

# 41<sup>st</sup> Annual Report 2015-16

*Life Enhancement  
of Industrial  
Components*

Reclamation services



Infrastructure



Innovation



Partners in progress



Ador Fontech Limited

**Mr. A T Malkani**  
Chairman



**Mr. H P Ledwani**  
Managing Director



**Mrs. N Malkani Nagpal**  
Promoter Director



**Mr. N S Marshall**  
Independent Director



**Mr. Santosh Janakiram**  
Independent Director



**Mr. Rafique Abdul Malik**  
Independent Director



*Board Of Directors*

**The Board of Directors**

Mr. A T Malkani Chairman	Mr. N S Marshall Independent Director
Mr. H P Ledwani Managing Director	Mr. Santosh Janakiram Independent Director
Mrs. N Malkani Nagpal Promoter Director	Mr. Rafique Abdul Malik Independent Director

Notice 2-4Directors' Report 5-6**Management Team**

Mr. A T Malkani	Mr. Melville Ferns
Mr. H P Ledwani	Mr. Rajesh V Joshi
Mr. Deep A Lalvani	Mr. R Krishna Kumar
Mr. Muneesh Narain	Mr. S V Puntambekar
Mr. P Vishwanathan	

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Ms. Geetha D
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Statement of Profit and Loss (Standalone) 25**Registered and Corporate Office****Ador Fontech Limited**

CIN: L31909KA1974PLC020010  
 Belview 7 Haudin Road Bengaluru 560 042  
 Tel: (080) 25596045 / 73 Fax: (080) 25597085 Web: www.adorfon.com  
 E-mail: investorservice@adorfon.com

Cash Flow Statement (Standalone) 26**Manufacturing Plant I**

486 B-1 14<sup>th</sup> Cross 3<sup>rd</sup> Main 4<sup>th</sup> Phase Peenya Industrial Estate  
 Bengaluru 560 058

Notes to the Financial Statements (Standalone) 27-40**Manufacturing Plant II**

A-288 6<sup>th</sup> Main 2<sup>nd</sup> Stage Peenya Industrial Estate Bengaluru 560 058

**Reclamation Centre**

S-60-61 MIDC Hingna Industrial Estate Hingna Road Nagpur 440 016

Auditors' Report (Consolidated) 41-42**Share Transfer Agent****Integrated Enterprises (India) Limited**

CIN: U65993TN1987PLC014964  
 30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003  
 Tel: (080) 23460815 – 818 Fax: (080) 23460819  
 E-mail: irg@integratedindia.in

Balance Sheet (Consolidated) 43**Auditors****Amarnath Kamath and Associates**

Chartered Accountants  
 Firm Registration No. 000099S  
 Carewel House 6<sup>th</sup> Cross Muniswamappa Layout Opp. Kemp Fort  
 Off HAL Airport Road Bengaluru 560 017

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8/24 Salco Centre Richmond Road Bengaluru 560 025

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## NOTICE

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting (AGM) of the Members of the Company will be held at Woodlands Hotel Private Limited No. 5 Raja Ram Mohan Roy Road Bengaluru 560 025 on Thursday, August 04, 2016 at 11.30 hours to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of accounts

To consider and adopt the audited financial statements (including the consolidated statements) of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors ('the Board') and Auditors thereon.

#### 2. Declaration of dividend

To declare dividend of ₹ 3.50 (Rupees three and paise fifty only) per equity share for the financial year ended March 31, 2016.

#### 3. Re-appointment of Mrs. N Malkani Nagpal as Director

To appoint a Director in place of Mrs. N Malkani Nagpal (DIN 00031985), who retires by rotation and being eligible, offers herself for re-appointment.

#### 4. Appointment of Auditors

**To ratify the appointment of Auditors of the Company, fix their remuneration and to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section(s) 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on August 20, 2014, the appointment of M/s. Amarnath Kamath and Associates, Chartered Accountants (Firm Registration No. 13124) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix remuneration payable to them for the financial year ending March 31, 2017 as may be determined by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis."

### SPECIAL BUSINESS

#### 5. Appointment of Branch Auditors

**To consider & if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:**

"RESOLVED THAT pursuant to Section(s) 139, 143 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, the accounts for the year ending March 31, 2017 of the manufacturing plants of the Company, be audited by the Company's Auditors or such other person or persons, other than the Company's Auditors and as are qualified for appointment as Auditors under Section 141 of the Companies Act, 2013 and that the Board of Directors be and is hereby authorised to appoint such Branch/Unit Auditors in consultation with the Company's Auditors, fix their remuneration as also the terms and conditions of appointment."

### NOTES

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a Member of the Company. Instrument appointing proxy should, however be deposited at the Registered Office of the Company not less than forty-eight-hours before the commencement of the meeting.**

2. A person can act as proxy on behalf of Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company/ carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Shareholder.

Corporate Members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representatives to attend and vote on their behalf at the meeting.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a Member would be entitled to inspect proxies lodged, at any time during business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

3. Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.
4. Register of Members and Share Transfer Books will remain closed from July 26, 2016 to August 04, 2016 (both days inclusive) for the purpose of payment of final dividend.
5. Members are requested to note that dividend(s) not claimed within seven years from the due date is required to be transferred to the Investor Education and Protection Fund. As such, Shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years.
6. **In terms of the Investor Education and Protection Fund (IEPF-Rules 2012), the Company has posted requisite details of dividends on the website of the Company 'www.adorfon.com' to enable Shareholders check for their unclaimed dividend(s), if any.**
7. Amount of unclaimed dividend as at March 31, 2016 for the years 2008-09 to 2014-15 aggregate to ₹ 99 lakhs (Rupees ninety nine lakhs).
8. Member(s) whose shareholding is/are in electronic mode are requested to direct change of address and update details of bank account with their respective Depository Participant(s).
9. Member(s) are requested to send all share transfer lodgements (physical mode) to Integrated Enterprises (India) Limited, marking on the envelope-Unit-Ador Fontech Limited.
10. The Register of Directors and Key Management Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
11. The Company is concerned about the environment and natural resources in a sustainable way. The Companies Act, 2013 and SEBI (LODR) Regulations have enabled companies to send official documents to the Shareholders by electronic mode. In recognition of the same, documents convening General meetings, Financial statements, Directors' report, Auditors' report are being e-mailed. Request to update your e-mail address with your Depository Participant to ensure that the Annual Report & other documents reach you on your preferred e-mail account. In case you hold physical shares, kindly send letter duly signed, quoting your folio reference number to the Registrar and Share Transfer Agent, providing your e-mail address for updation.

12. Copies of Annual Report 2015-16 including Notice to the 41<sup>st</sup> Annual General Meeting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company, unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses or if e-mail sent bounces, physical copies of Annual Report are being sent by the permitted mode.
13. Members may also note that the Notice to the 41<sup>st</sup> Annual General Meeting and Annual Report 2015-16 will be available on the Company's website '[www.adorfon.com](http://www.adorfon.com)'. Physical copies of the aforesaid documents will be available at the Company's Registered Office during normal business hours on all working days.
14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members are therefore requested to submit self attested copy of PAN to the R and T Agent.
15. In compliance with Section 108 of the Companies Act, 2013; Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements-LODR) Regulations, 2015, the Company has provided facility to the Members to exercise their votes electronically from **9:00 hours of August 1, 2016 (Monday) to 17 hours of August 3, 2016 (Wednesday)** through electronic voting facility organised by National Securities Depository Limited (NSDL). Voting rights will be reckoned on the paid-up-value of shares registered in the name of the Member(s) as on July 29, 2016. **Any person who acquires shares & becomes a Member of the Company after dispatch of Notice & holding shares as on the cut-off date i.e., July 29, 2016, may obtain 'Login Id & Password' by sending request to [NSDL-evoting@nsdl.co.in](mailto:NSDL-evoting@nsdl.co.in).** The facility for voting through ballot paper will also be made available at the AGM and Members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
16. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements-LODR) Regulations, 2015, in respect of Directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The Director has furnished consent/declaration as regards appointment/ re-appointment under the Companies Act, 2013 & the Rules thereunder.
17. Shareholder(s) need to furnish printed attendance slip along with valid identity proof such as PAN card, Passport, Aadhar or Driving license to enter the AGM hall.

