranjana Kumar
Registered Valuer- Securities or Financial Assets
IBBI Registration Number: IBBI/RV/06/2018/10137
ICAIRVO/06/RV-P000021/2018-19
UDIN: 22121635AJYENI5231

Date: 31 May 2022
Place: Pune

Annexure 1 – Summary of fair share exchange ratio

Amalgamation of ADFL (Transferor Company) with AWL (Transferee Company)

| Approach/Method of Valuation | AWL | | | ADFL | | |
|---|-----------------------|---------|---------|-----------------------|---------|---------|
| | Value per Share (INR) | Weights | Product | Value per Share (INR) | Weights | Product |
| Market Approach - Market Price Method | 677.8 | 100.0% | 677.8 | 73.7 | 100.0% | 73.7 |
| Income Approach - Discounted Cash Flow Method | NA | 0.0% | NA | NA | 0.0% | NA |
| Asset Approach - Net Asset Value Method | NA | 0.0% | NA | NA | 0.0% | NA |
| Total | | 100.0% | 677.8 | | 100.0% | 73.7 |
| Relative value per equity share (INR) | | | 677.8 | | | 73.7 |
| Recommended Fair Share Exchange Ratio (Rounded off) | | | | | | 9.20 |

NA: Not Adopted

Notes:

1) Market Approach – Market Price Method

The equity shares of AWL and ADFL are listed on any stock exchange, we have therefore considered market price method to determine the fair value of equity shares of AWL and ADFL.

2) Income Approach – Discounted Cash Flow Method

AWL and ADFL both are listed companies and since the information related to future financial projections of the Company are price sensitive in nature, we were not provided with the financial projections of these Companies by the Management. We have therefore not used DCF method to determine the fair value of the equity shares of AWL and ADFL.

3) Asset Approach – NAV Method

AWL and ADFL, presently operate as a going concern and would continue to do so for the foreseeable future and NAV Method does not value the future profit generating ability of the business, we have therefore not used this method to value the equity shares of AWL and ADFL.





Strictly Private & Confidential

SEBI Registration No.: INM000010163

To,
The Board of Directors,
Ador Fontech Limited
Belview, 7 Haudin Road,
Bengaluru-560042, Karnataka.

Sub: Fairness Opinion on the Fair Share Exchange Ratio for the proposed Scheme of Amalgamation of Ador Fontech Limited with Ador Welding Limited

Dear Members of the Board:

With reference to our engagement letter dated May 26, 2022 wherein Ador Fontech Limited has requested Fedex Securities Private Limited (Fedex) to provide fairness opinion on the Fair Share Exchange Ratio for the purpose of the proposed amalgamation of Ador Fontech Limited with Ador Welding Limited and their respective Shareholders.

Engagement Background, Purpose and Use of this Report

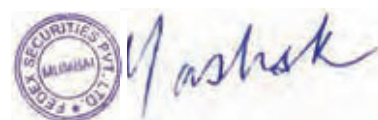
We understand that the managements of Ador Fontech Limited (“ADFL” or “Transferor Company” or “the Company”) and Ador Welding Limited (“AWL” or “Transferee Company”) (ADFL and AWL are hereinafter together referred to as the “Companies”) are proposing amalgamation of the Transferor Company with the Transferee Company pursuant to a Scheme of Amalgamation (Merger by Absorption) of ADFL with AWL and their respective Shareholders under Sections 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, as may be applicable (“Scheme”).

Mr. Niranjana Kumar, Registered Valuer, Securities or Financial Assets having Registration No. IBBI/RV/06/2018/10137 (“Registered Valuer” or the “Valuer”) is appointed by the Companies to prepare a report (“Valuation Report” / “Fair Share Exchange Report”) and recommend the Fair Share Exchange Ratio. As per the Valuation Report dated 31 May 2022, the Valuer has recommended the Fair Share Exchange Ratio as follows:

| | |
|--|--|
| <i>To the equity shareholders of ADFL with respect to amalgamation with AWL.</i> | <i>5 (Five) equity shares in AWL having a face value of INR 10/- (Rupees Ten) each fully paid-up shall be issued for every 46 (Forty-six) equity shares held in ADFL having a face value of INR 2/- (Rupees Two) each fully paid-up as on the Record date.</i> |
|--|--|

In connection with the aforesaid, you requested our Fairness Opinion (the "Opinion") as of the date hereof, as to the fairness of the Fair Share Exchange Ratio to the Equity Shareholders of the Company. The scope of this Opinion includes commenting on the fairness of the Fair Share Exchange Ratio recommended by the Valuer and not on the fairness or the economic rationale of the Scheme per se or the historical financial statements relied upon for the same by the Valuer.

This Opinion is addressed to the Board of Directors of the Company. Further, this Opinion is subject to the scope, limitations, assumptions, exclusions and disclaimers detailed herein. This Opinion has been issued as per the requirements of Securities & Exchange Board of India ("SEBI") master circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 consolidating the SEBI circulars in relation to the Scheme of Arrangement by Listed Entities and amendment via SEBI Circular number SEBI/HO/CFD/DIL2/CIR/P/2022/11 dated February 01, 2022 (together referred to as "**SEBI Circulars**") read with applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") as amended from time to time. As such the Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This Opinion has been issued only for the purpose of facilitating the Scheme in terms of the abovementioned SEBI Circulars and should not be used for any other purpose.



Company Background

Ador Fontech Limited

ADFL 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 equity shares of ADFL is listed on BSE Limited (BSE).

Ador Fontech Limited is engaged in the business of “Life Enhancement of Industrial Components” which includes products, services and solutions for reclamation, repairs and maintenance.

Ador Welding Limited

AWL is a 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 equity shares of AWL are listed on BSE and National Stock Exchange of India Limited (NSE).

AWL is engaged in the business of manufacturing and selling of various products such- as welding and cutting equipment, CNC machines, welding automation products as well as welding accessories. AWL is also engaged in the business of Flares & Process Equipment.

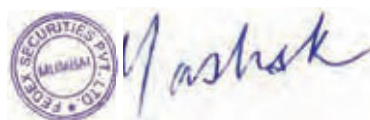
Brief Background of the Proposed Scheme

The Scheme provides for amalgamation of ADFL with AWL. Upon the effective date of the Scheme, pursuant to the amalgamation of ADFL with AWL as contemplated in the Scheme, AWL will issue 5 fully paid up equity shares of INR 10/- each to the equity shareholders (as on the Record Date) of ADFL for every 46 fully paid up equity shares of INR 2/- each held in ADFL.

Source of Information

In arriving at the Opinion set forth below, we have relied upon the accuracy and completeness of all information and documents provided to us by the Company and/or their other advisors, including:

1. Valuation Report dated May 31, 2022 issued by the Valuer (a draft was shared with us before issuance of the final Valuation Report);
2. Draft Scheme of Amalgamation (Merger by Absorption) of ADFL with AWL and their respective shareholders (“Scheme”);
3. Memorandum & Articles of Association of ADFL and AWL;
4. The shareholding pattern of ADFL and AWL as on date;
5. Audited consolidated financial statements of ADFL and AWL for financial year ended 31 March 2021 and 31 March 2022;
6. Market Data/Trading Data of ADFL and AWL from NSE and BSE;



7. Necessary explanations, information and representations provided by the management of the Company and/or its advisors.

Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of the Company (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Fair Share Exchange Ratio as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Draft Scheme and such other regulatory authorities under Listing Regulations, SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. Neither this Opinion nor its contents may be referred to quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. The receipt of this Opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, not to constitute such person our client.

In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on our examination of the Valuation Report, such other information / undertakings / representations provided to us by the Company and our independent analysis and evaluation of such information and subject to the scope limitations as mentioned herein Annexure-1 and to the best of our knowledge and belief, we are of the opinion that the Fair Share Exchange Ratio is fair for the shareholders of ADFL.

Yours truly,

For Fedex Securities Private Limited

(Formerly known as Fedex Securites Limited)



Authorised Signatory

Date: May 31, 2022

Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by the Company including the Valuation Report and the Draft Scheme. The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all financial and other information and data that was publicly available or provided to or otherwise made available to us or discussed with us by the Company, and upon the understanding that the management of ADFL and its advisors are not aware of any relevant information relating to ADFL that has been omitted or that remains undisclosed to us that would make the information or data examined by, provided to, reviewed by or discussed with us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at our Opinion.

We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions on which it is based. We have not assumed any obligation to conduct, nor have conducted any physical inspection or title verification of the properties or facilities of the ADFL and neither express any opinion with respect thereto nor accept any responsibility therefore. Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Company or its businesses referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. We assume no responsibility whatsoever for any errors in the information furnished by the Company and/or their other advisors and their impact on the present exercise.

We have not made any independent valuation or appraisal of the assets or liabilities of the Company, nor have we been furnished with any such appraisals. We have not conducted or prepared a model for any asset valuation or provided an analysis of due diligence or appraisal of the assets and liabilities of the Company and have wholly relied on information provided by the Company in that regard.

We have not received any internal management information statement or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion.

We are not experts in evaluation of litigation or other actual or threatened claims or any tax implication connected with the Draft Scheme and accordingly we have not evaluated any litigation or other actual or threatened claims. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which the Company is or may be a party or are or may be

a subject, or of any government investigation of any possible unasserted claims or other contingent liabilities to which the Company are or may be a party or are or may be a subject. No investigation as to the Company claim to title of assets has been made for the purpose of this exercise and the Company claim to such rights has been assumed to be valid. We have not evaluated the solvency or fair value of the Company under either the laws of India or other laws relating to bankruptcy, insolvency or similar matters.

Our Opinion should not be construed as certifying the compliance with the provisions of any law including company or taxation laws or any legal, regulatory including all SEBI regulations, accounting or taxation implications or issues. We understand that the Company would obtain such advice as deemed necessary from qualified professionals.

We express no opinion whatever and make no recommendation at all as to Company's underlying decision to affect the Draft Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Company should vote at their respective meetings held in connection with the Proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Draft Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of the Company will trade following the announcement of the Draft Scheme or as to the financial performance of the Company following the consummation of the Draft Scheme. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or other consents or approvals for the Proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Scheme that may have been contemplated.

We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company, other than those disclosed in the information provided or considered in the Draft Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion.

Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorised to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.



Our Opinion also does not address any matters other than expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We were not requested to, and we did not, participate in the negotiation of the terms of the Scheme, its feasibility or otherwise and we did not provide any advice or services in connection with the Scheme other than the delivery of this Opinion. We express no view or opinion as to any such matters. We also express no view as to, and our Opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees to any parties of the Scheme, or any class of such persons, relative to the Fair Share Exchange Ratio. We express herein no view or opinion as to any terms or other aspects of the Scheme (other than the Fair Share Exchange Ratio to the extent expressly stated herein).

Fedex and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Companies and/or their affiliates unrelated to the Proposed Scheme. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our businesses, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives or other obligations) of the Company and/or the Transferee Company and/or their respective affiliates, holding companies and group companies.

Fedex will receive a fee in connection with the delivery of this Fairness Opinion. The fee is not contingent upon the nature of the opinion provided to the Company. The fee for our service is not subject to the outcome of the Proposed Scheme. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Fairness Opinion is subject to the laws of India.

In no circumstances shall the liability of Fedex, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to Fedex as fees for this Fairness Opinion.

A circular purple stamp of Fidelity Securities Pvt. Ltd. is visible, with a handwritten signature in blue ink over it. The signature appears to be 'V. Ashok'.

May 31, 2022

**The Board of Directors
Ador Welding Limited**

Ador House, 6,
K. Dubash Marg, Fort,
Mumbai 400001

Dear Members of the Board,

Sub: Fairness opinion on the Fair Equity Share Exchange Ratio Report issued on proposed 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 section 230 to 232 (hereinafter referred to as the "Scheme") in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("Master Circular").

Ref.: Our Engagement Letter dated May 26, 2022.

We understand that the Board of Directors of Ador Welding Limited has appointed Niranjana Kumar, Registered Valuer - Securities or Financial Assets as the **"Registered Valuer"** to value and determine Fair Equity Share Exchange Ratio in connection with the proposed Scheme of Amalgamation (Merger By Absorption) (hereinafter referred to as the **"Scheme"**) of Ador Fontech Limited (**"Transferor Company"** or **"ADFL"**) and Ador Welding Limited (**"Transferee Company"** or **"AWL"**) and their respective shareholders pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Scheme provides for the Transferor Company. The Transferee Company are engaged in similar lines of business and complement each other and 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 operations, the Board of Directors of the Transferor Company and the Transferee Company proposing to consolidate the business of the Transferor Company with the Transferee Company.

Systematix Corporate Services Limited (**"Systematix"**), a SEBI registered Category I Merchant Banker having permanent Registration Number INM000004224 and also empanelled as independent valuer at BSE Limited (**"BSE"**) and National Stock Exchange of India Limited (**"NSE"**), has been appointed by the Board of Directors of AWL to provide "Fairness Opinion" pursuant to Regulations 11, 37 and 94 of the Listing Regulations and the Master Circular.

