



peace of mind™

31st May, 2022

To,

BSE LTD.
Phiroze Jeejeebhoy Towers,
01st Floor, Dalal Street,
Fort,
Mumbai - 400 023.
Company Scrip Code: 517041

NATIONAL STOCK EXCHANGE OF INDIA LTD.
Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051.
Company Symbol: ADORWELD

Dear Sir,

Sub: Outcome of the meeting of the Board of Directors of Ador Welding Limited ("Company") held on 31st May 2022 – Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 09th September, 2015, as amended from time to time.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated 09th September, 2015, we hereby submit the outcome of the meeting of the Board of Directors ("Board") of Ador Welding Limited ("AWL" or the "Transferee Company") held on 31st May 2022. Based on the recommendations of the Audit Committee and the Committee of Independent Directors, the Board considered and approved the Scheme of Amalgamation (Merger by Absorption) (the "Scheme") under Section 230 to 232 and other applicable provisions of Companies Act 2013 ("the Act"). Further, the Board has given authorisation to file the Scheme along with relevant disclosures, documents, certifications, and undertakings with the Stock Exchanges.

The Scheme, inter alia, provides for:

Scheme of Amalgamation (Merger by Absorption) of Ador Fontech Limited ("Transferor Company" or "ADFL") with Ador Welding Limited ("Transferee Company" or "AWL") and their respective shareholders, under the provisions of Section 230 to 232 of the Companies Act 2013.

The Scheme is subject to receipt of approvals from our shareholders, creditors and other statutory / regulatory authorities, as may be required, including the National Stock Exchange of India Limited (NSE), BSE Limited, Securities and Exchange Board of India (SEBI) & the National Company Law Tribunal (NCLT), Mumbai Bench and Bengaluru Bench.

The details, as required under Regulation 30 of LODR read with Circular CIR/CFD/CMD/4/2015 dated 09th September, 2015, are enclosed as "Annexure I".



ADOR WELDING LIMITED

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A **press release** being issued by the Company, is enclosed and marked as “**Annexure II**”.

The above referred meeting of the Board of Directors of the Company commenced at 12:30 pm and concluded at 02:30 pm.

We hereby request you to take this information on record and acknowledge the receipt of the same.

Thanking you,

Yours Sincerely,

For **ADOR WELDING LIMITED**



VINAYAK M. BHIDE

COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above



Annexure – I

Disclosures regarding the proposed Scheme of Amalgamation (Merger by Absorption)

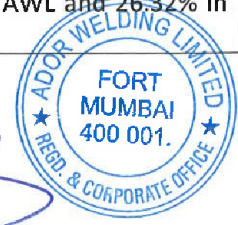
Sr. No.	Particulars	Details									
a)	Name of the entities forming part of the amalgamation / merge, details in brief such as size, turnover, etc	<p>This Scheme is a Scheme of Amalgamation (“Scheme”) involving:</p> <ol style="list-style-type: none"> Ador Fontech Limited (“ADFL” or “Transferor Company”) Ador Welding Limited (“Company” or “AWL” or “Transferee Company”) <p>Set out below is the net-worth and total income for the financial year ended 31st March 2022 (Audited) of the entities involved in the Scheme – (Amount in INR Crores)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Total Income</th> <th>Net Worth</th> </tr> </thead> <tbody> <tr> <td>Ador Fontech Limited</td> <td>210.40</td> <td>139.70</td> </tr> <tr> <td>Ador Welding Limited</td> <td>666.89</td> <td>282.01</td> </tr> </tbody> </table>	Particulars	Total Income	Net Worth	Ador Fontech Limited	210.40	139.70	Ador Welding Limited	666.89	282.01
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b)	Whether the transaction would fall within the related party transactions? If Yes, whether the same is done at “Arm’s Length”	<p>The proposed Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated 17th July, 2014 issued by the Ministry of Corporate Affairs (“MCA”), since the same is subject to the sanction of the National Company Law Tribunal (“NCLT”) and the provisions of Section 188 of the Companies Act, 2013 are not attracted / applicable.</p> <p>However, ADFL is an entity controlled or significantly influenced by persons holding significant interest in AWL. In light of the same, the transaction under the proposed Scheme, will be a related party transaction under the applicable provisions of the LODR.</p> <p>The consideration of the proposed amalgamation, as set forth in the Scheme, will be discharged on an “arm’s length basis”. The share exchange ratio for the shares, to be allotted to the shareholders of ADFL, is based on an independent valuation report provided by Mr. Niranjan Kumar, Registered Valuer – Securities or Financial Assets.</p> <p>Further, Systematix Corporate Services Limited, a SEBI registered Category-I Merchant Banker, has also issued a fairness opinion, on the share exchange ratio. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee, Committee of Independent Directors & the Board of Directors of AWL.</p> <p>The Companies involved in the Scheme have following relationship with each other–</p> <ul style="list-style-type: none"> J. B. Advani and Company Pvt. Ltd. is a part of the Promoter Group, holding 50.01% of shareholding in AWL and 26.32% in ADFL 									