**Item no. 3**

Mrs. N Malkani Nagpal retires at the ensuing AGM as per the provisions of Section 152 of the Companies Act, 2013 and is eligible for re-appointment. She has furnished (i) Her Director identification number as 00031985 and (ii) Declaration that she is not disqualified to become a Director.

The Board recommends the resolution set out at item no. 3 for approval.

**Nature of concern or interest, financial or otherwise, if any:**

- a. No Director of the Company is concerned or interested in the said resolution except Mrs. N Malkani Nagpal, as it pertains to her appointment.

- b. None of the Key Management Personnel (KMP) of the Company is concerned or interested in the resolution.
- c. Other than relatives of person mentioned in sub clause (a) above, comprising Mrs. Gulshan Gulu Malkani and Ms. Michelle Gulu Malkani (holding shares in Ador Fontech Limited), none of the relative(s) of KMP and other Director(s), is/are concerned or interested in the resolution.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item no. 5**

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 143(8) read with Section 141 of the Companies Act, 2013 and such other regulations/ notifications, to audit the accounts, for the year ending March 31, 2017 and fix their remuneration.

The Board recommends the resolution set out at item no. 5 for approval.

Nature of concern or interest, financial or otherwise, if any:

- a. No Director of the Company is concerned or interested in the said resolution.
- b. None of the Key Management Personnel (KMP) of the Company is concerned or interested in the resolution.
- c. None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

**ADDITIONAL INFORMATION FOR ITEM NO. 3 PURSUANT TO SCHEDULE V OF THE COMPANIES ACT, 2013**

1. **Nature of industry:** Life enhancement of industrial components (Genesis – Welding and allied applications).
2. **Date of commencement of commercial production:** The Company was incorporated on August 22, 1974 and is already in commercial production.
3. **Financial performance of the Company:** Summarised statement forms part of the Directors' Report.
4. **Foreign exchange earnings, investments or collaborations** Forms part of the Notes to the Accounts.
5. **Information about the appointee(s)**  
**Mrs. N Malkani Nagpal**  
**Background details:** Mrs. N Malkani Nagpal is a graduate in Commerce with Master's degree in Business Administration from the Imperial College, UK. She has also attained BSC in Business and Economics from Lehigh University, PA, USA. Her career started with Alliance Capital Asset Management in New York and she has over eighteen years of experience in Financial Management with Ador Group of Companies. At present, she is an industrialist and represents the second generation of promoter group in Ador Fontech Limited.

**Job profile and her suitability:** Mrs. N Malkani Nagpal will oversee general business and financial functions. As Chairman of Corporate Social Responsibility Committee, she will be responsible for CSR activities. Her educational qualifications will entail her to discharge her duties in the best possible manner.

**Recognition and awards:** While in particular she has not received any major award(s), the organisations where she has been associated have been bestowed with awards by industrial confederations.

## NOTICE

**Remuneration:** In the past, she has been entitled to sitting fees for attending meetings of the Board and its Committees besides, reimbursement of travel/conveyance, board and lodging for attending business meetings and conferences. On her appointment at the ensuing meeting, she will continue to be entitled to the same.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

Remuneration is compatible with general industrial standards and recommended by the Nomination and Remuneration Committee of the Company.

**Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.**

Mrs. N Malkani Nagpal belongs to the Promoter Group and holds 27,350 equity shares. Besides remuneration (as mentioned above), she does not hold any pecuniary relationship either with the Company or with any of its KMP.

**General**

- a. **Date of Birth:** July 6, 1971
- b. **Specific area of Expertise:** Finance
- c. **Directorship in Companies (other than Ador Fontech) Public Limited Companies**  
Ador Welding Limited, Piem Hotels Limited and Ador Multiproducts Limited.  
**Private Limited Companies**  
J B Advani and Company Private Limited, Ador Green Energy Private Limited, 3D Future Technologies Private Limited and 1908 E-Ventures Private Limited.
- d. **Member of Board Committees (other than Ador Fontech Limited):** Three
- e. **Chairman of Board Committees (other than Ador Fontech Limited):** Nil
- f. **Date of first appointment:** July 27, 2006
- g. **Number of shares held in the Company:** 27,350

**Others**

- a. **Reasons for loss or inadequate profits:** Not applicable
- b. **Steps taken or proposed to be taken for improvement**  
The Company consistently endeavours at lowering overheads and aligning resources to operations.
- c. **Expected increase in productivity and profits in measurable terms**  
Management has adopted focused business strategies in all spheres of functions to improve sales & profitability.

By order of the Board  
For **Ador Fontech Limited**

Mumbai  
May 09, 2016

**Geetha D**  
Company Secretary

CIN: L31909KA1974PLC020010

Regd. Office: Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045 / 73 Fax: (080) 25597085

Web: www.adorfon.com; E-mail: investorservice@adorfon.com

## ANNUAL CERTIFICATIONS

**Declaration pursuant to SEBI (LODR) Regulations, 2015  
Regulation 34(3) read with Schedule V (D)**

As the Managing Director of Ador Fontech Limited, I hereby declare and

certify that all Board Members and Senior Management Personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2015-16.

**Compliance Certificate pursuant to SEBI (LODR) Regulations, 2015  
Regulation 17 (7) and 17(8) read with Schedule II**

Information to be placed before the Board and Compliance certificate have been duly furnished.

**Disclosure pursuant to SEBI (LODR) Regulations, 2015  
Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2)**

The Company has complied with disclosure requirements of Corporate Governance and has made submissions to the BSE, besides upload on the website of the Company (www.adorfon.com).

For **Ador Fontech Limited**

**HP Ledwani**

Managing Director

DIN: 00040629

Mumbai  
May 09, 2016

**Declaration pursuant to SEBI (LODR) Regulations, 2015  
Regulation 34(3) read with Schedule V (C) (5) (a)**

There has been no pecuniary relationship or transaction between the Non-Executive Directors and the Company.

**Declaration pursuant to SEBI (LODR) Regulations, 2015  
Regulation 34(3) and 36(3)(C) read with Schedule V (C) (2) (e)**

There are no inter-se-relationship between the Directors/Board Members.

By order of the Board

For **Ador Fontech Limited**

**Geetha D**

Company Secretary

Mumbai  
May 09, 2016

## Green Initiative

Request to Shareholders who have not registered their e-mail address, to kindly provide the following details:

Name of the Company	Ador Fontech Limited
Name of the Shareholder(s)	
Folio number(s)	
Address	
E-mail*	
* E-mail id to which documents/notices may be served electronically.	

Scanned copy of physical share certificate(s) and PAN card to be attached.

**Information may kindly be sent to the following e-mail addresses:**

- a. Registrar and share transfer agent: [alfint@vsnl.com](mailto:alfint@vsnl.com)
  - b. Company: [investorservice@adorfon.com](mailto:investorservice@adorfon.com)
- Shareholder(s) holding shares in electronic form are requested to update their preferred e-mail address and change of bank details, if any, with the Depository Participant, where de-materialised accounts are held.

## Unclaimed dividends

Kindly send request letter (bearing signature) for encashment of unclaimed dividends, if any, to the following e-mail addresses:

- a. Registrar and share transfer agent: [irg@integratedindia.in](mailto:irg@integratedindia.in)
- b. Company: [surendrasingh@adorfon.com](mailto:surendrasingh@adorfon.com)

## Enclosures

**Attendance slip, proxy form and instructions for e-voting.**

**To the Members,**

The Directors have pleasure in presenting the 41<sup>st</sup> Annual Report and the Audited Statement of Accounts for the year ended March 31, 2016.

**1. Financial highlights** (₹ in lakhs)

Details	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue	14,707	14,156	14,893	14,342
EBITDA	1,956	2,360	1,822	2,342
Depreciation	312	355	325	363
Profit before tax	1,644	2,005	1,497	1,979
Provision for tax	607	670	612	670
Profit after tax	1,037	1,335	885	1,309

**2. Dividend**

The Directors are happy to recommend a dividend of ₹ 3.50 (Rupees three and paise fifty only) per share (One hundred and seventy five percent-same as in the previous year).

**3. Reserves and surplus**

The Directors propose to transfer Rupees two crores (Previous year- Rupees four crores) to the General Reserve. Correspondingly, an approximate amount of Rupees twenty one crores (Previous year - Rupees twenty crores) would be retained in the Surplus.