Our opinion is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Systematix Corporate Services Limited

Registered Office: 206 - 207, Bansi Trade Centre, 581/5, M. G. Road, Indore - 452 001. Tel: +91-0731-4068253
Corporate Office : The Capital, A-Wing, No. 603 - 606, 6th Floor, Bandra Kurla Complex, Bandra (East), Mumbai -400051.
Tel: +91-22-6619 8000 / 4035 8000 Fax: +91-22-6619 8029 /40358029
CIN: L91990MP1985PLC002969 Website: www.systematixgroup.in Email: secretarial@systematixgroup.in

SEBI Merchant Banking Registration No. : INM000004224



I. SOURCES OF INFORMATION

The sources of information, which have been furnished to us by Companies, are as follows:

- Discussion (including oral), draft and final Valuation Report dated May 31, 2022 issued by Niranjana Kumar, Registered Valuer Securities or Financial Assets (Registration No. IBBI/RV/06/2018/10137);
- Audited consolidated financial statements of the Companies for the financial year ('FY') ended 31 March 2021 ('FY21') and 31 March 2022 ('FY22')
- Shareholding pattern of the Companies as at the Valuation Date
- Information provided by leading database sources, market research reports and other publicly available published data.
- Discussions with the representatives of the Company regarding the past, current and future business and other aspects of the Company in relation to the Valuation.
- Draft Scheme of Amalgamation (Merger By Absorption)
- Share Price details of the Transferor Company from BSE and the Transferee Company from NSE and BSE website.

In addition to the above, we have also obtained other necessary explanations and information, which we believed were relevant to the present exercise, from the management of AWL and ADFL.

II. SCOPE, LIMITATIONS, ASSUMPTIONS, EXCLUSIONS AND DISCLAIMERS

Our Opinion and analysis are limited to the extent of review of the documents as provided to us and described above.

We have relied upon the accuracy and completeness of all information and documents provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not reviewed any financial forecasts relating to the Transferor and the Transferee companies since the same were not provided to us by the board of directors of the Transferor and the Transferee companies considering price sensitive nature. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies. We do not express any opinion as to the value of any asset of Companies involved in the Scheme, whether at current prices or in the future.

We do not express any opinion as to the price at which shares of the AWL and ADFL may trade at any time, including after the date of this opinion. In rendering our opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Companies and their respective shareholders.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. Our opinion is specific to the Scheme as contemplated in the Scheme provided to us and is not valid for any other purpose.

We may currently or in the future provide, investment banking services to AWL and ADFL and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Systematix may actively trade in the securities of the AWL and ADFL on behalf of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the opinion expressed herein are for the use of the Board of Directors of AWL and ADFL in connection with the consideration of the Scheme and for none other. Neither Systematix, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for or based on or relating to any such information contained therein.

Our opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

This report may be submitted to the Stock Exchange, SEBI, the National Company Law Tribunal (NCLT) and such other statutory and regulatory authorities from whom approval is required under applicable law. The report may also be disclosed on the website of AWL and ADFL and made available to the respective shareholders and creditors in connection with the approval process for the Scheme.

The fee for this engagement is not contingent upon the results of this report.

III. BACKGROUND OF THE COMPANIES

Ador Welding Limited ("Transferee Company" or "AWL")

AWL is a 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- 400 001, Maharashtra, India. The Transferee Company was incorporated on October 22, 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 consequent upon the change of name issued by the Registrar of companies, Mumbai on November 27, 1968. Thereafter, the name was changed Advani -Oerlikon Limited and then to 'Ador Welding Limited' and a fresh certificate of incorporation was issued on September 09 2003, by the Registrar of Companies, Maharashtra, Mumbai. The equity shares of Transferee Company are listed on BSE Limited and National Stock Exchange of India Limited. JB Advani & Company Private Limited ("JB Advani") and Promoters together hold 56.90% in the Transferee Company.

The Transferee Company is 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.

| Name of Shareholder | No. of Shares | Percentage (%) |
|---|-------------------|----------------|
| Promoter & Promoter Group | | |
| Individuals | 937,181 | 6.9% |
| JB Advani | 6,800,531 | 50.0% |
| Public | | |
| Others | 5,860,755 | 43.1% |
| Total no. of equity shares outstanding | 13,598,467 | 100.0% |

Ador Fontech Limited (“Transferor Company” or “ADFL”)

Ador Fontech Limited 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 August 22, 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 consequent upon the change of name issued by the Registrar of Companies, Mumbai on December 07, 1979. Subsequently changed its name to Cosmics Fontech Limited and a fresh incorporation certificate was issued consequent upon the change of name issued by the Registrar of Companies, Mumbai on October 21, 1988. Subsequently it changed its name to ‘Ador Fontech Limited’ and a fresh incorporation certificate was issued, consequent upon the change of name, by the Registrar of Companies, Bangalore on September 11, 1996. The equity shares of Transferor Company are listed on BSE Limited. JB Advani & Company Private Limited (“JB Advani”) and Promoters together hold 39.23% in the Transferor Company.

The Transferor Company is engaged in the business of manufacturing and providing industries a comprehensive range of Low Heat Input Welding Alloys, Flux Cored Welding Wires, Thermal Coating Alloy Powders, and the associated equipment, used with the relevant reclamation and surfacing processes.

| Name of Shareholder | No. of Shares | Percentage (%) |
|---|-------------------|----------------|
| Promoter & Promoter Group | | |
| Individuals | 4,515,763 | 12.9% |
| JB Advani | 9,213,301 | 26.3% |
| Public | | |
| Others | 21,270,936 | 60.8% |
| Total no. of equity shares outstanding | 35,000,000 | 100.0% |

IV. RECOMMENATION OF THE REGISTERED VALUER

As stated above, we have reviewed copy of the Valuation Report dated May 31, 2022 issued by the Registered Valuer proposing the following Fair Equity Share Exchange Ratio for equity shares to be issued by the AWL to the Equity Shareholders of the ADFL:

"5 (five) equity shares of AWL of INR 10/- fully paid up for every 46 (Forty-Six) equity shares of ADFL of INR 2/- each fully paid up"

V. OUR COMMENT ON PROPOSED FAIR EQUITY SHARE EXCHANGE RATIOS

Our fairness opinion has been prepared based on the reports provided by the Registered Valuer and our exercise of the various qualitative factors relevant to Companies, having regard to information base, Management representations, key underlying assumptions and limitations.

On consideration of all the relevant factors and circumstances, we believe that the Fair Equity Share Exchange Ratio determined by the Registered Valuer is fair for the shareholders of AWL and ADFL including from a financial standpoint.

Thanking you.

For Systematix Corporate Services Limited
(SEBI Registration No. INM000004224)



Amit Kumar
Director, Investment Banking

DCS/AMAL/TL/IP/2497/2022-23

“E-Letter”

September 26, 2022

The Company Secretary,
ADOR FONTECH LTD.
 Belview 7 Haudin Road, Bengaluru,
 Karnataka, 560042

Dear Sir,

Sub: Observation Letter regarding Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited and their respective Shareholders

We are in receipt of the draft Scheme of Amalgamation filed by **Ador Fontech Limited** as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated September 26, 2022, has inter alia given the following comment(s) on the draft scheme of Amalgamation:

- 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.”
- 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.”
- 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.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- i. To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- ii. To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- iii. To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its ‘No adverse observation’ at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities. Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon’ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange’s representations or objections if any, **would be accepted and processed through the Listing Centre only and**



no physical filings would be accepted. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,
Sd/-

Prasad Bhide
Senior Manager

Sd/-

Tanmayi Lele
Assistant Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Floor 15, E-1 Tower, Dalal Street, Mumbai 400 001 India.
T: +91 22 2572 1234 F: +91 22 2572 1235 E: corporate@bseindia.com | www.bseindia.com
Corporate Identity Number: U67200MH1999PLA1500003

Report on Complaints as on August 24, 2022

Part A

| Sr. No. | Particulars | Number |
|---------|--|--------|
| 1. | Number of complaints received directly | 15 |
| 2. | Number of complaints forwarded by Stock Exchange | - |
| 3. | Total Number of complaints/comments received (1+2) | 15 |
| 4. | Number of complaints resolved | 15 |
| 5. | Number of complaints pending | 0 |

Part B

| Sr. No | Name of complainant | Date of complaint | Status |
|--------|---|-------------------|----------|
| 1. | Sandeep Devendra Rajani | 08-07-2022 | Resolved |
| 2. | Vinay Kumar Taparia | 05-07-2022 | Resolved |
| 3. | Vijay Rameshwarlal Nayyar | 06-07-2022 | Resolved |
| 4. | Sanjay Kumar Khemka (jointly with shareholders mentioned below) | 06-07-2022 | Resolved |
| | <i>Pensol Exports Pvt. Ltd.</i> | | |
| | <i>Pensol Oil Company Private Limited</i> | | |
| | <i>Sanjay Kumar Khemka HUF</i> | | |
| | <i>Bhavna Khemka</i> | | |
| 5. | Ratika Kataruka | 28-06-2022 | Resolved |
| 6. | Sangita Kataruka | 28-06-2022 | Resolved |
| 7. | Rajeev Kataruka | 20-06-2022 | Resolved |
| 8. | Basudeb Engineering Enterprises Ltd. | 28-06-2022 | Resolved |
| 9. | Rohit Kataruka | 28-06-2022 | Resolved |
| 10. | Kanga Financial Services Private Limited | 29-06-2022 | Resolved |
| 11. | Progressive Distributors Private Limited | 06-07-2022 | Resolved |
| 12. | Raghav Sarda | 22-06-2022 | Resolved |
| 13. | Sneha Vishal Sood (jointly with shareholder mentioned below) | 05-07-2022 | Resolved |
| | <i>Sneha Vishal Sood (Trust)</i> | | |
| 14. | Megh Ishwer Manseta (jointly with shareholder mentioned below) | 16-06-2022 | Resolved |
| | <i>Kiyomi Anant Talaulicar</i> | | |
| 15. | Keshav Garg (jointly with shareholders mentioned below) | 20-06-2022 | Resolved |
| | <i>Kamal Raj Gurnani</i> | | |
| | <i>Harjeet Kaur Bhatia</i> | | |
| | <i>Kanchan Gupta</i> | | |
| | <i>Navin Kumar Gupta</i> | | |

| Sr. No | Name of complainant | Date of complaint | Status |
|--------|-------------------------|-------------------|--------|
| | Kamlesh Garg | | |
| | Prashant Vijaywargi | | |
| | Ritu Garg | | |
| | Rajiv Garg | | |
| | Varun Jugal Vijaywargi | | |
| | Gaurav Garg | | |
| | Kanwar Maninder Bhatia | | |
| | Rajni Bhargava | | |
| | Nandita Deshmukh | | |
| | Nikhil Gupta | | |
| | Akshat Raje | | |
| | Suninder Singh Bhatia | | |
| | Nidhi Jain | | |
| | Ajay Kumar Saboo | | |
| | Rohan Anirudha Seolekar | | |
| | Amar Saboo | | |
| | Kunaal Seolekar | | |
| | Kirandeep Mann Kapoor | | |

For ADOR FONTECH LIMITED




Sanath Kumar D Rao
Asst. Company Secretary

August 24, 2022

RESPONSE TO THE SHAREHOLDERS BY RETURN OF EMAIL DATED AUGUST 18, 2022

Dear Shareholder,

Greetings!!!

Ref: Response to your letter / e-mail in relation to the Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited ("Transferor Company" or "ADFL" or "we") with Ador Welding Limited ("Transferee Company" or "AWL") and their respective Shareholders under the provisions of Section 230 to Section 232 of the Companies Act, 2013. ("the Scheme")

We have received your letter/e-mail towards the proposed Scheme which has been placed before the Board and in response to the same, Members of the Board wish to reiterate:

The Scheme proposed to be entered between Ador Fontech and Ador Welding, subject to approvals from Statutory/Regulatory Authorities and the Shareholders, inter alia is to create one of the largest welding and cutting product manufacturer and refurbishment player in the industry. It will also lead to business expansion and achieve larger product portfolio, economies of scale, efficiency, and other synergies. Request to refer to the rationale of the Scheme (Part II of the Scheme), based on which the Committee of Independent Directors, the Audit Committee, and the Board of Directors of Ador Fontech Limited and Ador Welding have approved the Scheme.

With regard to retention of capital by Ador Fontech, it may be noted that the Company has always followed a prudent treasury policy coupled with consistent payment of dividends. The recent dividend pay-out was 200% which amounted to an outflow of Rupees fourteen crores on an enhanced capital base after the 1:1 bonus issue.