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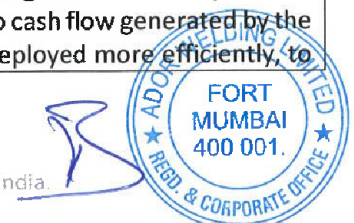
		<ul style="list-style-type: none"> Other Common Promoters hold 6.89% in AWL and 12.91% in ADFL 						
c)	Area of Business of the entity(ies)	<table border="1"> <thead> <tr> <th>Company</th> <th>Business</th> </tr> </thead> <tbody> <tr> <td>Ador Fontech Limited</td> <td>ADFL is engaged in the business of “Life Enhancement of Industrial Components” which includes products, services and solutions for reclamation, repairs and maintenance.</td> </tr> <tr> <td>Ador Welding Limited</td> <td>AWL is engaged in the business of manufacturing & selling of various welding and cutting products, CNC machines, welding automation products as well as welding accessories. AWL is also engaged in the business of Flares & Process Equipment.</td> </tr> </tbody> </table>	Company	Business	Ador Fontech Limited	ADFL 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 engaged in the business of manufacturing & selling of various welding and cutting products, CNC machines, welding automation products as well as welding accessories. AWL is also engaged in the business of Flares & Process Equipment.
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d)	Rationale for the Amalgamation / Merger	<p>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 propose to consolidate the business of the Transferor Company with the Transferee Company. The proposed amalgamation of the Transferor Company with the Transferee Company would, <i>inter alia</i>, have the following benefits:</p> <ol style="list-style-type: none"> 1. Enable the consolidation of the business of the Transferor Company with the Transferee Company to create one of the largest welding and cutting products manufacturers 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 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 						

ADOR WELDING LIMITED

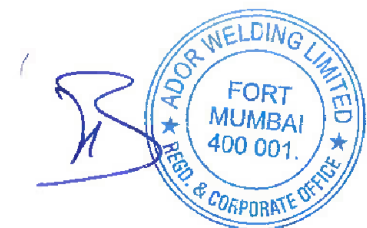
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		<p>realize higher margins for the combined entity.</p> <p>7. Improved organizational capability and leadership, arising from the pooling of human capital, who have the diverse skills, talent and vast experience, to compete successfully in an increasingly competitive industry.</p> <p>8. Cost savings because of standardization and simplification of business processes, elimination of duplication and rationalization of administrative expenses.</p> <p>9. Reduction in regulatory and legal compliances and avoidance of multiple records keeping.</p> <p>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.</p>																													
e)	In case of cash consideration -amount or otherwise share exchange ratio;	<p>There is no cash consideration involved in the Scheme.</p> <p>Following share exchange ratio has been determined for the allotment of the equity shares of the Transferee Company having face value of Rs. 10/- each to the Shareholders of the Transferor Company, as on the Record Date (as per the Scheme), in consideration of the transfer and vesting of Transferor Company in the Transferee Company</p> <p><i>“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”</i></p>																													
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>Change in shareholding of Ador Welding Limited:</p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post Scheme</th> </tr> <tr> <th>No. of shares</th> <th>% Share holding</th> <th>No. of shares</th> <th>% Share holding</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>77,37,712</td> <td>56.90</td> <td>92,29,993</td> <td>~53.04</td> </tr> <tr> <td>Public</td> <td>58,60,755</td> <td>43.10</td> <td>81,72,812</td> <td>~46.96</td> </tr> <tr> <td>Non Promoter Non Public</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>1,35,98,467</td> <td>100.00</td> <td>174,02,805</td> <td>100.00</td> </tr> </tbody> </table>	Category	Pre-Scheme		Post Scheme		No. of shares	% Share holding	No. of shares	% Share holding	Promoter and Promoter Group	77,37,712	56.90	92,29,993	~53.04	Public	58,60,755	43.10	81,72,812	~46.96	Non Promoter Non Public	-	-	-	-	Total	1,35,98,467	100.00	174,02,805	100.00
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Annexure II