**4. Review of business operations**

**Performance highlights:** During the year, the Company established a state-of-the art 'Thermal Spray Coating' services/facilities at Nagpur. This will enable the Company to provide turnkey solutions to thermal spray coating challenges. The capex involved was rupees two and half crores, entirely funded through internal accruals.

**Standalone:** In spite of tough economic and market conditions, the Company registered growth in revenue. Going forward, if the performance of the core sector industries significantly improves, it will surely enable the Company to rebound with quantum leap in all parameters of business operations.

**Consolidated:** Consolidated Financial Statements pertain to Ador Fontech Ltd., Dualrank Fontech (M) Sdn. Bhd. (Joint venture) and 3D Future Technologies Pvt. Ltd. (3DFT-Wholly owned subsidiary). As far as 3DFT is concerned, it commenced operations in the middle of the calendar year 2015 with focus on medical products. Infrastructure requirements have been established, an initial team of ten employees have come on board and the first 3D printer has been installed in Mumbai. The dental range of 3D printed products, will be sold under the brand name 'Flash' and is expected to enter the market by August 2016. 3DFT will strive to achieve break even position within the next two years.

**5. Board and its composition**

The Company recognises the importance of diverse Board with Members possessing different perspectives, skills, knowledge etc. Further, the current policy is to have an appropriate mix of Executive and Independent Directors, maintain independence of the Board and separate its functions of governance and management. At present, there are six Members on the Board of whom two are Executive and four are Non-Executive Directors. Amongst the Non-Executive Directors, three of them are Independent. They represent varied fields of eminence including legal, marketing, technical, organisational development etc. The Board and its Committees had met four times during the financial year 2015-16.

**6. Directors' responsibility statement**

The Board of Directors of the Company hereby confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any.
- The Directors have selected applicable accounting policies and applied them consistently, as also have made judgements and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs as at the end of the financial year and of the profits of the Company for that period.
- The Directors have taken proper and sufficient care (i) for maintenance of adequate accounting records in accordance with the provisions of the Companies Act. (ii) for safeguarding the assets of the Company. (iii) for preventing/detecting frauds and other irregularities.
- The Directors have prepared annual accounts on a going concern basis.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls in the opinion of the Board are adequate.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**7. Directors**

Mrs. N Malkani Nagpal will retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Further, all three Independent Directors have provided declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and comply with Regulation 25 of SEBI (LODR).

**8. Details of changes in Directors and/or Key Managerial Personnel**

There were no changes in the appointment or resignation of the Board and Key Managerial Personnel. In the Board meeting held on Oct 30, 2015 Mr. A T Malkani took over as the Chairman. Further, the Board placed on record the exemplary work of Mrs. N Malkani Nagpal.

**9. Board evaluation**

The Company has conducted a formal annual performance evaluation of the Board of its own performance including its Committees, Individual Directors & Senior Management Executives. Detailed manner of evaluation has been explained in the Corporate Governance Report.

**10. Audits**

**Statutory Audit:** In respect of the financial year 2015-16, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) specified in the Audit reports. Hence explanations or comments on the same do not become applicable.

**Secretarial Audit:** The Secretarial audit report forms part of the Directors' Report & there are no adverse remarks expressed therein.

**Cost Audit:** As per regulations and confirmation by the erstwhile Cost Auditor, it is not mandatory for the Company to have cost audit undertaken as revenues from business segments warranting cost audits are within threshold limits. Nonetheless, as per best practice, the Company maintains cost accounting records and has cost control measures in place, besides ensuring conduct of cost audits by external qualified Cost Auditors, year on year.

**Internal Financial Controls:** In house quarterly audits and annual external audits are conducted to ensure that internal financial controls are adhered and function effectively.

## DIRECTORS' REPORT

### 11. Auditors

**Statutory Audit:** At the Annual General Meeting held on August 20, 2014, M/s. Amarnath Kamath and Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Amarnath Kamath and Associates, as Statutory Auditors of the Company, is placed for ratification of the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**Secretarial Audit:** The Board has appointed Ms. Manjula Narayan (ACS Membership No. 28374 & CP No.10150), Practising Company Secretary having office at No. 22/A, 4<sup>th</sup> Cross, Devasandra, Krishnarajapuram, Bengaluru-36 as Secretarial Auditor for 2016-17.

**Cost Audit:** M/s. Rao, Murthy and Associates (Firm Registration No. 000065) having office at 23/33 Surveyor's Street, Basavanagudi, Bengaluru-04, have been appointed as Cost Auditors for 2016-17.

### 12. Joint venture and subsidiary

#### Wholly owned subsidiary – 3D Future Technologies Private Limited

The Company had infused additional investment of rupees one crore during the financial year 2015-16 in 3DFT aggregating its capital contribution to rupees two crores. The wholly owned subsidiary has utilised the same towards purchase of fixed asset, primarily an imported 3D printer which is a pre-requisite for its functioning. Further, the Company has also provided lien on its mutual fund investments as security to enable 3DFT to meet its working capital requirements. The rationale is to support 3DFT at its nascent stage, but at the same time external funding and servicing of debt will ensure that 3DFT maintains financial prudence and discipline, with mandated prior approval(s) from the parent company at each threshold limits of rupees fifty lakhs over and above an initial utilisation of rupees two crores. The Company has filed requisite documents in this regard with the Registrar of Companies. The current utilisation of overdraft facility by 3DFT as on March 31, 2016 is rupees eighty six lakhs.

#### Joint venture-Dualrank Fontech (M) Sdn. Bhd.

The Company has made provision for diminution in the value of investment of rupees seventy six lakhs as a matter of conservative approach and to take care of any contingencies, as the Malaysian Auditors' have expressed reservations on the going concern status of the venture. With initial gestation period of five years complete, the Company is closely monitoring and evaluating the functioning of the joint venture in terms of project viabilities and future sustenance.

### 13. Products

The Company's products are manufactured to international standards and marketed under registered trade-marks.

### 14. Fixed deposits

The Company did not accept fixed deposits during the year.

### 15. Liquidity

While the Company continues to be debt-free, working capital of the Company has been on an increase in the recent. Concerted efforts are being made to reduce enhanced cycle time from procurement of raw materials to debtor's collection. As in the past, amount requisite for payment towards employees compensation, creditors and dividend are being maintained in the form of investments/bank deposits to suffice one financial year's requirement.

### 16. Particulars of loans, guarantee and investments

During the financial year, the Company had provided inter-corporate-deposits (ICD) to its Associate, Ador Powertron Limited. Prior to extending this facility, the Company had sought legal opinion that it shall be within the compliance of legislative provisions. The ICD including interest has been repaid in full as at March 31, 2016. Further, the Company had also provided loans in tranches during the year, to Dualrank Fontech (M) Sdn. Bhd. amounting to ₹ 25 lakhs to tide over its working capital requirements, with an approximate equivalent contribution coming in from Dualrank (M) Sdn. Bhd.

### 17. Transactions with related parties

Transactions with related parties are in the ordinary course of business and on an arms length basis. The same is based on legal opinion(s), approval/ratification of the Audit Committee (on a quarterly basis) and subject to compliance of transfer pricing regulations and audit.

### 18. Material changes, commitments and orders

There has been no significant material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report. There were no significant orders passed against the Company, by the Regulators or Courts or Tribunals, impacting the going concern status and the Company's operations in the future.

### 19. Risk management

The Company has in place risk management framework, to analyse and manage various financial and non-financial risks. Most of the strategic policy decisions are facilitated through consultative process of the top Management team. The Board further states that there are no elements of risks which threaten the existence of the Company.

### 20. Insurance

The Company has sufficient insurance coverage on all its assets. They are renewed on time.

### 21. Employees

As has been in the past, the industrial relations with the employees of the Company continue to be harmonious and cordial. The Company has Vigil mechanism/Committees in place to prevent harassment and redress grievances, if any.

### 22. Disclosures

The following reports have been annexed/appended and forms part of the Directors' Report. (i) Management discussion and analysis report (ii) Corporate governance report. (iii) Report on CSR activities including policy, amounts spent & reasons for shortfall in spend. (iv) Nomination and remuneration policy. (v) Extract of annual return. (vi) Conservation of energy, technology absorption, foreign exchange earnings and outgo. (vii) Particulars of arrangements made with related parties. (viii) Particular of employees. (ix) Secretarial audit report.

### 23. Acknowledgements

The Board of Directors thank the Shareholders, Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government agencies for their continued patronage and support. Further, wish to place on record special appreciation to the contribution made by employees at all levels.