In relation to the Share Exchange Ratio, as mentioned in the Scheme, it may be pertinent to note that Ador Fontech Limited and Ador Welding Limited are companies listed on the stock exchange for past many years and shares are being frequently and fairly traded, volatility in the stock prices over a reasonable period is minimal. Hence, market price method which is strong indicator of the intrinsic value of the respective entities has been made, based on advice provided by Consultants, Professionals and Valuers.

The Scheme is expected to be beneficial to all Stakeholders, including banks, financial institutions, creditors, employees/workers over and above its Shareholders, as it gives an opportunity to consolidate the business and attain higher profitability/margins and to create one of the largest Welding Companies in India.

By the order of the Board

For Ador Fontech Limited

Geetha D

Company Secretary

Dated: 18.08.2022

Notes:

- i. Shareholders' queries shared by email pertained to: 1. Share swap ratio 2. Reserves held by the Company. The Company had provided response as above. With no further queries or communication from the Members, the subject matter was marked Resolved.
- ii. Investors Meet was held on June 9, 2022 inter-alia to brief the Shareholders on the Merger. Queries of the Shareholders were addressed at that meeting. Recording of the meeting has been hosted on the website of the Company at: <https://www2.adorfon.com/investors-info/corporate-announcement/>.

INDEPENDENT AUDITORS' REPORT

To
The Members
Ador Fontech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Ador Fontech Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | Auditor's Response |
|--|--|
| <p>REVENUE RECOGNITION</p> <p>Revenue from sale of goods (hereinafter referred to as 'Revenue') is recognised when control of products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The Management considers revenue as a key measure for evaluation of performance.</p> <p>The timing of recognition of revenue in case of products is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on the customer's terms.</p> | <p>PRINCIPAL AUDIT PROCEDURES</p> <p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ('Revenue from contracts with customers') and testing thereof. Evaluated the design and operating effectiveness of Company's controls (including automated controls) around revenue recognition (including rebates / discounts). Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorised person and goods inward note. Selected a sample of continuing & new contracts and performed the following procedures: <ul style="list-style-type: none"> (i) Read, analysed and identified the performance obligations in these contracts; (ii) Compared these performance obligations with that identified and recorded by the Company; (iii) Considered the terms of contracts to determine the transaction price including any variable consideration used to compute revenue and to test the basis of estimation of the variable consideration; and (iv) Determined the allocation of transaction price to identify performance obligations in the contract. Scrutinised sales ledgers to verify completeness of sales transactions. We performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipts, sale orders, approved price list, proper recording in ledger of receivables etc. Performed analytical procedures on current year revenue based on overall revenue recognised, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. |

| Key Audit Matters | Auditor's Response |
|---|--|
| DIRECT TAX BALANCES The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions. | PRINCIPAL AUDIT PROCEDURES Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts. |
| LEASE ACCOUNTING Accuracy of recognition, measurement, presentation and disclosures of lease transactions in compliance with Ind-AS 116 'Leases' (New Revenue Accounting Standard). | PRINCIPAL AUDIT PROCEDURES We observed that the Company has entered in to lease agreement with Karnataka Industrial Area Development Board (KIADB) for lease of 12,465 Sq. mtr. for a period of 99 years. As the lease transaction is of a long term and the underlying asset is of significant value, the same requires compliance with IND AS 116. As per IND AS 116, the fair value of asset has to be booked at the present value of all lease related payments to be made. The Company has considered one time lumpsum lease payment made to KIADB and has decided to charge/expense off annual fees payable year on year. We observed that the impact of depreciation and related lease interest charges on the maintenance fee is not material. Therefore, we have not modified our opinion. |
| ACCOUNTING FOR IMPAIRMENT LOSS OF THE WHOLLY OWNED SUBSIDIARY The Company has investments in its wholly owned subsidiary (WOS), which is at the nascent stage and still carrying out significant product and developmental activities. Currently the said WOS has minimal revenues and the Company in its consolidated financial statements continues to record losses, incurred by the said WOS. Given this context, the investment had to be tested for impairment. The same was determined using discounted free cash flow method, requiring significant judgement and estimates. The related impairment testing was significant to our Audit. | PRINCIPAL AUDIT PROCEDURES Tested the design and operating effectiveness of relevant key controls around the Company's assessment of impairment of investments in the WOS. Tested reasonability of the projections used by the WOS related to its sales growth, operating costs, cash flow forecasts etc. Involved an 'Independent Valuer' to aid in evaluating besides usage of possible valuation assumptions and estimates including discount and growth rates. Tested whether the Management analysis about the sensitivity of the outcome w.r.t. impairment assessment with possible changes in key assumptions reflect the risks inherent in the valuation. Based on the aforesaid testing, evaluation and explanations given by the Management, we concluded that the investments in WOS need not be impaired as on March 31, 2023. |

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information consists of details included in the Board's Report including annexures to the Board's report comprising Management Discussion and Analysis Report, Corporate Governance, Shareholders' information etc. but does not include the Standalone Financial Statements and our Auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable & prudent; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting, unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative, but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (iv) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (v) On the basis of written representations received from the Directors as on March 31, 2023 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

(vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financials.

(vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Director during the year is in accordance with the provisions of Section 197 of the Act.

(viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

The Company has made provisions, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - (i) Directly or indirectly lend or invest in other persons or entities, identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the Company or
 - (ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- The Management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ('funding parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the funding party or
 - (ii) Provide any guarantee, security or the like from or on behalf of the ultimate beneficiaries and
- Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) of the Companies (Audit and Auditors) Rules (as amended) contain any material mis-statement.
- The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the order.

For PRAVEEN & MADAN
Chartered Accountants

PRAVEEN KUMAR N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 23225884BGVJXY7383
Peer Review Certificate No.: 014926

Bengaluru
May 29, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in the 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Ador Fontech Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Internal Control Systems of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon.

| Key Audit Matters | Auditor's Response |
|--|--|
| Implementation of Enterprise Resource Planning (ERP) | The Finance and Accounts module of the Ramco System was made fully operational for the first time during FY 21-22. This being the second full financial year, the efficacy of the system was proven to be fully established. |
| The Company's detective and corrective control systems | We tested the design and operating effectiveness of detective & corrective controls and found that they are effective enough to detect & also correct errors and are fairly sufficient & appropriate for the nature and complexities of the business of the Company. |
| Valuation of retiral benefits | We have relied upon the professional / expert opinion of the Actuarial valuation. |

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds, errors, accuracy and completeness of the accounting records, timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements; plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established, maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists; testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and Directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bengaluru
May 29, 2023

For PRAVEEN & MADAN
Chartered Accountants

PRAVEEN KUMAR N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 23225884BGVJXY7383
Peer Review Certificate No.: 014926

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in the 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Ador Fontech Limited of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- The Company is maintaining proper records showing full particulars of intangible assets.
- The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- According to the information and explanations given to us, the records examined by us and based on the examination of conveyance deeds/registered sale deeds provided to us, we report that the title deeds, comprising all immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. Further, in respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment or Intangible assets during the year. Therefore, the reporting as per paragraph 3(i) (d) of the order is not required.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- We are informed that inventories have been physically verified by the Management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stocks and book records were not more than 10% in each class and have been properly dealt with in the books of accounts.
- The Company has working capital limit in excess of rupees five crore sanctioned by the HDFC Bank based on the security of current assets and specified fixed deposits. As per the sanction, limits can be swapped between funded and non-funded requirements. As on March 31, 2023 the Company has availed only bank guarantees and continues to be debt free, therefore reporting under para 3(ii)(b) of the order is not applicable.
- The Company has granted unsecured loans to two bodies corporate by way of inter-corporate-deposits, covered in the Register maintained under Section 189 of the Companies Act, 2013. Details of which are as follows:

| Organisation | Type | Amount as at March 31, 2022 | Paid during the year | Repaid during the year | Amount as on March 31, 2023 |
|----------------------------------|-------------------------|-----------------------------|----------------------|------------------------|-----------------------------|
| 3D Future Technologies Pvt. Ltd. | Wholly owned subsidiary | 1,239 | 80 | (154) | 1,165 |
| Ador Powertron Ltd. | Associate | - | 700 | (700) | - |

Notes: (i) Ador Powertron has repaid inter-corporate-deposit in full along with interest as at March 31, 2023. (ii) in respect of 3D Future Technologies, extension of inter-corporate-deposit was facilitated and the percentage of fresh and roll over was in the ratio of 7:93.

- According to the information and explanations given to us.
 - (i) The terms and conditions of the grant of such loans are in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (ii) There are no overdue amounts remaining outstanding as at the end of the year.
 - (iii) In respect of the wholly owned subsidiary, inter-corporate-deposit have been provided for a general term of one year which have been extended/renewed. Further, the terms and conditions specify for repayment on demand.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us, in respect of statutory dues:
 - (i) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (ii) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(iii) Details of dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2023 on account of dispute are given below: Rupees In Lakhs

| Nature of the statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount |
|-----------------------|----------------------|--------------------------------|------------------------------------|--------|
| Income Tax Act, 1961 | Corporate Income Tax | Commissioner (Appeals) | AY 2013-14 | 71 |
| | | Assistant Commissioner | AY 2016-17 | 10 |
| | | Commissioner (Appeals) | AY 2018-19 | 161 |
| | | Commissioner (Appeals) | AY 2021-22 | 260 |
| | | TOTAL | | 502 |

- Note: The Income Tax Department had raised claim of rupees forty crores for the Assessment year 2021-22. The Company had made representation that there is mistake apparent on record, being purchase and stock not considered in the computation. Simultaneously, there was scrutiny assessment in progress which upheld the return of income filed by the Company and also confirmed nil demand. In the intermitten, the Company had filed an Appeal and the Commissioner/National Faceless Assessment Centre has confirmed that order passed after scrutiny assessment will subsist as per law. The company has approached the Department for negating/deleting the demand being reflected in the Income Tax portal.
- According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- According to the information and explanations given to us including representation received from the Management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans (both for long and short term) during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous years. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- (i) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (ii) During the year, the Company had subscribed to Rights issue of its Subsidiary and was allotted 15,30,528 equity shares of Rs.10/- each at an issue price of Rs.49 per equity share.
- According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- No report under Section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- According to the information and explanations given to us including the representation made to us by the Management of the Company, there are no whistle-blower-complaints received by the Company during the year.
- The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with related parties are in compliance with Sections 177 and 188 of the Act, where applicable. Further, details of such related party transactions have been disclosed in the Standalone Financial Statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 and prescribed under Section 133 of the Act.
- In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under Section 138 of the Act which is commensurate with the size and nature of its business.
- We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected with them and accordingly, provisions of Section 192 of the Act are not applicable to the Company.
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- The Company is not a core investment company (CIC) as defined in the Regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) of the Order is not applicable.
- The Company has not incurred any cash loss in the current as well as in the immediately preceding financial year. However, the wholly owned subsidiary of the Company had incurred cash losses in the financial year 2022-23 and in the preceding financial year.
- There has been no resignation of the Statutory Auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the plans of the Board of Directors and Management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- According to the information and explanations given to us, the Company does not have any unspent amount in respect of any other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- There has been no adverse remarks provided by Statutory Auditor of the wholly owned subsidiary in respect of the Company Auditor's Report Order (CARO), 2020.

For PRAVEEN & MADAN
Chartered Accountants

PRAVEEN KUMAR N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 23225884BCVJXY7383
Peer Review Certificate No.: 014926

Bengaluru
May 29, 2023



INDEPENDENT AUDITOR’S REPORT

To

The Board of Directors of Ador Fontech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Annual Financial Results of Ador Fontech Limited (the Company) for the quarter and year ended March 31, 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

In our opinion and to the best of our information and according to the explanations given to us, these Standalone Financial Results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 (the Act) and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibilities for the Standalone Financial Results**

The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Standalone Financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing as specified under Section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Results.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The Statement includes the financial results for the quarter ended March 31, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

Bengaluru**May 29, 2023****For Praveen & Madan****Chartered Accountants**

**Praveen
Kumar** Digitally signed by
Praveen Kumar
Date: 2023.05.29
16:20:47 +05'30'

Praveen Kumar N**Partner (Membership No: 225884)****Firm Registration no.:011350S****UDIN: 23225884BGVJXW5939**

STANDALONE

ADOR FONTECH LIMITED

Rupees In Lakhs

| Particulars | Note No. | As at 31.03.2023 | As at 31.03.2022 |
|--|----------|------------------|------------------|
| ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 2 | 2,698 | 2,810 |
| Intangible assets | | 111 | - |
| Financial assets | | | |
| Investments | 3 | 1,725 | 975 |
| TOTAL | | 4,534 | 3,785 |
| 2. CURRENT ASSETS | | | |
| Inventories | 4 | 2,238 | 2,274 |
| Financial assets | | | |
| (i) Investments | 5 | 1,402 | 2,015 |
| (ii) Trade receivables | 6 | 3,051 | 2,755 |
| (iii) Cash and cash equivalents | 7 | 155 | 27 |
| (iv) Other bank balances | 8 | 3,978 | 3,817 |
| (v) Loans and advances | 9 | 1,360 | 1,548 |
| Other current assets | 10 | 235 | 387 |
| Current tax assets (net) | 11 | 527 | 290 |
| TOTAL | | 12,946 | 13,113 |
| TOTAL ASSETS | | 17,480 | 16,898 |
| EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| Equity share capital | 12 | 700 | 700 |
| Other equity | 13 | 14,191 | 13,269 |
| TOTAL | | 14,891 | 13,969 |
| 2. LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | 14 | 171 | - |
| TOTAL | | 171 | - |
| CURRENT LIABILITIES | | | |
| Financial Liabilities | | | |
| (i) Trade payables | 15 | | |
| Total outstanding due to Micro, small and medium enterprises | | 823 | 518 |
| Total outstanding due to creditors other than MSME | | 970 | 1613 |
| (ii) Other financial liabilities | 16 | 298 | 299 |
| Other current liabilities | 17 | 167 | 137 |
| Provisions | 18 | 160 | 362 |
| TOTAL | | 2,418 | 2,929 |
| TOTAL EQUITY AND LIABILITIES | | 17,480 | 16,898 |
| Significant accounting policies | 1 | | |
| Notes to the financial statements | 2-55 | | |

A T MALKANI

Chairman
DIN 01585637For and on behalf of the Board of Directors
H P LEDWANIManaging Director & CEO
DIN 00040629

GEETHA D

Company Secretary & CFO
Bengaluru, May 29, 2023

Note: Financial Statements of both the Transferor and Transferee Companies are an extract from the Annual Reports of 2022-23 and that of Quarter as reported to the Bombay Stock Exchange (BSE). For more details, request to kindly log on to www.adorfon.com / www.adorwelding.com.