Press Release

Merger of Ador Fontech Limited with Ador Welding Limited to consolidate market leadership

Merger Scheme details

- 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. Pursuant to which, the shareholders of Ador Fontech Limited would have ~21.86% stake in Ador Welding Limited.
- Post-Merger, Promoter group holding shall be ~53.04% and Public holding shall be ~46.96%.

Mumbai, 31st May, 2022: The Board of Directors of Ador Welding Limited today accepted the recommendations of the Committee of its Independent Directors & the Audit Committee and approved the Amalgamation (Merger by Absorption) of Ador Fontech Limited with Ador Welding Limited.

Rationale: Consolidation of complementing strengths

The amalgamation of Ador Fontech Limited with Ador Welding Limited would, *inter alia*, have the following benefits:

11. To achieve our Vision of Creating the Best Welding Company and Consolidate market position
12. Optimal use of distribution network, sales force, human resources, manufacturing units, supply chain, research & training facilities,

Timeline

The Appointed Date for the merger would be 01st April 2022 and the merger process is expected to be completed by 31st March, 2023. The merger is subject to approvals from the Stock Exchanges, SEBI, Shareholders, Creditors, jurisdictional National Company Law Tribunal (“NCLT”) and other applicable statutory & regulatory authorities.

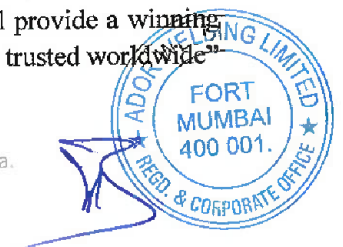
Advisors for the Proposed Transaction

- Project Manager and Transaction Advisor - **Transaction Square LLP**
- Share Exchange Ratio Report – Mr. **Niranjan Kumar, Registered Valuer – Financial Securities or Assets (affiliate of Transaction Square LLP)**
- Fairness Opinion on the Share Exchange Ratio Report – **M/s. Systematix Corporate Services Limited**

Speaking about the merger Mrs. Ninotchka Malkani Nagpal, Executive Chairman of Ador Welding Limited, said “With the merger of Ador Welding & Ador Fontech, we embark on a new chapter for the Ador Group. The operational synergies of both the companies will provide a winning approach to build on our partnerships with all stakeholders and create a brand that is trusted worldwide”

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Speaking about the merger Mr. Harish P. Ledwani, Managing Director and CEO of Ador Fontech Limited, said “Merger will create a stronger Enterprise, in pursuance of our vision to become market leaders and thereby create higher value for all stakeholders”

Speaking about the merger Mr. Aditya T. Malkani, Managing Director of Ador Welding Limited and also Chairman of Ador Fontech Limited, said “We are very excited to announce the merger of Ador Fontech with Ador Welding. With this consolidation, we will be better placed to serve our customers, distributors, and other key stakeholders. A stronger market position will maximise shareholder value, as we aim to draw several synergistic benefits. We look forward to the next stage of growth in our industry”

About Ador Fontech Limited

Ador Fontech Limited, 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. It was incorporated on 22nd August 1974.

It is engaged in the business of “Life Enhancement of Industrial Components“, which includes products, services and solutions for reclamation, repairs & maintenance.

About Ador Welding Limited

Ador Welding Limited, 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. It was incorporated on 22nd October 1951.

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

Investor / Analyst contact	Statutory and corporate affairs
Surya Kant Sethia Email: suryakantsethia@adorians.com Contact No: 022 66239300	Vinayak M. Bhide Email: ymbhide@adorians.com Contact No: 022 66239300



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