On behalf of the Board  
For Ador Fontech Limited

A T Malkani

Chairman

Mumbai  
May 09, 2016

DIN: 01585637



**ANNEXURE 1: MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. The economy**

While India may be better in comparison to other world economies, nonetheless the year 2015-16 was not very buoyant even in this sub-continent. The silver lining is, many of the State Governments have held 'Global Investors Meet' and have signed multi-lateral and bi-lateral agreements. Further, the Government is also contemplating disinvestment. These initiatives may take time to materialise. When this gets done, growth will certainly take a big leap forward.

**2. Industry structure and development**

Welding joins materials by applying heat and sometimes pressure, with or without the use of filler metal. The most common technique is the shielded metal-arc welding, which uses an electric arc to quickly weld a point. Cold welding, a more specialised technique, uses pressure alone to join metals without any heat. Explosion welding uses a controlled blast to pressure two metals. Other welding techniques include: diffusion which uses heat and pressure; laser-beam; ultra-sonic which uses high-frequency vibration etc. Although this industry grew from 1900 to 1980s, thereafter it remained stagnated. In India unlike in other countries repair welding assumed importance & provided impetus to reclaim non renewable minerals. Of late, industrial firms have started to undertake general repairs in their own shops on welded items, such as automotive industry. Further, development of new welding techniques have increased durability of components and is seen as one of the reason for decline in repair works, besides organisation's are increasing utilisation of unused excess capacity to the maximum, as a resultant factor to defer expenditures given the tight financial position.

**3. Current year outlook**

For reasons stated in industry structure and development, last couple of years have been quite challenging coupled with slow economic growth. This is expected to continue for another year or two. Thereafter growth in core sector industries will drive both fabrication and repair welding. Unlike in the past where these two sectors remained mutually exclusive, of late they seem to be moving in congruence & complimenting, with the latter following the former.

**4. Performance**

The Company has maintained its revenue and market share. This has ensured boosting of employees morale and confidence for better operational results. Details on financials have been provided as part of the Account Statements including segment/product group reporting.

**5. Opportunities**

In the long run, opportunities exist in the service sector besides automation. Vital in automation will be to integrate best of components both for efficient performance and cost effectiveness. Commodity products will move on to e-marketing domain and business per se in the long run will be enabled through Information Technology (IT) platform.

**6. Risk, threats and concerns**

For mid-sized organisations, competition is one of the major factors to be reckoned both from the organised and un-organised sector. Amongst the organised sector, India as an emerging economy provides fertile terrain for organisations to establish business and at the same time the un-organised group with less capital intensity and cheap labour stand a better chance in competition. Coupled with sectoral competition, price war will be one of the major concerns.

**7. Internal control system and its adequacy**

The Company has several audits conducted by External and Internal agencies to ensure that systems and processes are effective and ensured. Besides, statutory audit, branch audits, internal audits, commercial audits, ISO audits, labour audits, tax audit, transfer pricing audit, cost audit, secretarial audit, the Company has geared itself towards Internal Financial Control System as per recent mandate by factoring and addressing: (i) Entity's risk assessment process (ii) Control activities (iii) Information system & communication (iv) Monitoring of controls.

**8. Human resources development**

There were 236 employees on the muster roll of the Company as on March 31, 2016. The Company has best endeavoured its thrust on learning to facilitate employee development & enhance productivity.

**ANNEXURE 2: REPORT ON CORPORATE GOVERNANCE**

Good governance has always been an important element in human interactions and in an increasingly uncertain global climate has now become imperative. Business and economy are closely aligned to the fortunes and wellbeing of people which makes corporate governance a subject of great importance.

**1. Policies and documentation as part of Corporate Governance**

In consonance with SEBI guidelines and Listing requirements, the Company has adopted various policies, which are uploaded on the website: [www.adorfon.com/investorino/investorsinfo.html](http://www.adorfon.com/investorino/investorsinfo.html).

**2. Board of Directors****2.1 Role of the Board of Directors**

The primary role of the Board is that of trusteeship to protect and enhance shareholders' value through strategic direction to the Company. The Board exercises its duties with care, skill, diligence and affirms compliance in terms of the Companies Act, 2013, SEBI (LODR) and other applicable legislations in the best possible manner, as regards functioning of the Board, its Committee's and the Organisation, in general.

**2.2 Broad terms of reference and functions of the Board**

The following are generally provided to the Board of Directors:

- Annual strategies and operating plans.
- Capital budgets and updates thereon.
- Quarterly and half yearly unaudited financial results of the Company, it's subsidiary and joint venture.
- Audited financial results of the Company.
- Minutes of the meetings of the Board Committees.
- Information on recruitment and remuneration of Senior Executives, just below the level of the Board.
- Risk mitigation plans and updates.
- Show cause, demand, prosecution and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences; any material effluent or pollution problems.
- Any material default in financial obligation by the Company/substantial non payment of goods sold by the Company.
- Details of any joint venture/collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order or strictures on the Company or any

## ANNEXURE TO THE DIRECTORS' REPORT

adverse view regarding another enterprise that can have a negative impact on the Company.

- n. Significant labour problems & their proposed solution.
- o. Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- p. Sale of material nature of investments, subsidiaries, assets etc. which are not in the normal course of business.
- q. Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement.
- r. Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as unclaimed dividends, delay in share transfers etc.
- s. Updates on the working of subsidiary and joint venture.

### 2.3 Composition of the Board

Name of the Director	Category of Directorship
Mr. A T Malkani	Promoter and Executive
Mrs. N Malkani Nagpal	Promoter and Non-Executive
Mr. H P Ledwani	Executive
Mr. N S Marshall	Non-Executive & Independent
Mr. Santosh Janakiram	Non-Executive & Independent
Mr. Rafique Abdul Malik	Non-Executive & Independent

### 2.4 Director's identification number (DIN)

Name of the Director	Identification numbers
Mr. A T Malkani	01585637
Mrs. N Malkani Nagpal	00031985
Mr. H P Ledwani	00040629
Mr. N S Marshall	00085754
Mr. Santosh Janakiram	06801226
Mr. Rafique Abdul Malik	00521563

### 2.5 Meetings

During the year 2015-16, four Board meetings were held on April 30, 2015; July 30, 2015; October 30, 2015 & February 10, 2016.

### 2.6 Attendance and directorships

Attendance at Board meetings, last Annual general meeting, number of directorships in other companies & memberships in committees across various companies:

Name of the Director	Financial year 2015-2016		As on March 31, 2016		
	Attendance at		Other Directorships		
	Board Meet-ings	Annual General Meeting 26.08.15	Nos.	Committee Positions	
			No. of Membership	Chairman	ships
Mr. A T Malkani	Four	Present	One	One	-
Mrs. N Malkani Nagpal	Four	Present	Three	Three	-
Mr. H P Ledwani	Four	Present	One	-	-
Mr. N S Marshall	Four	Present	Two	-	-
Mr. Santosh Janakiram	Four	Present	-	-	-
Mr. Rafique Abdul Malik	Two	Absent	Two	Three	Two

Notes: (i) Directorship excludes Private Limited companies & alternate Directorship (ii) Directors have affirmed compliance w.r.t. the applicable number of Committee positions and Chairmanship as per Regulation 26 of SEBI (LODR).

## 3. Audit Committee

### 3.1 Broad terms of reference

- a. Review the Company's financial reporting process and its financial statements.
- b. Review the efficacy of internal control mechanism including financial controls and monitor risk management policies adopted by the Company.
- c. Review reports furnished by Internal/Statutory Auditors and ensure that suitable follow up action is taken.
- d. Examine accounting, taxation and disclosure aspects as stipulated under various legislations.
- e. Recommend appointment/re-appointment as also terms of appointment & remuneration of Auditors; solicit professional guidance & support, wherever required.
- f. Review & monitor Auditor's independence, performance and effectiveness of audit processes.
- g. Examination of financial statements and the Auditors' report thereon.
- h. Approval/ratification of transactions of the Company with related parties.
- i. Scrutiny of inter-corporate loans, investments & deposits.
- j. Soliciting professional and legal opinions, where ever required.
- k. All other applicable matters.

### 3.2 Meetings

During the year 2015-16, four Audit Committee Meetings were held on Apr 30, 2015; Jul 30, 2015; Oct 30, 2015 & Feb 10, 2016.