As per our report of even date attached
For PRAVEEN & MADAN

Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXY7383
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

| Particulars | Note No. | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|----------|--------------------------|--------------------------|
| 1. INCOME | | | |
| (i) Revenue from operations | 19 | 20,778 | 20,477 |
| (ii) Other income | 20 | 424 | 566 |
| TOTAL | | 21,202 | 21,043 |
| 2. EXPENSES | | | |
| Cost of materials consumed | 21 | 5,844 | 4,478 |
| Purchase of stock-in-trade | 22 | 6,190 | 6,449 |
| Changes in inventories of work-in-progress, finished goods & stock-in-trade | 23 | 26 | 338 |
| Employee benefit expenses | 24 | 2,541 | 2,761 |
| Depreciation and amortisation expenses | | 312 | 271 |
| Other expenses | 25 | 3,032 | 3,241 |
| TOTAL | | 17,945 | 17,538 |
| 3. PROFIT BEFORE TAX | | 3,257 | 3,505 |
| 4. TAX EXPENSES | 26 | | |
| (i) Current tax | | 790 | 1,025 |
| (ii) Deferred tax | | 164 | (65) |
| TOTAL | | 954 | 960 |
| 5. NET PROFIT AFTER TAX (3-4) | | 2,303 | 2,545 |
| 6. OTHER COMPREHENSIVE INCOME | 27 | | |
| (i) Items that will not be reclassified to profit or loss | | 26 | 25 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | (7) | (6) |
| TOTAL | | 19 | 19 |
| 7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6) | | 2,322 | 2,564 |
| 8. EARNINGS PER EQUITY SHARE | 28 | | |
| Basic and diluted (in Rs.) | | 6.6 | 7.3 |
| Face value of equity share (in Rs.) | | 2.0 | 2.0 |
| Significant accounting policies | 1 | | |
| Notes to the financial statements | 2-55 | | |
| The accompanying notes 1-55 form an integral part of the financial statements. | | | |

A T MALKANI
Chairman
DIN 01585637

For and on behalf of the Board of Directors
H P LEDWANI
Managing Director & CEO
DIN 00040629

GEETHA D
Company Secretary & CFO
Bengaluru, May 29, 2023

As per our report of even date attached
For PRAVEEN & MADAN
Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXY7383
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

| Particulars | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS | 3,257 | 3,505 |
| Add/(Less): Depreciation, amortisation and impairment | 312 | 271 |
| Interest and dividend Income | (350) | (292) |
| Other comprehensive income | 26 | 25 |
| OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL | 3,245 | 3,509 |
| Adjustments for: | | |
| Trade receivables | (296) | (33) |
| Inventories | 36 | 250 |
| Current investments | 613 | (443) |
| Loans provided | 188 | (587) |
| Other current assets | 152 | (271) |
| Trade payables | (338) | 266 |
| Other financial liabilities | (1) | (29) |
| Other current liabilities | 30 | 50 |
| Current provisions | (202) | (62) |
| Changes in current tax assets | (237) | 83 |
| OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL | 3,190 | 2,733 |
| Direct taxes paid/(Refund due) | (790) | (1,025) |
| NET CASH FROM OPERATING ACTIVITIES (A) | 2,400 | 1,708 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (311) | (455) |
| Capital work-in-progress | - | 244 |
| Purchase and sale of investments (net) | (750) | 188 |
| Increase/(decrease) in other bank accounts | (161) | (1,172) |
| Interest and dividend income | 350 | 292 |
| NET CASH FROM INVESTING ACTIVITIES (B) | (872) | (903) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(decrease) in non current provisions | - | (60) |
| Dividend paid including tax | (1,400) | (770) |
| NET CASH FROM FINANCING ACTIVITIES (C) | (1,400) | (830) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 128 | (25) |
| Opening balance of cash and cash equivalents | 27 | 52 |
| Closing balance of cash and cash equivalents | 155 | 27 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS | | |
| Balances with banks in current accounts | 155 | 27 |

A T MALKANI
Chairman
DIN 01585637

For and on behalf of the Board of Directors
H P LEDWANI
Managing Director & CEO
DIN 00040629

GEETHA D
Company Secretary & CFO
Bengaluru, May 29, 2023

As per our report of even date attached
For PRAVEEN & MADAN
Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXY7383
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

INDEPENDENT AUDITORS' REPORT

To
The Members
Ador Fontech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Ador Fontech Limited ('the Company') and its subsidiary-3D Future Technologies Private Limited (the Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind-AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, the consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act & the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key Audit Matters | Auditor's Response |
|--|---|
| <p>REVENUE RECOGNITION</p> <p>Revenue from sale of goods (hereinafter referred to as 'Revenue') is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The timing of recognition of revenue in case of products is when control over the same is transferred to the customer, upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on the customer's terms.</p> | <p>PRINCIPAL AUDIT PROCEDURES</p> <p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ('Revenue from contracts with customers') and testing thereof. Evaluated the design and operating effectiveness of the Company's controls (including automated controls) around revenue recognition (including rebates / discounts). Tested the effectiveness of such controls over revenue cut off at year end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorised person and goods inward note. Selected a sample of continuing & new contracts and performed the following procedures: <ul style="list-style-type: none"> (i) Read, analysed and identified the performance obligations in these contracts. (ii) Compared these performance obligations with that identified and recorded by the Company. (iii) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and (iv) Determined the allocation of transaction price to identify performance obligations in the contract. Scrutinised sales ledgers to verify completeness of sales transactions. We performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipts, sale orders, approved price list, proper recording in ledger of receivables etc. Performed analytical procedures on current year revenue based on overall revenue recognised, customer wise analysis, product wise analysis and where appropriate, conducted further enquiries and testing. Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any. Tested the related disclosures made in the Financial Statements in accordance with Ind AS 115. |
| <p>DIRECT TAX BALANCES</p> <p>The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions.</p> | <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2023 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts.</p> |

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises information included in the Board's Report including annexures to the Board's report comprising Management Discussion and Analysis Report, Corporate Governance, Shareholders' information etc. but does not include the Consolidated Financial Statements and our Auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind-AS and other accounting principles generally accepted in India including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for (a) Maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing/detecting frauds and other irregularities. (b) Selection and application of appropriate accounting policies. (c) Making judgements and estimates that are reasonable and prudent and (d) Design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Consolidated Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of audit of the financial statements of such entities included in the Consolidated Financial Statements.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequence of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(i) We did not audit the financial statements of the wholly owned subsidiary, whose financial statements on standalone basis reflect net worth, revenue and profit/(loss) after tax as below:

| Rupees In Lakhs | | |
|-------------------------|---------|---------|
| Particulars* | 2022-23 | 2021-22 |
| Net worth | (512) | (720) |
| Revenue | 665 | 484 |
| Profit/(loss) after tax | (546) | (414) |

*We have considered hundred percent of the subsidiary company (3DFT), as it is wholly owned by the Company.

Further, the financial statements of the wholly owned subsidiary company have been audited by other Auditors' whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far, as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on the reports of the other Auditors.

(ii) The Holding Company had migrated to a new accounting software - Ramco System - with effect from April 1, 2021. The system facilitates audit trail to verify and validate data. As regards the accounting package used by the Subsidiary we have relied upon the validation of their Auditors.

(iii) Our opinion on the Consolidated Financial Statements and our report on other legal and regulatory requirements below, are not modified in respect of our reliance on the work done by and the reports of the other Auditors.

Report on Other Legal and Regulatory Requirements

I. As required by Section 143(3) of the Act, based on our audit we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept in so far as it appears from our examination of those books.
- The reports on the accounts of the Subsidiary and the Branch office of the Holding Company audited under Section 143(8) of the Companies Act by the Other Auditors have been sent to us and have been properly dealt with by us in preparing this report and such reports does not contain any qualifications or adverse remarks by the respective Auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with Ind-AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of the Subsidiary Company incorporated in India, none of the Directors of the Group incorporated in India is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting, for reasons stated therein.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - (ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India
 - (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) by the Holding Company or its Subsidiary company incorporated in India to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the Holding Company or its Subsidiary Company incorporated in India or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its Subsidiary Company incorporated in India, from any persons or entities, including foreign entities ('Funding parties') with the understanding whether recorded in writing or otherwise, that the Holding Company or its Subsidiary Company incorporated in India shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the funding parties or provide any guarantee, security of the like form or on behalf of the ultimate beneficiaries. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) of the Companies (Audit and Auditors) Rules (as amended) contains any material mis-statement.
 - The dividend declared or paid during the year (only by the Holding Company) is in compliance with Section 123 of the Companies Act.
 - In terms of the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143 (11) (Paragraph 3) (sub-clause- xxi), there have been no qualifications or adverse remarks by the Auditors of the Subsidiary Company.
- II. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us and based on the CARO reports issued by us for the Company and the Auditors of the Subsidiary, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that the Group has taken cognizance of losses being incurred by the Subsidiary and based on Report of Independent Valuers Projection of Revenue growth, Nil debt status and Maintenance of schedule payments to Creditors & other Suppliers, status quo was maintained as a going concern by the Management of 3D Future Technologies Private Limited.
- III. In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its Directors during the year is in accordance with the provisions of Section 197 of the Companies Act, 2013.

For PRAVEEN & MADAN
Chartered Accountants

PRAVEEN KUMAR N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 23225884BCVJXX6557
Peer Review Certificate No.: 014926

Bengaluru
May 29, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in the 'Report on Other Legal and Regulatory Requirements' of our report to the Members of Ador Fontech Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as the 'Company') and its subsidiary company, which are companies incorporated in India, as of that date.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Internal Control Systems of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon.

| Key Audit Matters | Auditor's Response |
|--|---|
| Implementation of Enterprise Resource Planning (ERP) | The Holding Company integrated finance and accounts module in the ERP during the financial year 21-22 and the Subsidiary is contemplating to migrate to Microsoft Dynamics in FY 23-24, of which testing have been duly undertaken. These systems facilitate audit trail. During the year, substantive checks were carried out in respect of the accounting package of the Holding Company and in respect of the Subsidiary, efficacy checks are in progress. |
| The Group's detective and corrective control system | We tested the design and operating effectiveness of the detective and corrective controls of the Holding Company and have relied on the inferences of the Subsidiary Company's Auditors. Based on the same, we found that the systems are effective enough to detect and correct errors, besides are fairly sufficient and appropriate for the nature and complexities of the business of the Group. |
| Valuation of retiral benefits | We have relied upon the professional expert opinion of the actuarial valuation. |

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring orderly and efficient conduct of its business, including adherence to the respective company's policies, safeguarding of its assets, prevention/detection of frauds and errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established & maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the Company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures which (i) pertains to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and Directors of the company and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bengaluru
May 29, 2023

For PRAVEEN & MADAN
Chartered Accountants

PRAVEEN KUMAR N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 23225884BGVJXX6557
Peer Review Certificate No.: 014926



INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of Ador Fontech Limited (Holding Company)

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying Consolidated Annual Financial Results of Ador Fontech Limited (hereinafter referred to as the ‘Holding Company’) and its subsidiaries (Holding Company and its subsidiaries together referred to as ‘the Group’), its associates and jointly controlled entities for the year ended March 31, 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other Auditors on separate audited financial statements /financial results/ financial information of the subsidiaries, associates and jointly controlled entities, the aforesaid consolidated financial results:

- i. include the annual financial results of the following entities:
 - Ador Fontech Limited
 - 3D Future Technologies Private Limited
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. Give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit/loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (‘Act’). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are



relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other Auditors in terms of their reports referred to in ‘Other Matter’ paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Our opinion is not modified in respect of this matter.