### 3.3 Composition and attendance

Name of the Director	Designation	Attendance
Mr. N S Marshall	Chairman	Four
Mrs. N Malkani Nagpal	Member	Four
Mr. Santosh Janakiram	Member	Four
Mr. Rafique Abdul Malik	Member	Two

Mr. H P Ledwani is permanent invitee to the Audit Committee and has attended all four meetings.

### 3.4 Vigil mechanism/Whistle blower policy

The Company has established vigil mechanism for Directors and Employees to report genuine concerns directly to the Members and Chairperson of the Audit Committee through e-mail subject to proof and genuineness of identification. Any Director or Employee using this mechanism shall not be subject to victimisation. The Members of the Audit Committee will take appropriate action to redress grievances, if any. No person is denied access to the Audit Committee. Further, the Company has also constituted a Committee under 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received by the Committee during the financial year 2015-16.

### 3.5 Risk and hedging

To a large extent changes in currency fluctuations are offset against premium on hedging and hence the Company has not chosen to hedge, except it holds & operates EEFC accounts.

#### 4. Management development, nomination & remuneration committee

##### 4.1 Broad terms of reference

Shall identify persons who are qualified to become Directors & who may be appointed in senior management positions; Shall carry out evaluation of their performance; Partake in their development by attending to their training requirements; Recommend remuneration including increments and incentives.

##### 4.2 Composition and attendance

Name of the Director	Designation	Attendance
Mr. Rafique Abdul Malik	Chairman	Two
Mrs. N Malkani Nagpal	Member	Four
Mr. N S Marshall	Member	Four
Mr. Santosh Janakiram	Member	Four

##### 4.3 Appointments and remuneration

- As regards appointment of Executive Directors, the recommendations of the Committee are validated by the Board and thereafter subjected to the approval of Shareholders.
- Non-Executive Directors and Independent Directors appointment are based on their qualifications, experience & approved by the Shareholders on the recommendation of the Board. Sitting fees for Board, Audit & Shareholder's committee meetings are ₹ 8,000/- (Rupees eight thousand only), ₹ 5,000/- (Rupees five thousand only) & ₹ 4,000/- (Rupees four thousand only) respectively.
- Directors in general will also be entitled towards travel expenditure (not being remuneration/perquisite) of travel fare/board and lodging/daily allowance/per diem allowance (as may become applicable) to enable discharge of official duties.

##### 4.4 Remuneration to whole time Directors 2015-16 (₹ in lakhs)

Names	Salary	Benefits	Total
Mr. A T Malkani	74	15	89
Mr. H P Ledwani	128	26	154

Notes: (i) The agreements with the whole time Director(s) are for a period of five years w.e.f. April 1, 2012. (ii) Either party may terminate the agreement by giving six months' notice to the other party. (iii) In the event of loss of office, remuneration shall be paid for the remaining period of the contract. (iv) Salary includes basic, house rent allowance & contribution to provident fund. (v) Benefits includes contribution to superannuation fund & reimbursements of medical, insurance, electricity, education & LTA. (vi) Performance linked incentive is applicable to the Managing Director on a graded scale on the profits of the Company, restricted as per the provisions of the Companies Act, 2013. (vii) No stock option has been provided.

##### 4.5 Sitting fees Amount (₹)

Name of the Director	2015-16	2014-15
Mrs. N Malkani Nagpal	68,000	68,000
Mr. N S Marshall	52,000	26,000
Mr. Santosh Janakiram	68,000	51,000
Mr. Rafique Abdul Malik	34,000	8,000
<b>Total</b>	<b>2,22,000</b>	<b>1,53,000</b>

#### 4.6 Performance evaluation

A Board needs to make timely strategic decisions, to ensure operations are in line with business plans, ensure integrity of financial information, robustness of financial and other controls to oversee management of risk, review effectiveness of risk management processes and ensure that right people are in place and coming through. Non-Executive Directors are expected to provide an effective monitoring role and provide advice as a sounding board to the Executive Directors.

Based on the same, annual evaluation has been made by the Board of its own performance and that of its Committees and Individual Directors. Evaluation is based on various parameters as stated below:

- Participation in Board meetings and Annual general meetings of the Company.
- Quality of inputs provided at the meetings.
- Contribution towards development of strategies.
- Contribution towards risk management.
- Concern towards holistic development of the Company – short term as well as long term.

The evaluation process for the year 2016 has been completed.

#### 4.7 Independent Directors

During the year under review, Independent Directors met on April 30, 2015, to inter-alia discuss on the following:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the Chairman of the Company, taking in to account the views of Executive, Non-Executive and Independent Directors.
- Assess quality, quantity & timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

All three independent Directors were present at the meeting.

#### 4.8 Familiarisation programme

The Company carried out familiarisation programme for Independent Directors on their role, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. Details of familiarisation programme have been uploaded on the website. [http://www.adorfon.com/investorino/pdf/others/ADFL\\_familiarisation\\_programme.pdf](http://www.adorfon.com/investorino/pdf/others/ADFL_familiarisation_programme.pdf).

### 5. Stakeholders Relationship Committee

#### 5.1 Functions

The Stakeholders Relationship Committee of the Board looks in to redressal of Investors' complaints like non-receipt of annual reports, dividend payments etc. and matters related to share transfers/transmission, issue of duplicate share certificates, de-materialisation/re-materialisation of shares & other allied transactions. The Committee has delegated powers to the Executives of the Company, to facilitate quick response.

#### 5.2 Meetings

During the year 2015-16, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on April 30, 2015; July 30, 2015; October 30, 2015 and February 10, 2016.

## ANNEXURE TO THE DIRECTORS' REPORT

### 5.3 Composition and attendance

Name of the Director	Designation	Attendance
Mr. Santosh Janakiram	Chairman	Four
Mrs. N Malkani Nagpal	Member	Four
Mr. H P Ledwani	Member	Four
Mr. Rafique Abdul Malik	Member	Two

### 5.4 Compliance officer

The Board has designated Ms. Geetha D, Company Secretary as the Compliance Officer.

### 5.5 Transfer committee meetings

Twelve transfer committee meetings were held during the year 2015-16.

### 5.6 Director's shareholding as on March 31, 2016

Name of the Director	Number of shares
Mr. A T Malkani	4,59,135
Mrs. N Malkani Nagpal	27,350
Mr. H P Ledwani	50,885
Mr. N S Marshall	3,099
Mr. Santosh Janakiram	-
Mr. Rafique Abdul Malik	-

### 5.7 Shareholders' complaints received/replied and pending share transfers

Total number of complaints received and replied to the satisfaction of the shareholders during the year 2015-16 were five. There were no outstanding complaints as on March 31, 2016. There were no pending share transfers in physical as well as in demat category. All requests received up to March 31, 2016 were processed.

## 6. General body meetings

### 6.1 Dividend history (₹ in lakhs)

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total
2014-15	One hundred & seventy five	613	125	738
2013-14	One hundred & seventy five	613	104	717
2012-13	One hundred & seventy five	613	104	717
2011-12	One hundred & fifty	525	86	611
2010-11	One hundred & twenty five	438	73	511
2009-10	One hundred & twenty	420	70	490
2008-09	Fifty	175	30	205

### 6.2 Location and time of last three Annual General Meetings

Financial Year	Date	Location of the Meeting	Time (hrs.)
2014-2015	26.08.2015	Hotel Woodlands, B'lore	11.30
2013-2014	20.08.2014	Hotel Woodlands, B'lore	11.30
2012-2013	19.07.2013	Hotel Woodlands, B'lore	11.30

### 6.3 Special resolutions and postal ballot

In the previous AGM, special resolution was passed to amend the Articles of Association in consonance with the Companies Act, 2013. Further, there was no postal ballot conducted in 2015-16 and the Company does not anticipate conduct of a new

ballot as on the date of this report. In case of any requirement in the future, it shall comply with due process of law.

## 7. Disclosures

### 7.1 Materially significant related party transactions

During the year 2015-16, there were no materially significant related party transactions with the Promoters, Directors or Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large. <http://www.adorfon.com/investorino/pdf/others/TransactionsPolicy.pdf>

### 7.2 Compliances

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India and/or other Statutory Authorities relating to capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

### 7.3 Affirmation

To the best of knowledge, the Company has complied with all mandatory requirements pertaining to corporate governance.

## 8. General Shareholders' Information

### Annual General Meeting

Date : August 04, 2016

Time : 11:30 Hours

Venue: Hotel Woodlands Private Limited, Bengaluru

### Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

The Company executed the new listing agreement with BSE and has also paid listing fees to the Stock Exchange up to the financial year 2016-17.

**Book closure dates:** (both days inclusive)

July 26, 2016 to August 04, 2016

**Dividend payment dates:** August 05, 2016 and onwards

**ISIN:** INE853A01022 and **Script code:** 530431

### Corporate/Head office

CIN: L31909KA1974PLC020010

Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045 / 73 Fax : (080) 25597085

### Reclamation centre

S-60-61 MIDC Hingna Industrial Estate Nagpur 440 016

### Manufacturing plant I

486 B-1 14<sup>th</sup> Cross 3<sup>rd</sup> Main 4<sup>th</sup> Phase Peenya Industrial Area Bengaluru 560 058

### Manufacturing plant II

A-288 6<sup>th</sup> Main 2<sup>nd</sup> Stage Peenya Industrial Estate Bengaluru-58

### Share transfer agent

Integrated Enterprises (India) Limited

30 Ramana Residency Sampige Road Malleswaram Bengaluru-03

Tel: (080) 23460815-18 Fax: (080) 23460819

### Share transfer system

The transfer of shares in physical form is processed and completed by Integrated Enterprises (India) Limited. In case where shares are held in electronic form, transfers are processed by the Depositories-NSDL and CDSL.

### Dematerialisation of shares and liquidity

Ninety percent of the paid up share capital of the Company

stands dematerialised as on March 31, 2016.

#### GDRs/ADRs/Convertible instruments

The Company has no outstanding GDRs/ADRs/Warrants or convertible instruments.

#### Reconciliation of share capital

During the financial year 2015-16, audits were carried out at the end of every quarter by a qualified Practising Company Secretary.

#### Policy for entering in to related party transactions

The Company has formulated policy on related party transactions, as required under the provisions of the Companies Act, 2013 and of the Listing Agreement. The same has been uploaded on the Company's website.

#### Means of communication and disclosures

The Company regularly publishes its 'Quarterly, Half-yearly and Annual Financial Results including Notice to the Meetings' in Newspapers viz., Business Standard/Financial Express (English) and Sanjevani/E-sanje (Kannada) besides, upload on the Website of the Company. Due intimations are also provided to the Stock Exchange (BSE). A separate dedicated section named 'Investors' info' is available on the Company's website ([www.adorfon.com/investorinfo/investorsinfo.html](http://www.adorfon.com/investorinfo/investorsinfo.html)). All policies and disclosures requisite to be made under SEBI (Listing Obligations & Disclosure Requirements-LODR) Regulations and Listing agreement have been uploaded.

**Unclaimed shares:** In respect of 349 Shareholders holding 3,62,000 number of shares, new Share Certificates issued were returned undelivered. In terms of SEBI (LODR) Regulations 39(4) the Company/ R & T Agent are sending reminder letters to the address available as per records.

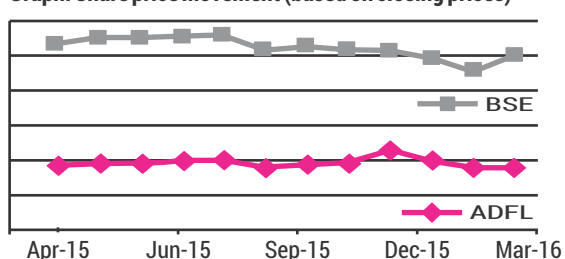
9. **Shareholding pattern as on March 31, 2016:** Kindly refer page 16.

#### 10. Equity shares: Price and movement

##### a. Stock price data: BSE, The Stock Exchange, Mumbai

Month	Open price	High price	Low price	Close price
Apr 2015	89.20	102.20	88.00	91.30
May 2015	97.50	99.00	86.10	94.95
Jun 2015	96.70	101.00	88.55	95.35
Jul 2015	96.75	108.30	93.70	99.60
Aug 2015	99.00	102.00	85.00	90.80
Sep 2015	88.25	97.00	85.50	89.75
Oct 2015	90.45	97.50	88.20	93.60
Nov 2015	95.60	98.65	86.00	94.85
Dec 2015	96.30	124.30	94.15	118.40
Jan 2016	117.60	120.00	90.10	98.70
Feb 2016	103.00	103.40	85.55	87.65
Mar 2016	91.00	94.00	86.30	89.80

##### b. Graph: Share price movement (based on closing prices)



#### 11. Distribution schedule as on March 31, 2016

Nominal value (₹)	Shareholders		Equity Shares	
	No.	Percent	Amount (₹)	Percent
Up to 5000	5,566	90.90	63,27,510	18.08
5,001-10,000	260	4.25	20,89,326	5.97
10,001-20,000	136	2.22	20,43,008	5.84
20,001-30,000	58	0.95	14,63,450	4.18
30,001-40,000	23	0.38	8,14,622	2.33
40,001-50,000	15	0.25	6,90,504	1.97
50,001-1,00,000	30	0.49	21,44,736	6.13
1,00,001 & above	34	0.56	1,94,26,844	55.50
<b>Total</b>	<b>6,122</b>	<b>100.00</b>	<b>3,50,00,000</b>	<b>100.00</b>

#### 12. Prohibition of Insider Trading Regulations (PIT Regulations, 2015)

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring & Reporting of Trades' in accordance with PIT Regulations & has also formulated 'Code of Practices & Procedures for fair disclosure of Unpublished Price Sensitive Information'.

#### 13. Code of conduct

The Company has in place 'Code of Conduct' for (i) Employees in general (inter-alia specifying maintenance of safety standards and to also refrain from unethical practices including bribery etc.). (ii) Board Members and Senior Management of the Company. (iii) Code for Independent Directors as specified in Schedule IV to the Companies Act.

#### 14. Discretionary requirements

(i) While the Chairman is an Executive Director, the day to day operations are managed by the Managing Director/CEO. (ii) The Reports of Internal Auditors are addressed to the Board/Audit Committee. (iii) The Company has over the last four decades been in the regime of financial statements with unmodified audit opinion.

#### Auditors' Certificate on Corporate Governance

##### To the Members of Ador Fontech Limited

We have examined the compliance of conditions of Corporate Governance by Ador Fontech Limited (the 'Company') for the year ended March 31, 2016 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange (BSE) for the period April 1, 2015 to November 30, 2015 and as per relevant provisions of the Securities and Exchange Board of India (LODR) Regulations, 2015 as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016. The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. In our opinion & to the best of our information & according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/ Listing Regulations, as applicable. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Amarnath Kamath and Associates**

Chartered Accountants

Firm Registration No. 000099S

Bengaluru  
May 10, 2016

**Amarnath Kamath**

Partner [Membership No.13124]

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE 3: CORPORATE SOCIAL RESPONSIBILITIES (CSR)

#### 1. CSR policy

The Company operates in the domain of 'Life Enhancement of Industrial Components'. It is dedicated to conserve and preserve valuable mineral resources and guided by the theme 'Reclaim... do not replace'. The activities of the Company itself may be deemed as part of CSR activities with emphasis on 'Care for Environment' and 'Conservation of Natural Resources'.

Besides the above, diversified focus on CSR activities also includes participation in:

- Providing basic necessities of life for the underprivileged
- Medical
- Vocational/ skill development programmes
- Learning/ education
- Improvement in the quality of life of workforce
- Community development projects
- Sports
- Support for terminally ill, special children, old age homes and destitutes etc.

#### 2. CSR Committee

In consonance with Section 135 of the Companies Act, 2013, the CSR team, constituted by the Board is as under:

Name of the Director	Designation
Mrs. N Malkani Nagpal	Chairman
Mr. A T Malkani	Member
Mr. H P Ledwani	Member
Mr. N S Marshall	Member

The Committee had met four times during the financial year 2015-16 and reviewed activities at frequent intervals.

#### 3. The CSR Committee will be in charge & render the following functions

- Develop annual strategy and plan for CSR based on guidelines set by the Companies Act, 2013 and rules framed there under.
- Decide on the modalities for execution of programmes.
- Recommend amount to be spent on CSR activities.
- Monitor execution mechanism for CSR projects.
- Periodic reporting and communication to the Board.