Board of Directors’ Responsibilities for the Consolidated Financial Results

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled entities and for preventing & detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of



Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the



ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent Auditors. For the other entities included in the consolidated Financial Results, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

**Other Matters**

The consolidated Financial Results include the Audited Financial Results of Ador Fontech Limited and its subsidiary, 3D Future Technologies Private Limited whose Financial information reflects total assets of Rs.1,197 lakhs as at March 31, 2023, total revenue of Rs. 665 lakhs and total net loss after tax of Rs. 546 lakhs for the year ended March 31, 2023, as considered in the consolidated Financial Results, which have been audited by their respective independent Auditors. The independent Auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such Auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors and the Financial Results/financial information certified by the Board of Directors.

The Financial Results include the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published audited year to date figures up to the third quarter of the current financial year.

For Praveen & Madan**Chartered Accountants**

Praveen
Kumar

Digitally signed by
Praveen Kumar
Date: 2023.05.29
16:23:30 +05'30'

Bengaluru**May 29, 2023****Praveen Kumar N****Partner (Membership No: 225884)****Firm Registration no.:011350S****UDIN: 23225884BGVJXV9145**

CONSOLIDATED

ADOR FONTECH LIMITED

Rupees In Lakhs

| Particulars | Note No. | As at 31.03.2023 | As at 31.03.2022 |
|---|----------|------------------|------------------|
| ASSETS | | | |
| 1. NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 2 | 2,803 | 2,921 |
| Intangible assets | | 123 | - |
| Right of use | | 9 | 31 |
| Investments | 3 | 15 | 15 |
| Deferred tax assets (net) | 4 | 433 | 584 |
| TOTAL | | 3,383 | 3,551 |
| 2. CURRENT ASSETS | | | |
| Inventories | 5 | 2,294 | 2,350 |
| Financial Assets | | | |
| (i) Investments | 6 | 1,402 | 2,015 |
| (ii) Trade receivables | 7 | 3,148 | 2,821 |
| (iii) Cash and cash equivalents | 8 | 270 | 72 |
| (iv) Other bank balances | 9 | 3,983 | 3,822 |
| (v) Loans | 10 | 319 | 404 |
| Other current assets | 11 | 246 | 416 |
| Current tax assets (net) | 12 | 527 | 290 |
| TOTAL | | 12,189 | 12,190 |
| TOTAL ASSETS | | 15,572 | 15,741 |
| EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| Equity share capital | 13 | 700 | 700 |
| Other equity | 14 | 11,957 | 11,578 |
| TOTAL | | 12,657 | 12,278 |
| 2. LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 15 | 4 | 19 |
| Provisions | 16 | 29 | 40 |
| TOTAL | | 33 | 59 |
| CURRENT LIABILITIES | | | |
| (i) Lease liabilities | 17 | 6 | 12 |
| (ii) Trade payables | 18 | | |
| Total outstanding due to Micro, small and medium enterprises (MSME) | | 824 | 519 |
| Total outstanding due to creditors other than MSME | | 1,005 | 1,663 |
| (iii) Other financial liabilities | 19 | 394 | 397 |
| Other current liabilities | 20 | 491 | 448 |
| Provisions | 21 | 162 | 365 |
| TOTAL | | 2,882 | 3,404 |
| TOTAL EQUITY AND LIABILITIES | | 15,572 | 15,741 |

A T MALKANI
Chairman
DIN 01585637

For and on behalf of the Board of Directors
H P LEDWANI
Managing Director & CEO
DIN 00040629

GEETHA D
Company Secretary & CFO
Bengaluru, May 29, 2023

As per our report of even date attached
For PRAVEEN & MADAN
Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXX6557
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

CONSOLIDATED

ADOR FONTECH LIMITED

Rupees In Lakhs

| Particulars | Note No. | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|----------|--------------------------|--------------------------|
| 1. INCOME | | | |
| (i) Revenue from operations | 22 | 21,423 | 20,957 |
| (ii) Other income | 23 | 293 | 452 |
| TOTAL | | 21,716 | 21,409 |
| 2. EXPENSES | | | |
| Cost of materials consumed | 24 | 6,078 | 4,651 |
| Purchase of stock-in-trade | 25 | 6,195 | 6,454 |
| Changes in inventories of work-in-progress, finished goods & stock-in-trade | 26 | 27 | 338 |
| Employee benefit expenses | 27 | 2,866 | 3,016 |
| Depreciation and amortisation expenses | | 358 | 316 |
| Finance cost | 28 | 3 | 5 |
| Other expenses | 29 | 3,500 | 3,669 |
| TOTAL | | 19,027 | 18,449 |
| 3. PROFIT BEFORE TAX | | 2,689 | 2,960 |
| 4. TAX EXPENSES | 30 | | |
| (i) Current tax | | 790 | 1,025 |
| (ii) Deferred tax | | 143 | (198) |
| TOTAL | | 933 | 827 |
| 5. NET PROFIT AFTER TAX (3-4) | | 1,756 | 2,133 |
| 6. OTHER COMPREHENSIVE INCOME | 31 | | |
| Items that will not be reclassified to profit or loss in subsequent periods | | | |
| Net (loss)/gain on fair market valuation of assets | | 26 | 25 |
| Actuarial gains/(losses) on retirement benefits | | 6 | - |
| Less: Income tax effect on the above | | (9) | (6) |
| TOTAL | | 23 | 19 |
| 7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6) | | 1,779 | 2,152 |
| 8. EARNINGS PER EQUITY SHARE | 32 | | |
| Basic and diluted (in Rs.) | | 5.0 | 6.1 |
| Face value of equity share (in Rs.) | | 2.0 | 2.0 |
| Significant accounting policies | 1 | | |
| Notes to the financial statements | 2-60 | | |
| The accompanying notes 1 to 60 form an integral part of the consolidated financial statements | | | |

A T MALKANI
Chairman
DIN 01585637

For and on behalf of the Board of Directors
H P LEDWANI
Managing Director & CEO
DIN 00040629

GEETHA D
Company Secretary & CFO
Bengaluru, May 29, 2023

As per our report of even date attached
For PRAVEEN & MADAN
Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXX6557
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

CONSOLIDATED

ADOR FONTECH LIMITED

Rupees In Lakhs

| Particulars | Year ended 31.03.2023 | Year ended 31.03.2022 |
|---|--------------------------|--------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS | 2,689 | 2,960 |
| Add/(Less): Depreciation, amortisation and impairment | 358 | 316 |
| Non operating income including interest income | (293) | (452) |
| Finance cost | 3 | 5 |
| Other comprehensive income | 32 | 25 |
| Non cash items | (1) | 3 |
| OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL | 2,788 | 2,857 |
| Adjustments for: Trade receivables | (327) | (67) |
| Inventories | 56 | 218 |
| Current investments | 613 | (443) |
| Loans provided | 85 | 85 |
| Current tax assets | (237) | 90 |
| Other current assets | 170 | (275) |
| Trade payables | (353) | 282 |
| Lease liabilities | (21) | 78 |
| Other financial liabilities | (3) | - |
| Other current liabilities | 43 | 214 |
| Current provisions | (203) | (62) |
| OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL | 2,611 | 2,977 |
| Direct taxes paid (net of refund) | (790) | 1,025 |
| NET CASH FROM OPERATING ACTIVITIES (A) | 1,821 | 1,952 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of PPE, Intangible assets, ROU & CWIP | (341) | (198) |
| Other bank accounts | (161) | (1,173) |
| Purchase and sale of investments (net) | - | (192) |
| Non operating income | 293 | 452 |
| NET CASH FROM INVESTING ACTIVITIES (B) | (209) | (1,111) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase/(decrease) in non current liabilities | (11) | (51) |
| Finance costs | (3) | (5) |
| Dividend paid including tax | (1,400) | (770) |
| NET CASH FROM FINANCING ACTIVITIES (C) | (1,414) | (826) |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 198 | 15 |
| Opening balance of cash and cash equivalents | 72 | 57 |
| Closing balance of cash and cash equivalents | 270 | 72 |
| COMPONENTS OF CASH AND CASH EQUIVALENTS | | |
| Balances with banks in current accounts | 270 | 72 |

A T MALKANI
Chairman
DIN 01585637

For and on behalf of the Board of Directors
H P LEDWANI
Managing Director & CEO
DIN 00040629

GEETHA D
Company Secretary & CFO
Bengaluru, May 29, 2023

As per our report of even date attached
For PRAVEEN & MADAN
Praveen Kumar N-Membership No: 225884
Firm Registration no.:0113505
UDIN: 23225884BGVJXX6557
Peer Review Certificate No.: 014926
Bengaluru, May 29, 2023

PRAVEEN & MADAN
CHARTERED ACCOUNTANTS

No. 237, 2nd Cross, Cambridge Layout, Halasuru, Bengaluru 560008 Ph: 7338312384 email: info@pmca.co.in

Independent Auditor's Review Report on the Standalone Unaudited Financial Results for the quarter ended June 30, 2023 Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Ador Fontech Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results (Statements) of **Ador Fontech Limited** ('the Company') for the quarter ended June 30, 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), including relevant circulars issued by SEBI from time to time.
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the accounting principles laid down in the Indian Accounting Standards (Ind-AS), Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statements based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (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 statements prepared in accordance with applicable accounting principles, standards and other recognized accounting practices and policies, has not disclosed information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Praveen & Madan
Chartered Accountants
Firm Registration no.:011350S**

**Sd/-
Praveen Kumar N
Partner
Membership No: 225884
UDIN:23225884BGVJYU2328**

Place: Bengaluru

Date: August 3, 2023

Independent Auditor's review report on Consolidated unaudited financial results for the quarter ended June 30, 2023 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To the Board of Directors of Ador Fontech Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Ador Fontech Limited** ('the Holding Company') and its wholly owned subsidiary – **3D Future Technologies Private Limited** (the Holding company and its subsidiary together referred to as group), for the quarter ended June 30, 2023 being submitted by the holding company, pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, including relevant circulars issued by SEBI from time to time.
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 (Ind-AS), 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.
3. We conducted our review of the Statements 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 & accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing 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 circular issued by SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The statement includes the results of the following entities:
 - Ador Fontech Limited
 - 3D Future Technologies Private Limited
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the Branch Auditors and other Auditors, nothing has come to our attention that causes us to believe that the accompanying Statements, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is disclosed, or that it contains any material misstatement.
6. The accounts of the branches and units have been integrated at the corporate level and the same has been reviewed.
7. We did not review the interim financial statements of 3D Future Technologies Private Limited, wholly owned subsidiary included in the consolidated unaudited financial results, whose interim financial statements reflect details as under:

Rs. in lakhs

| Details | Quarter ended June 30, 2023 | Quarter ended June 30, 2022 |
|----------------|--|--|
| Revenue | 168 | 126 |
| Expenditure | (249) | (307) |
| Profit/(Loss) | (81) | (181) |

These interim financial statements have been reviewed by other Auditors whose reports have been furnished to us by the Management and our conclusion on the Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on

the reports of the other Auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statements is not modified in respect of the above matters.

**For Praveen & Madan
Chartered Accountants
Firm Registration no.:011350S**

**Sd/-
Praveen Kumar N
Partner
Membership No: 225884
UDIN:23225884BGVJT7479**

Place: Bengaluru

Date: August 3, 2023

**STATEMENT OF STANDALONE
UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2023**



ADOR FONTECH LIMITED
Belview 7 Haudin Road Bengaluru 560 042
CIN: L31909KA1974PLC020010 T: 080 25596045
E: investorservice@adorfon.com; www.adorfon.com

| Sl No. | Particulars | ₹.in lakhs) | | | |
|--------|--|---------------|-------------|-------------|--------------|
| | | Quarter ended | | | Year ended |
| | | 30.06.23 | 31.03.23 | 30.06.22 | 31.03.23 |
| | | Unaudited | Audited | Unaudited | Audited |
| 1 | Income from operations (net) | 4857 | 5558 | 4874 | 20778 |
| | Other income | 146 | 55 | 108 | 424 |
| | Total revenue | 5003 | 5613 | 4982 | 21202 |
| 2 | Expenses | | | | |
| | a. Cost of materials consumed | 1474 | 1248 | 1704 | 5844 |
| | b. Purchase of stock-in-trade | 1945 | 1640 | 1543 | 6190 |
| | c. Changes in invn. of fin. goods w-i-p and stock-in-trade | (638) | 390 | (329) | 26 |
| | d. Operational expenses | 419 | 486 | 384 | 1842 |
| | e. Employee benefit expenses | 555 | 614 | 640 | 2541 |
| | f. Finance cost | - | - | - | - |
| | g. Depreciation and amortisation expenses | 70 | 48 | 82 | 312 |
| | h. Other expenses | 374 | 239 | 241 | 1190 |
| | Total expenses | 4199 | 4665 | 4265 | 17945 |
| 3 | Profit/(loss) before exceptional items and tax | 804 | 948 | 717 | 3257 |
| 4 | Exceptional items | | | | |
| 5 | Profit/(loss) before tax | 804 | 948 | 717 | 3257 |
| 6 | Tax expense | | | | |
| | Current tax | 205 | 140 | 208 | 790 |
| | Shortfall of previous year | - | - | - | - |
| | Deferred tax | (3) | 169 | 3 | 164 |
| | Total | 202 | 309 | 211 | 954 |
| 7 | Profit/(loss) after tax | 602 | 639 | 506 | 2303 |
| 8 | Other comprehensive income | | | | |
| | a. (i) Items that will not be reclassified to profit and loss | 11 | 11 | 10 | 26 |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | (3) | (2) | (3) | (7) |
| | b. (i) Items that will be reclassified to profit and loss | | | | |
| | (ii) Income tax relating to items that will be reclassified to profit and loss | | | | |
| 9 | Total comprehensive income (after tax) | 610 | 648 | 513 | 2322 |
| 10 | Paid-up equity share capital (Face value of Rs.2 per share) | 700 | 700 | 700 | 700 |
| 11 | Earnings/(losses) per share (EPS) (net of tax) (in Rs.) | | | | |
| | Basic (not annualised in respect of the quarters) | 1.7 | 1.8 | 1.4 | 6.6 |
| | Diluted (not annualised in respect of the quarters) | 1.7 | 1.8 | 1.4 | 6.6 |

For Ador Fotech Limited

Bengaluru
August 03, 2023

A T Malkani
Chairman

**STATEMENT OF CONSOLIDATED
UNAUDITED FINANCIAL STATEMENTS
FOR THE QUARTER ENDED JUNE 30, 2023**



ADOR FONTECH LIMITED
Belview 7 Haudin Road Bengaluru 560 042
CIN: L31909KA1974PLC020010 T: 080 25596045
E: investorservice@adorfon.com; www.adorfon.com

| SI No. | Particulars | (₹.in lakhs) | | | |
|--------|--|---------------|-------------|-------------|--------------|
| | | Quarter ended | | Year ended | |
| | | 30.06.23 | 31.03.23 | 30.06.22 | 31.03.23 |
| | | Unaudited | Audited | Unaudited | Audited |
| 1 | Income from operations (net) | 5022 | 5758 | 4992 | 21423 |
| | Other income | 116 | 9 | 80 | 293 |
| | Total revenue | 5138 | 5767 | 5072 | 21716 |
| 2 | Expenses | | | | |
| | a. Cost of materials consumed | 1531 | 1289 | 1756 | 6078 |
| | b. Purchase of stock-in-trade | 1945 | 1644 | 1543 | 6195 |
| | c. Changes in invn. of fin. goods w-i-p and stock-in-trade | (641) | 391 | (327) | 27 |
| | d. Operational expenses | 419 | 486 | 384 | 1842 |
| | e. Employee benefit expenses | 615 | 692 | 718 | 2866 |
| | f. Finance costs | 1 | 1 | 1 | 3 |
| | g. Depreciation and amortisation expenses | 79 | 59 | 94 | 358 |
| | h. Other expenses | 466 | 335 | 367 | 1658 |
| | Total expenses | 4415 | 4897 | 4536 | 19027 |
| 3 | Profit/(loss) before exceptional items and tax | 723 | 870 | 536 | 2689 |
| 4 | Exceptional items | | | | |
| 5 | Profit/(loss) before tax | 723 | 870 | 536 | 2689 |
| 6 | Tax expense | | | | |
| | Current tax | 205 | 140 | 208 | 790 |
| | Shortfall of previous year | - | - | - | - |
| | Deferred tax | (3) | 148 | 3 | 143 |
| | Total | 202 | 288 | 211 | 933 |
| 7 | Profit/(loss) after tax | 521 | 582 | 325 | 1756 |
| 8 | Other comprehensive income | | | | |
| | a. (i) Items that will not be reclassified to profit and loss | 11 | 17 | 10 | 32 |
| | (ii) Income tax relating to items that will not be reclassified to profit and loss | (3) | (4) | (3) | (9) |
| | b. (i) Items that will be reclassified to profit and loss | | | | |
| | (ii) Income tax relating to items that will be reclassified to profit and loss | | | | |
| 9 | Total comprehensive income (after tax) | 529 | 595 | 332 | 1779 |
| 10 | Paid-up equity share capital (Face value of Rs.2 per share) | 700 | 700 | 700 | 700 |
| 11 | Earnings/(losses) per share (EPS) (net of tax) (in Rs.) | | | | |
| | Basic (not annualised in respect of the quarters) | 1.5 | 1.7 | 0.9 | 5.0 |
| | Diluted (not annualised in respect of the quarters) | 1.5 | 1.7 | 0.9 | 5.0 |

For Ador Fontech Limited

**Bengaluru
August 03, 2023**

**A T Malkani
Chairman**

Independent Auditor's Report

To the Members of Ador Welding Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Ador Welding Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Revenue Recognition | |
| Refer Notes 1(II)(I), 34 and 60 to the financial statements | |
| Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | Our audit procedures, related to revenue recognition, included, but were not limited, to the following: <ul style="list-style-type: none"> Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from contracts with customers") and testing thereof. Evaluated the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts). |

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| Revenue Recognition | |
| Refer Notes 1 (II) (I), 34 and 60 to the financial statements | |
| <p>The Company has three reportable business segments: i) Consumables ii) Equipment and automation; and iii) Flares and Process Equipment Division (FPED).</p> <p>The timing of recognition of revenue in case of sale of consumables is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms i.e., performance obligations are satisfied at a point in time.</p> <p>The performance obligations in case of FPED, are satisfied over the time, whereas in case of equipment, performance obligations are satisfied at a point in time.</p> | <ul style="list-style-type: none"> • Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorized person and goods inward note. • Selected a sample of continuing and new contracts and performed the following procedures. <ul style="list-style-type: none"> o Read, analyzed and identified the performance obligations in these contracts. o Compared these performance obligations with that identified and recorded by the Company. o Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and o Determined the allocation of transaction price to identified performance obligations in the contract. • Scrutinized sales ledgers to verify completeness of sales transactions. • We performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, approved price list, proper recording in ledger of receivables etc. • Performed analytical procedures on current year revenue based on overall revenue recognized, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. • Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; • Tested the related disclosures made in financial statements in accordance with Ind AS 115. |

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <u>Indirect tax balances and litigations</u> | |
| Refer Notes 1(II)(r), 13 and 44 to the financial statements | |
| <p><u>Indirect tax balances and litigations</u></p> <p>As at 31 March 2023, the Company has balances with indirect tax authorities aggregating to Rs. 2,442 lakhs (PY Rs. 2,406 lakhs) net of provision Rs. 1,389 lakhs (PY 1,353 lakhs) and has contingent liabilities amounting Rs. 2,285 lakhs (PY Rs. 2,344 lakhs) pertaining to various indirect tax matters pending before appropriate authorities. Based on a detailed assessment done by the management of recoverability of aforesaid balances.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The eventual outcome of the said legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.</p> <p>We considered this as Key audit matter due to the materiality of the amounts involved, inherent high estimation uncertainty and significant judgements as stated above.</p> | <ul style="list-style-type: none"> • Obtained an understanding of the management process for identification of indirect tax matters that are under litigations or involve balances with the authorities that are doubtful of recovery, assessment of accounting treatment for each such litigation identified in accordance with the principles of under Ind AS 37, and measurement of amounts involved in such litigations and assessments. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained and read the Company's accounting policies in respect of balances, provisions, and contingent liabilities to assess compliance with accounting standards. • Obtained list of indirect tax balances, litigations and claims as at 31 March 2023 from management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations and recoverability of balances with government authorities. This involved assessing the probability of an unfavourable outcome of a given proceeding and testing the computation of amounts involved, through inspection of underlying documents and communications with the tax authorities. • Evaluated assessment of the management with respect to long standing balances with authorities which have been considered good and recoverable as at 31 March 2023. • Engaged auditor's experts, who obtained an understanding of the management's assessment of the recoverability, conducted discussions with the management, and considered relevant tax laws and available precedents to validate the conclusions made by the management. • Assessed and evaluated the adequacy and appropriateness of the disclosures made by the management in the accompanying financial statements. |

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

7. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The comparative financial information presented in the accompanying financial statements 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 64 to the accompanying financial statements. Such financial information of the transferor company for the year ended 31 March 2022 has been audited by the auditor of the transferor company, M/s Phadke & Associates, who had issued an unmodified opinion vide their audit report dated 25 April 2023, which have been furnished to us by the management and have been relied upon by us for the aforementioned purpose. Our opinion is not modified in respect of the matter referred above.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 44 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 59 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 59 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- b. As stated in note 68 to the accompanying financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2023 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 23042423BGWIOH6891

Place: Mumbai

Date: 30 May 2023

Annexure A referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Ador Welding Limited on the financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its property, plant and equipment, right of use assets and investment property under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, right of use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2 to the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, including inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) As disclosed in note 46 to the financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following :

| Name of the Bank | Working capital limit sanctioned | Nature of current assets offered as security | Quarter | Information disclosed as per return | Information as per books of accounts | (Rs. in Lakhs) |
|------------------|----------------------------------|--|---------|-------------------------------------|--------------------------------------|----------------|
| | | | | | | Difference |
| HDFC Bank | 10,550 | Working Capital * | Jun-22 | 13,792 | 13,263 | 529 |
| IDFC Bank | 7,500 | Working Capital * | Jun-22 | 13,792 | 13,263 | 529 |
| HDFC Bank | 10,550 | Working Capital * | Sep-22 | 13,159 | 13,244 | (85) |
| IDFC Bank | 7,500 | Working Capital * | Sep-22 | 13,159 | 13,244 | (85) |
| HDFC Bank | 10,550 | Working Capital * | Dec-22 | 14,424 | 14,424 | 0 |
| IDFC Bank | 7,500 | Working Capital * | Dec-22 | 14,424 | 14,424 | 0 |
| HDFC Bank | 10,550 | Working Capital * | Mar-23 | 17,249 | 17,249 | 0 |
| IDFC Bank | 7,500 | Working Capital * | Mar-23 | 17,249 | 17,249 | 0 |

*Working Capital = Inventory + Trade Receivables + Unbilled revenue – Trade Payables

- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (Rs. in Lakhs) | Amount paid under Protest (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--|---|-----------------------------|--|------------------------------------|---|
| Income Tax Act, 1961 | Disallowance of scientific research expenses | 62.63 | 12.55 | 2013-14 | Commissioner of Income-tax (Appeals) |
| | Addition in Income and Disallowance of entrance fees and subscriptions and Restatement Impact | 89.88 | - | 2019-20 | Commissioner of Income-tax (Appeals) |
| Customs Act, 1962 | Rejection of refund of excess duty paid | 45.53 | 45.53 | 2016-17 | Custom, Excise and Service Tax Appellate Tribunal |
| The Central Excise Act, 1944 | Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/ interest, if any) | 7.72 | 1 | 1998-99 | Custom, Excise and Service Tax Appellate Tribunal |
| | | 2.18 | 0.96 | 2006-07 | Assistant Commissioner |
| | | 13.42 | - | 2008-09 | Commissioner-Appeal |
| | | 899 | 898.16 | April-2012 to Mar-2017 | Custom, Excise and Service Tax Appellate Tribunal |
| Central Sales tax Act and Local Sales Tax Acts of various statutes | Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/ interest, if any) | 18.07 | 9.21 | 1987-1988, 1992-1993 | High court |
| | | 45.19 | 35.87 | 2005-2006 | Deputy Commissioner-Appeals |
| | | 152.23 | 5.50 | 2005-2006 | Maharashtra Sales tax Tribunal |
| | | 20.09 | - | 2004-05 | Joint Commissioner-Sales Tax |
| | | 6.88 | - | 2004-05 | Joint Commissioner-Sales Tax |
| | | 7.98 | - | 2003-04 | Joint Commissioner-Sales Tax |
| | | 0.21 | - | 2003-04 | Joint Commissioner-Sales Tax |
| | | 327.42 | - | 2009-10 | Joint Commissioner (VAT) |
| | | 3.74 | - | 2011-12 | Joint Commissioner (VAT) |
| | | 0.24 | - | 2012-13 | Joint Commissioner |
| | | 76.27 | - | 2014-15 | Joint Commissioner (VAT) |
| | | 144.77 | - | 2015-16 | Joint Commissioner (VAT) |

| Name of the statute | Nature of dues | Gross Amount (Rs. in Lakhs) | Amount paid under Protest (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---------------------|----------------|-----------------------------|--|------------------------------------|--------------------------------|
| | | 14.90 | 0.74 | July'2017 to March'2019 | Commissioner-Appeal |
| | | 159.60 | - | 2016-17 | Joint Commissioner (VAT) |
| | | 9.16 | - | 2016-17 | Commissioner-Appeal |
| | | 21.99 | - | 2017-18 | Joint Commissioner (VAT) |
| | | 8.66 | - | 2017-18 | Joint Commissioner-Appeals |
| | | 93.40 | 6.65 | 2017-18 | Joint Commissioner-Appeals |
| | | 72.83 | 3.50 | 2017-18 | Joint Commissioner-Appeals |
| | | 11.10 | - | 2016-17 | Commissioner-Appeal |
| | | 121.87 | 41.83 | 2016-17 | Deputy Commissioner (Appeals) |