The CSR activities will be implemented either directly on its own by the Company or through non-profit organisations, which are in to CSR activities. The Company may also enter in to collaborative partnerships with Government, NGO's, independently registered non-profit organisations, so as to widen the Company's reach and leverage upon collective expertise and experience.

#### 4. Average profit of the Company for the last three financial years

As per Section 198 of the Companies Act, 2013: ₹ 2,367 lakhs

#### 5. Prescribed CSR spend for the financial year 2015-16

Two percent of the amount as in item 4 above: ₹ 47 lakhs

#### 6. Details of CSR spent during the financial year 2015-16

- Total amount to be spent for the financial year**  
Rupees forty seven lakhs
- Amount spent**  
Rupees twenty nine lakhs
- Amount unspent, if any**  
\*Rupees eighteen lakhs

#### d. Manner in which the amount was spent during the financial year

CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay / budget program wise	Amount spent on projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly/ through implementing agency
As per Schedule VII of the Companies Act, 2013	Activities concerning 1. Basic necessities of life 2. Sports 3. Education 4. Humanities				Programme wise details provided	Majority through implementing agencies

#### e. Details of projects are as under

Programs	Date of contribution	Amount	Activities
<b>CanSupport</b> Reg. Number R2015-0233 PAN AAATC3017F Sector Ref.1	23.09.2015	₹ 1 L	CanSupport is an NGO associated with cancer patients. The organisation was in need of inverter batteries. Ador Fontech Ltd. sponsored fourteen number of batteries.
<b>Jimmy Billimoria Foundation</b> Reg. Number E-31101 PAN AACTT5523F Sector Ref.1	18.02.2016	₹ 2 L	Jimmy Billimoria Foundation is involved in providing relief measures to cancer patients. Ador Fontech Ltd. contributed towards palliative care service of patients with life limiting and debilitating conditions, particularly for those with end stage cancer, providing them with pain management and symptom relief support.
<b>GoSports</b> Reg. Number 143/200809 PAN AABTG2334C Sector Ref.2	15.12.2015	₹ 2 L	GoSports in an organisation involved in training of Indian sports persons for the Olympics. Contribution was made towards training in shooting and badminton besides 'Para Olympics'.
<b>Ambuja Foundation</b> Reg. Number U91990 WB1993 GAP059030 PAN AABTG2334C Sector Ref.3	18.02.2016	₹ 9 L	Ambuja Foundation works for the development/upliftment of community covering more than 800 villages in India. Ador Fontech Ltd. partnered with Ambuja Foundation towards education & skill development programmes of the underprivileged youth at Gandhinagar.
<b>Ador Fontech Charitable Fund</b> Reg. Number 61/2003-04 PAN AABTA6823A Sector Ref.4	2015-16	₹ 15 L	Amount spent from the fund includes: (i) Food articles for Gandhi Old Age Home, Bengaluru (ii) Nice Computers – Computer education. (iii) Karnataka Government School, Bengaluru-Note books, pens/pencils etc. (iv) Blind school-Clothing necessities.

## ANNEXURE TO THE DIRECTORS' REPORT

### f. \*Reasons for not spending the amount

The real intent is to spend for the needy and the poorest of the poor. This involves time and progressive efforts. While in the current year, the spend was less than the requirement, in years to come it will get compensated and efforts will be channelised towards nation building and community development projects. It may however be pertinent to note that Ador Fontech Charitable Fund which was formed in the year 2003 by Ador Fontech Limited carries a corpus of ₹ 31 lakhs and interest received therefrom is being deployed for welfare measures. The employees of the Company are Members of the fund and partake in its activities.

### 7. Detailed 'CSR Policy' has been uploaded on the Company's website. [http://www.adorfon.com/investorino/corporate\\_governance.html](http://www.adorfon.com/investorino/corporate_governance.html)

### 8. Responsibility statement

The CSR Committee confirms that the implementation and monitoring of CSR programmes, is in compliance with the CSR objectives and policy of the Company.

For Ador Fontech Limited

Mumbai	<b>N Malkani Nagpal</b>	<b>A T Malkani</b>
May 09, 2016	Chairman of CSR Committee DIN 00031985	Chairman DIN 01585637

## ANNEXURE 4: NOMINATION AND REMUNERATION POLICY

The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 read with SEBI (LODR) Regulations and Listing Agreement.

### 1. Objectives and purpose

- To formulate criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director (Executive/Non-Executive).
- To recommend to the Board policies relating to remuneration of Directors, KMPs and other employees.
- To lay out remuneration principles for employees linked to their effort, performance and achievements.

### 2. General

#### Part-A: Recommendations by the Committee to the Board

- Size and composition of the Board.
- Succession plans.
- Evaluation of performance.
- Remuneration framework and policies.

The Committee is responsible for reviewing and making recommendations to the Board on:

- The remuneration of Managing Director, Whole-time Director(s) and KMPs.
- The total level of remuneration/sitting fees payable to Non-Executive Directors and Independent Directors.
- Remuneration policies for employees including KMPs and Senior Management-base pay, incentive payments, retirement rights and service contracts having regard to:
  - Attract and motivate talent to pursue the Company's long-term growth strategies.

Be reasonable and fair in consonance with the best of governance practices and legal requirements.

- The Company's incentive schemes including consideration of performance thresholds, regulatory & market requirements.
- The Company's retirement benefit schemes including superannuation, gratuity, leave encashment etc.
- The Company's remuneration reporting in the financial statements.

#### Part-B: Appointments, tenure and exits

Policy for the appointment and removal of Directors, KMPs and Senior Management are as follows:

- The Committee shall identify and ascertain qualifications, expertise, experience & integrity of the person for appointment as Director, KMP or for Senior management positions. It shall there after recommend to the Board his/her appointment.
- A person to be appointed as Director should possess impeccable reputation of integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complement skills in relation to other Board Members.
- The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole time Director, for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
- An independent Director shall hold office for a term of five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Members of the Company, of which disclosure shall be made in the Board's report. No independent Director shall hold office for more than two consecutive terms, except with a break in service as stipulated under the Companies Act, 2013.
- Due to any of the reasons for disqualifications mentioned in the Companies Act, 2013 and the rules made thereunder or under any other applicable Act, Rules & Regulations, the Committee may recommend to the Board, with reasons recorded in writing, for the removal of a Director/KMP subject to the provisions and compliance of the said Act, Rules and Regulations.
- The whole time Directors, KMP's and Senior Management Personnel shall retire as per applicable provisions of the Companies Act, 2013 and prevailing policies of the Company. The Board will have discretion to retain any of them in the same position/remuneration or otherwise, even after attaining retirement age, for the benefit of the Company.

#### Part-C: Remuneration and perquisite

Policy relating to the remuneration of Directors, KMPs & other employees:

- The remuneration and commission to be paid to the Managing Director and/or the Whole time Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- Remuneration to non-executive Directors shall comprise of sitting fees for attending each of the meetings. Further, the Company shall also reimburse their travel costs, board and lodging/travel/daily allowance/per diem allowance to defray expenses in connection with attending meetings of the Company including Annual general meeting.

## ANNEXURE TO THE DIRECTORS' REPORT

- c. Remuneration and reward structure for employees comprises two broad components-annual remuneration and retirement benefits. The former comprises two parts-fixed component and performance-linked-variable based on the extent of achievement of the individual's objectives/performance and the Company as a whole.
  - d. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 or if it is not able to comply with such provisions, subject the same to the approval of the Central Government.
- b. Benefits derived as a result of the above efforts
    - i. Product improvement
    - ii. Reduced cost of final products
    - iii. Comparable quality and performance with products produced using imported materials.
  - c. Details of technology imported during the last five years reckoned from the beginning of the financial year.
    - i. **Technology imported:** Nil
    - ii. **Year of import:** Not applicable
    - iii. **Has technology been fully absorbed. If not fully absorbed, areas where this has not taken place. Give reasons for the same and explain future plan of action, if any:** Not applicable

### Policy review

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulation which makes any of the provisions in the policy inconsistent with the Act or Regulations, the provisions of the Act or Regulations would prevail over the policy and provisions in the policy would be modified in due course to make it consistent with the law. This policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the Committee would be subject to the approval of the Board.