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.
- (b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, there are no unspent amounts towards

Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

- (b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act, except for the following:

| Financial year* | Amount unspent on CSR activities for "On going Projects" | Amount transferred to Special Account within 30 days from the end of the Financial Year | Amount Transferred after the due date | Date of Transfer |
|-----------------|--|---|---------------------------------------|------------------|
| FY 20-21 | 9.40 | - | 10.50 | 24-May-2021 |

- (xii) The reporting under clause 3(xii) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN: 23042423BGWIOH6891

Place: Mumbai
Date: 30 May 2023

Annexure B to the Independent Auditor's Report of even date to the members of Ador Welding Limited on the financial statements for the year ended 31 March 2023

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Ador Welding Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 23042423BGWIOH6891

Place: Mumbai

Date: 30 May 2023

BALANCE SHEET AS AT 31 MARCH 2023

| Particulars | Notes | (Rs. in lakhs) | |
|--|-------|------------------------|--|
| | | As at 31 March 2023 | As at 31 March 2022 (Restated) ^ |
| Assets | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 10,738 | 10,471 |
| (b) Right-of-use asset | 3 | 484 | 481 |
| (c) Capital work-in-progress | 4 | 151 | 706 |
| (d) Investment property | 5 | 1,045 | 729 |
| (e) Intangible assets | 6 | 47 | 66 |
| (f) Intangible assets under development | 7 | 41 | 4 |
| (g) Financial assets | | | |
| (i) Investment | 8 | 269 | - |
| (ii) Loans | 9 | 22 | 30 |
| (iii) Other financial assets | 10 | 767 | 927 |
| (h) Non-current income tax assets (net) | 11 | 1,115 | 1,192 |
| (i) Deferred tax assets (net) | 12 | 464 | 268 |
| (j) Other non-current assets | 13 | 1,654 | 1,394 |
| Total non-current assets | | 16,797 | 16,268 |
| (2) Current assets | | | |
| (a) Inventories | 14 | 11,621 | 8,997 |
| (b) Financial assets | | | |
| (i) Investments | 15 | 1,759 | 1,988 |
| (ii) Trade receivables | 16 | 12,517 | 9,315 |
| (iii) Cash and cash equivalents | 17 | 595 | 661 |
| (iv) Bank balances other than cash and cash equivalent | 18 | 94 | 102 |
| (v) Loans | 19 | 38 | 38 |
| (vi) Other financial assets | 20 | 50 | 92 |
| (c) Other current assets | 21 | 1,617 | 1,797 |
| | | 28,291 | 22,990 |
| (d) Assets classified as held for sale | 22 | 80 | 7 |
| Total current assets | | 28,371 | 22,997 |
| Total Assets | | 45,168 | 39,265 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 23 | 1,360 | 1,360 |
| (b) Other equity | | 30,991 | 26,832 |
| Total equity | | 32,351 | 28,192 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 24 | 73 | 60 |
| (ii) Lease liabilities | 47 | 84 | 127 |
| (iii) Other financial liabilities | 25 | 16 | 18 |
| (b) Provisions | 26 | 615 | 469 |
| (d) Other non-current liabilities | 27 | 6 | 3 |
| Total non-current liabilities | | 794 | 677 |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 28 | 1,513 | 8 |
| (ii) Lease liabilities | 47 | 58 | 26 |
| (iii) Trade payables | 29 | | |
| Total outstanding dues to micro and small enterprises | | 1,366 | 192 |
| Total outstanding dues to creditors other than micro and small enterprises | | 5,942 | 7,559 |
| (iv) Other financial liabilities | 30 | 1,346 | 996 |
| (b) Other current liabilities | 31 | 809 | 923 |
| (c) Provisions | 32 | 660 | 651 |
| (d) Current tax liabilities, (net) | 33 | 329 | 41 |
| Total current liabilities | | 12,023 | 10,396 |
| Total equity and liabilities | | 45,168 | 39,265 |

Summary of significant accounting policies and other explanatory information 1**The accompanying notes form an integral part of the financial statements**

^ Restated pursuant to Merger of subsidiary company (Refer note 64).

This is the balance sheet referred to in our report of even date.

For **Walker Chandok & Co LLP**
Chartered Accountants
Firm Registration No: 001076N/N500013

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya Kant Sethia
Chief Financial Officer

Aditya T. Malkani
Managing Director
DIN : 01585637

N. Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 30 May 2023

Place : Mumbai
Date : 30 May 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

| Particulars | Notes | Year ended 31 March 2023 | (Rs. in lakhs) Year ended 31 March 2022 (Restated) ^ |
|---|---------|-----------------------------|---|
| I. Income | | | |
| (a) Revenue from operations | 34 | 77,676 | 66,148 |
| (b) Other income | 35 | 667 | 548 |
| Total Income | | 78,343 | 66,696 |
| II. Expenses | | | |
| (a) Cost of raw materials and components consumed | 36 | 51,065 | 42,125 |
| (b) Purchase of stock-in-trade | 37 | 2,643 | 5,850 |
| (c) Changes in inventories of finished goods, stock-in-trade and work-in-progress | 38 | (1,396) | (990) |
| (d) Employee benefits expenses | 39 | 5,685 | 4,866 |
| (e) Finance costs | 40 | 236 | 372 |
| (f) Depreciation and amortisation expense | 2,3,5,6 | 1,161 | 1,090 |
| (g) Other expenses | 41 | 10,958 | 8,460 |
| Total Expenses | | 70,352 | 61,773 |
| III. Profit before exceptional items and tax (I-II) | | 7,991 | 4,923 |
| IV. Exceptional items (net) (expenses) / income | 62 | (80) | 898 |
| V. Profit before tax (III-IV) | | 7,911 | 5,821 |
| VI. Tax expense / (credit) | 42 | | |
| (a) Current tax | | 2,174 | 1,473 |
| (b) Deferred tax credit | | (173) | (168) |
| (c) Tax pertains to earlier years | | (19) | - |
| (d) MAT Credit Entitlement | | - | 14 |
| Total tax expense | | 1,982 | 1,319 |
| VII. Profit for the year (V-VI) | | 5,929 | 4,502 |
| VIII. Other comprehensive income | 43 | | |
| (a) Items that will not be reclassified to statement of profit and loss | | (91) | (81) |
| (b) Income tax relating to above items | | 23 | 20 |
| Total other comprehensive loss (net) | | (68) | (61) |
| IX. Total comprehensive income for the year (VII+VIII) | | 5,861 | 4,441 |
| X. Earnings per equity share | 56 | | |
| Basic and diluted earnings / (losses) per share (Face value per share Rs. 10) | | 43.60 | 33.10 |
| Summary of significant accounting policies and other explanatory information | 1 | | |
| The accompanying notes form an integral part of the financial statements | | | |

^ Restated pursuant to Merger of subsidiary company (Refer note 64)

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya kant Sethia
Chief Financial Officer

Aditya T. Malkani
Managing Director
DIN : 01585637

N. Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 30 May 2023

Place : Mumbai
Date : 30 May 2023

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

| Particulars | Year ended 31 March 2023 | | (Rs. in lakhs) | |
|---|-----------------------------|----------------|---|----------------|
| | | | Year ended 31 March 2022 (Restated) ^ | |
| (A) Cash flow from operating activities | | | | |
| Profit before tax | | 7,911 | | 5,821 |
| Adjustment for: | | | | |
| Fair value adjustments relating to | | | | |
| - Financial assets at amortised cost | (4) | | 1 | |
| Provision / liabilities no longer required now written back | (61) | | (70) | |
| Depreciation and amortisation expense | 1,161 | | 1,090 | |
| Bad debts written off | 29 | | 24 | |
| Expected Credit Loss | 492 | | 106 | |
| Inventory written off | 126 | | 38 | |
| Property, plant and equipment written off | 29 | | 21 | |
| Gain on derecognition of ROU and Lease liability | (29) | | - | |
| Items considered separately: | | | | |
| Finance costs | 220 | | 359 | |
| Surplus on sale of investments | (49) | | - | |
| Interest expense on lease liability | 15 | | 13 | |
| (Profit)/loss on sale of property, plant & equipment | (11) | | 10 | |
| Fair value change of financial asset measured at FVTPL | 9 | | (52) | |
| Interest income | (116) | | (86) | |
| Rental income | (126) | | (122) | |
| Exchange gain on revaluation of foreign currency monetary item | (1) | | - | |
| Exceptional items (Refer note 62) | 80 | 1,764 | (898) | 434 |
| Operating profit before working capital changes | | 9,675 | | 6,255 |
| Adjustments for changes in working capital | | | | |
| Inventories | (2,750) | | (2,789) | |
| Trade receivables | (3,717) | | 629 | |
| Loans and Other receivables | 166 | | (249) | |
| Trade payables | (382) | | (229) | |
| Liabilities and Provisions | 165 | (6,518) | 458 | (2,180) |
| Cash generated from operating activities | | 3,157 | | 4,075 |
| Income tax paid | | (1,790) | | (1,436) |
| Net cash generated from operating activities | | 1,367 | | 2,639 |
| (B) Cash flow from investing activities | | | | |
| Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets under development and capital advances) | (1,475) | | (1,733) | |
| Purchase of investments | (680) | | (2,016) | |
| Proceeds from sale of property, plant and equipment | 123 | | 1,853 | |
| Advance received against proposed sale of property | - | | 14 | |
| Proceeds from sale of investments | 680 | | 1,149 | |

(Rs. in lakhs)

| Particulars | Year ended 31 March 2023 | Year ended 31 March 2022 (Restated) ^ |
|---|-----------------------------|---|
| Interest received | 97 | 85 |
| Rental received | 129 | 130 |
| Increase/ (decrease) in fixed deposits | 160 | (27) |
| Net cash used in investing activities | (966) | (545) |
| (C) Cash flow from financing activities | | |
| Finance cost | (220) | (375) |
| Finance cost paid on lease liabilities | (15) | (13) |
| Repayment of lease liability | (49) | (17) |
| Repayment of borrowings | (11) | (2,802) |
| Dividend paid | (1,700) | - |
| Proceeds from borrowings | 1,528 | 70 |
| Net cash used in financing activities | (467) | (3,137) |
| (D) Net decrease in cash and cash equivalents (A+B+C) | (66) | (1,043) |
| Cash and cash equivalents at the beginning of the year | 661 | 1,704 |
| Cash and cash equivalents at the end of the year [Refer note 17] | 595 | 661 |

Notes to the cash flow statement

- (a) The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- (b) Components of cash and cash equivalents:

| Particulars | As at 31 March 2023 | As at 31 March 2022 |
|---|------------------------|------------------------|
| Cash on hand | 5 | 5 |
| Balances with banks in current accounts | 590 | 656 |
| Total | 595 | 661 |

Summary of significant accounting policies and other explanatory information

1

The accompanying notes form an integral part of the financial statements

^ Restated pursuant to Merger of subsidiary company (Refer note 64)

This is the cash flow statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya Kant Sethia
Chief Financial Officer

Aditya T. Malkani
Managing Director
DIN : 01585637

For and on behalf of the Board of Directors

N. Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 30 May 2023

Place : Mumbai
Date : 30 May 2023

Walker Chandiok & Co LLP

11th Floor, Tower II,
One International Center,
S B Marg, Prabhadevi (W),
Mumbai - 400013
Maharashtra, India

T +91 22 6626 2699

F +91 22 6626 2601

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)

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 Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

KHUSHROO
B PANTHAKY

Digitally signed by
KHUSHROO 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) |
| 1 | Income | | | | |
| | Revenue from operations | 18,963 | 23,548 | 15,788 | 77,676 |
| | Other income | 302 | 124 | 203 | 667 |
| | Total income | 19,265 | 23,672 | 15,991 | 78,343 |
| 2 | Expenses | | | | |
| | 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 |
| | Total expenses | 17,761 | 20,744 | 14,481 | 70,352 |
| 3 | Profit before exceptional items and tax (1-2) | 1,504 | 2,928 | 1,510 | 7,991 |
| 4 | Exceptional items (net) Gain / (Loss) (Refer note 3) | - | 66 | (125) | (80) |
| 5 | Profit before tax (3-4) | 1,504 | 2,994 | 1,385 | 7,911 |
| 6 | Income tax expenses / (credit) | | | | |
| | Current tax | 368 | 825 | 406 | 2,174 |
| | Deferred tax (credit)/charge | 12 | (67) | (62) | (173) |
| | Tax pertains to earlier years | - | (19) | - | (19) |
| | Total tax expenses / (credit) (net) | 380 | 739 | 344 | 1,982 |
| 7 | Net Profit for the period / year (5-6) | 1,124 | 2,255 | 1,041 | 5,929 |
| 8 | Other comprehensive income/(loss) for the year /period (net of tax) | | | | |
| | 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 |
| 9 | Total comprehensive income for the year / period (after tax) | 1,124 | 2,245 | 1,041 | 5,861 |
| 10 | Paid-up equity share capital (Face value of Rs. 10 per share) | 1,360 | 1,360 | 1,360 | 1,360 |
| 11 | Other equity (excluding revaluation reserve Rs. Nil) | - | - | - | 30,991 |
| 12 | Earnings per share (EPS) (net of tax) (in Rs.) | | | | |
| | 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 | Quarter ended | | | (Rs. in lakhs) |
|------------|---|---------------|----------------|-----------------------------|-----------------------------|
| | | 30 June 2023 | 31 March 2023 | 30 June 2022 (Restated)^ | Year ended 31 March 2023 |
| | | (Unaudited) | (Refer note 7) | (Unaudited) | (Audited) |
| | | | | | |
| | Segmentwise revenue, results, assets, liabilities and capital employed | | | | |
| 1 | Segment revenue | | | | |
| | 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) |
| | Total revenue from operations | 18,963 | 23,548 | 15,788 | 77,676 |
| 2 | Segment results | | | | |
| | Consumables | 2,016 | 2,994 | 1,837 | 8,876 |
| | Equipment and automation | 142 | 290 | 69 | 772 |
| | Flares & Process Equipment Division | (132) | 127 | 200 | 486 |
| | Total | 2,026 | 3,411 | 2,106 | 10,134 |
| | Less: | | | | |
| | Finance costs (unallocable) | (56) | (61) | (28) | (182) |
| | Other unallocable expenses net of unallocable income | (466) | (422) | (568) | (1,961) |
| | Profit before exceptional items and tax | 1,504 | 2,928 | 1,510 | 7,991 |
| | Exceptional items (net) Gain / (Loss) | | | | |
| | Consumables | - | - | (125) | (146) |
| | Equipment and automation | - | - | - | - |
| | Flares & Process Equipment Division | - | - | - | - |
| | Other unallocable expenses net of unallocable income | - | 66 | - | 66 |
| | Total Exceptional items (net) Gain / (Loss) (Refer note 3) | - | 66 | (125) | (80) |
| | Total Profit before tax | 1,504 | 2,994 | 1,385 | 7,911 |
| 3 | Segment assets | | | | |
| | 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 |
| | Total segment assets | 46,984 | 45,168 | 40,886 | 45,168 |
| 4 | Segment liabilities | | | | |
| | 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 |
| | Total segment liabilities | 13,511 | 12,817 | 11,638 | 12,817 |
| 5 | Capital employed | | | | |
| | 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 |
| | Total capital employed | 33,473 | 32,351 | 29,248 | 32,351 |

(See accompanying notes to the financials results)

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

Notes:

a) 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 quarter ended 30 June 2022 - 125 lakhs and quarter ended 31 December 2022 - 21 lakhs). The same had been shown under exceptional items.

b) During the previous year, the Company had sold partly 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 are filed with the statutory & regulatory authorities.

The Scheme of Amalgamation ("The Scheme") for merger of AWAPL with the Company has been 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 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

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

- 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 Company ("Transferee Company" or "AWLPL") 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 filled application with NCLT. The NCLT Mumbai bench has passed order on 18 May, 2023 wherein directed the Company to convene the meeting of the Shareholders on 10 August, 2023, dispensed with convening the meeting of the Secured Creditors and issue notices to the Unsecured Creditors of value - Rs. 1.00 Lakh and above.
- The Company had filed an application, with / before 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 order was unfair and not reasonable, the Company filed an appeal against the order before / with the Director General of BIS on 28 June, 2023 and also filed a Writ Petition in the Hon'ble Bombay High Court and got a stay, till 30 August, 2023, on payment of the said compounding amount, since BIS order was unreasonable and not reasoned. Hence no provision has been made towards compounding amount in the books as of 30 June, 2023, as the final / exact / 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**

Mumbai
02 August 2023

A. T. Malkani
MANAGING DIRECTOR
DIN : 01585637

ANNEXURE-G1



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADOR FONTECH LIMITED (THE “COMPANY”) IN ACCORDANCE WITH THE PROVISIONS OF SECTION 232(2)(C) OF THE COMPANIES ACT 2013, AT ITS MEETING HELD ON TUESDAY, 31ST MAY 2022 AT ADOR HOUSE 6K DUBASH MARG, FORT, MUMBAI 400 001 – 16.

1. 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 Sections 230 to 232 of the Companies Act, 2013 (“Act”) (“the Scheme”), provides for the amalgamation of Ador Fontech Limited (“Transferor Company”) with Ador Welding Limited (“Transferee Company”) (Transferor Company and Transferee Company hereinafter collectively referred to as the “Companies”).
2. The Board of Directors of the Company at its meeting held on 31st May 2022 approved the Scheme.
3. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors of the Company explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel (“KMP”) laying out, in particular, the share exchange ratio, specifying any special valuation difficulties.
4. Following documents were placed before the Board:
 - (i) Draft Scheme, duly initialled by the Director / Company Secretary of the Company for the purpose of identification;
 - (ii) Valuation Report dated 31st May, 2022, issued by Mr. Niranjana Kumar, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/06/2018/10137), for the determination of Share Exchange Ratio (as defined hereunder), under the draft Scheme (‘Valuation Report’);
 - (iii) Fairness Opinion dated 31st May, 2022, prepared by Fedex Securities Private Limited, a SEBI registered Category-I Merchant Banker, confirming that the Share Exchange Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors (‘Fairness Opinion’);



- (iv) The Certificate dated 31st May, 2022, from M/s. Praveen & Madan, Chartered Accountants, Statutory auditors of the Company, pursuant to SEBI Circular, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act, read with applicable rules and / or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles (**'Auditor's Certificate'**);
- (v) The Report dated 31st May, 2022, of the Audit Committee of the Board of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter alia*, the Valuation Report, the Share Exchange Ratio, the Fairness Opinion(s), and the Auditor's Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company (**'Audit Committee Report'**);
- (vi) The Report dated 31st May, 2022, of the Committee of the Independent Directors of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratio, the Fairness Opinion and the Auditor's Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company (**'Independent Directors' Report'**); and

Considering all other relevant documents placed before the Board of the Company, approval of the Board of the Company be and is hereby accorded to the Scheme, a copy of which has been tabled at the meeting duly initialed by the Director / Company Secretary of the Company for the purpose of identification, for *inter alia*:

- (a) Amalgamation of Transferor Company into and with the Transferee Company in the manner set out in the Scheme (**Part II of the Scheme**); and
- (b) Various other matters consequential or otherwise integrally connected therewith.

5. Fair Valuation Report / Share Entitlement Ratio Report

Following are the important extract / observations of the Fair Valuation Report / Share Entitlement Ratio Report dated 31st May, 2022 issued by Mr. Niranjana Kumar (Registered Valuer):

Conclusion

"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 face value of INR 2/- each fully paid up."

ADOR FONTECH LIMITED

Regd. and Head Office: Belview, 7 Haudin Road, Bangalore 560 042, Karnataka - India
☎ +91 80 25596045 / 73 | 📠 +91 80 25596073 | ✉ customerservice@adorfon.com
CIN: L31909KA1974PLC020010



6. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:

The Company has only one class of equity shareholders. There will be no impact of the Scheme, except to the extent of shares held by them in the Company.

Clause 12.1 of the Scheme provides that 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".

7. Effect of the Scheme on the KMP of the Company:

There will be no impact of the Scheme on the KMP of the Company. Further, none of the KMPs have any interest in the Scheme, except to the extent of shares held by them, if any, in the Company.

For and on behalf of the Board of Directors

A T Malkani
Chairman
DIN: 1585637

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ADOR WELDING LIMITED (THE “COMPANY”) IN ACCORDANCE WITH THE PROVISIONS OF SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON TUESDAY, 31ST MAY 2022 AT REGISTERED OFFICE OF THE COMPANY SITUATED AT ADOR HOUSE, 6, K. DUBASH MARG, FORT, MUMBAI – 400 001-16

1. 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 Sections 230 to 232 of the Companies Act, 2013 (“Act”) (“the Scheme”), provides for the amalgamation of Ador Fontech Limited (“Transferor Company”) with Ador Welding Limited (“Transferee Company”) (Transferor Company and Transferee Company hereinafter collectively referred to as the “Companies”).
2. The Board of Directors of the Company at its meeting held on 31st May, 2022 approved the Scheme.
3. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors of the Company explaining effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders and Key Managerial Personnel (“KMP”) laying out, in particular, the share exchange ratio, specifying any special valuation difficulties.
4. Following documents were placed before the Board:
 - (i) Draft Scheme, duly initialled by the Director / Company Secretary of the Company for the purpose of identification;
 - (ii) Valuation Report dated 31st May, 2022, issued by Mr. Niranjana Kumar, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV/06/2018/10137), for the determination of Share Exchange Ratio (as defined hereunder) under the draft Scheme (‘Valuation Report’);
 - (iii) Fairness Opinion dated 31st May, 2022, prepared by Systematix Corporate Services Limited, a SEBI registered Category-I Merchant Banker, confirming that the Share Exchange Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors (‘Fairness Opinion’);
 - (iv) The Certificate dated 31st May, 2022, from Walker Chandiook & Co LLP Chartered Accountants, statutory auditors of the Company, pursuant to SEBI Circular, certifying that the accounting treatment proposed in the draft Scheme is in compliance with the accounting standards prescribed under Section 133 of the Act, read with applicable rules and / or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles (‘Auditor’s Certificate’);
 - (v) The Report dated 31st May, 2022, of the Audit Committee of the Board of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter alia*, the Valuation Report, the Share Exchange Ratio, the Fairness Opinion(s), and the Auditor’s

ADOR WELDING LIMITED

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

+91 22 6623 9300 | www.adorwelding.com

☎ 1800 233 1071 | ✉ care@adorians.com | 📞 +91 20 40706000 | CIN: L70100MH1951PLC008647

Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company ('**Audit Committee Report**');

- (vi) The Report dated 31st May, 2022, of the Committee of the Independent Directors of the Company, recommending the Scheme to the Board of the Company, after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratio, the Fairness Opinion and the Auditor's Certificate, and noting that the draft Scheme is not detrimental to the interest of the shareholders of the Company ('**Independent Directors' Report**');

Considering all other relevant documents placed before the Board of the Company, approval of the Board of the Company be and is hereby accorded to the Scheme, a copy of which has been tabled at the meeting duly initialed by the Director / Company Secretary of the Company for the purpose of identification, for *inter alia*:

- (a) Amalgamation of Transferor Company into and with the Transferee Company, in the manner set out in the Scheme (**Part II of the Scheme**); and
- (b) Various other matters consequential or otherwise integrally connected therewith.

5. **Fair Valuation Report / Share Entitlement Ratio Report**

Following are the important extract / observations of the Fair Valuation Report Report dated 31st May, 2022 issued by Mr. Niranjan Kumar (Registered Valuer):

Conclusion

"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 face value of INR 2/- each fully paid up."

6. **Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company:**

The Company has only one class of equity shareholders. There will be no impact of the Scheme, except to the extent of shares held by them in the Company.

Clause 12.1 of the Scheme provides that 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"

ADOR WELDING LIMITED

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

+91 22 6623 9300 | www.adorwelding.com

☎ 1800 233 1071 | ✉ care@adorians.com | 📞 +91 20 40706000 | CIN: L70100MH1951PLC008647



7. Effect of the Scheme on the KMP of the Company:

There will be no impact of the Scheme on the KMP of the Company. Further, none of the KMPs have any interest in the Scheme, except to the extent of shares held by them, if any, in the Company.

For and on behalf of the Board of Directors of ADOR WELDING LIMITED

Sd/-

NINOTCHKA MALKANI NAGPAL

EXECUTIVE CHAIRMAN

Date: 31st May, 2022

Place: Mumbai

ADOR WELDING LIMITED

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

+91 22 6623 9300 | www.adorwelding.com

☎ 1800 233 1071 | ✉ care@adorians.com | 📞 +91 20 40706000 | CIN: L70100MH1951PLC008647