### ANNEXURE 5: CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

#### 1. Conservation of energy

Efforts have been made to conserve and optimise the use of energy through improved operational methods-maximum use of skylight, use of LEDs, air circulating rotatory exhaust fans, energy saving PCB's, etc.

#### 2. Technology absorption

- a. Efforts in brief made towards technology absorption and innovation: Locally available raw materials are utilised to gain maximum advantage.

#### 3. Foreign exchange earnings and outgo

Please refer notes to the financial statements.

#### 4. Research and development (R and D)

- a. Specific areas in which R and D has been carried out: Continual efforts are being made to improve the manufacture of equipment, besides development of newer types of electrodes and flux cored wires.
- b. Benefits derived as a result of the above R and D
  - i. Conservation of basic raw materials coupled with low cost and longer life.
  - ii. Improvement in the quality of products.
- c. Future plan of action: To make further progress in areas enunciated at item nos. 1 and 2 above.
- d. Expenditure on R and D
  - i. **Capital:** Nil
  - ii. **Recurring:** As of now, it is being maintained as an on-going part of production activities.
  - iii. **Total:** Not applicable
  - iv. **Total R & D expenditure as a percent of total turnover:** Not applicable

### ANNEXURE 6: CONTRACTS/ARRANGEMENTS ENTERED IN TO BY THE COMPANY WITH RELATED PARTIES

Pursuant to Section 134 and Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Not applicable.
2. **Details of material contracts or arrangements or transactions at arm's length basis**
  - a. **Name(s) of the Related Party and nature of relationship**

Name of the Related Party	CIN/Reg. No. of the Related Party	Holding/Subsidiary/Associate
JB Advani and Company Private Limited	U51900MH1925PTC004217	Associate
Ador Welding Limited	L70100MH1951PLC008647	Associate
Ador Powertron Limited	U31103PN1995PLC084268	Associate
Ador Welding Academy Private Limited	U74900PN2012PTC144148	Associate
Dualrank Fontech (M) Sdn. Bhd.	Reg No. 905260-H	Associate (Joint venture entity)
3D Future Technologies Private Limited	U74999MH2015PTC261114	Wholly owned subsidiary



**b. Nature of contracts/arrangements/transactions**

Name of the Related Party	Nature of Contracts/Arrangements/Transactions
J B Advani and Company Private Limited	Purchase/sale of materials and provision of services in the ordinary course of business.
Ador Welding Limited	Purchase and sale of materials in the ordinary course of business and lease rentals of shared office premises.
Ador Powertron Limited	Purchase and sale of materials in the ordinary course of business.
Ador Welding Academy Private Limited	Purchase and sale of materials in the ordinary course of business.
Dualrank Fontech (M) Sdn. Bhd.	Contribution towards equity, purchase and sale of materials in the ordinary course of business and provision of loan in tranches for working capital.
3D Future Technologies Private Limited	Contribution to capital and lien marking of mutual funds.

**c. Duration of contracts/arrangements/transactions**

- Joint venture agreement between Ador Fontech Limited and Dualrank has no specific time duration.
- Purchase/ sale of materials, provision of services, lease rental accommodation for office premises are in the ordinary course of business with no specific time duration.

**d. Salient terms of contracts or arrangements or transactions including value, if any**

- Joint venture with Dualrank entails an equity participation of 48% by Ador Fontech Limited.
- Purchase and sale transactions are based on purchase orders/sales invoices. Transactions are on arm's length basis, with pricing compatible to market quotes and transactions of similar nature of respective companies. The transactions are subject to transfer pricing requirements and audit.

- 3D Future Technologies Pvt. Ltd. was formed as a wholly owned subsidiary and registered in Mumbai.
- The Company has lease rental agreements with Ador Welding Limited for sharing of office premises at Pune, Kolkata and Secunderabad.
- Details and values of transactions with related parties are depicted as part of notes to the accounts.

**e. Details of approval by the Board, if any**

- Joint venture approved by the Board on April 29, 2011.
- Wholly owned subsidiary-3D Future Technologies Pvt. Ltd. formed vide Board resolution-November 11, 2014.
- General purchases approved and ratified by the Audit Committee and Board at annual/quarterly meetings.

**f. Amount paid as advances, if any**

As on date- Nil

**ANNEXURE 7: EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2016**

Pursuant to Section 92 and 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014

**1. Registration and other details**

CIN	L31909KA1974PLC020010
Registration number and date	08/20010 and August 22, 1974
Name of the Company	Ador Fontech Limited
Category/Sub-category of the Company	Life Enhancement of Industrial Components
Address and contact details	Belview 7 Haudin Road Bengaluru-42 Tel: 080-25596045/73 Email: investorservice@adorfon.com
Whether listed company	Yes - Bombay Stock Exchange
Name, address and contact details of Registrar and Transfer Agent, if any.	Integrated Enterprises (India) Limited 30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003 Tel: 080-23460816/18 Email:irg@integratedindia.in

**2. Principal business activity of the Company**

Name and description of main products/services	NIC code of the products/services-group	Total turnover of the Company (percent)
Consumables	241-242	73
Equipment/Automation and ancillaries	271	20
Services	331	07

**3. Particulars of holding, subsidiary and associate companies**

Names	CIN/ GLN	Subsidiary/associate	Shares held (percent)	Applicable section
Dualrank Fontech (M) Sdn. Bhd.	905260-H Reg. in Malaysia	Associate	48	Sec 2(6)
3D Future Technologies Pvt. Ltd.	U74999MH2015PTC261114	Wholly owned subsidiary	100	Sec 2(87)
<b>Addresses</b>				
Dualrank Fontech (M) Sdn. Bhd.: A1-3 Jalan 2/142 A Megan Phoenix Cheras Kuala Lumpur KM 10 56000				
3D Future Technologies Pvt. Ltd.: Ador House 5th floor 6 K Dubash Marg Fort Mumbai 400 001				

## ANNEXURE TO THE DIRECTORS' REPORT

### 4. Share holding pattern

#### a. Category wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percentage change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
<b>A. Shareholding of the promoter and promoter group</b>									
<b>1. Indian</b>									
a. Individuals/Hindu Undivided Family	1647215	-	1647215	9.42	1648565	-	1648565	9.42	-
b. Central /State Government(s)									
c. Bodies Corporate	4606578	-	4606578	26.32	4606578	-	4606578	26.32	-
d. Financial Institutions/Banks									
<b>Sub-total (A)(1)</b>	<b>6253793</b>	<b>-</b>	<b>6253793</b>	<b>35.74</b>	<b>6255143</b>	<b>-</b>	<b>6255143</b>	<b>35.74</b>	<b>-</b>
<b>2. Foreign</b>									
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of the promoter and promoter group (A)= (A)(1)+(A)(2)</b>	<b>6253793</b>	<b>-</b>	<b>6253793</b>	<b>35.74</b>	<b>6255143</b>	<b>-</b>	<b>6255143</b>	<b>35.74</b>	<b>-</b>
<b>B. Public shareholding</b>									
a. Mutual Funds/ UTI	12000	-	12000	0.07	12000	-	12000	0.07	-
b. Foreign Institutional Investors	957977	-	957977	5.47	1082036	-	1082036	6.18	0.71
<b>Sub-total (B)(1)</b>	<b>969977</b>	<b>-</b>	<b>969977</b>	<b>5.54</b>	<b>1094036</b>	<b>-</b>	<b>1094036</b>	<b>6.25</b>	<b>0.71</b>
a. Bodies corporate	688106	35005	723111	4.13	633683	35005	668688	3.82	(0.31)
b. Individual shareholders holding nominal share capital up to ₹ 1 L	5341354	1643085	6984439	39.91	5367088	1550035	6917123	39.53	(0.38)
c. Individual shareholders holding nominal share capital in excess of ₹ 1 L	1984213	127700	2111913	12.07	2094260	127700	2221960	12.70	0.63
d. Clearing Members/Others	25733	-	25733	0.15	20114	-	20114	0.11	(0.04)
e. NRI	431034	-	431034	2.46	322936	-	322936	1.85	(0.61)
<b>Sub-total (B)(2)</b>	<b>8470440</b>	<b>1805790</b>	<b>10276230</b>	<b>58.72</b>	<b>8438081</b>	<b>1712740</b>	<b>10150821</b>	<b>58.01</b>	<b>(0.71)</b>
<b>Total public shareholding (B)= (B)(1)+(B)(2)</b>	<b>9440417</b>	<b>1805790</b>	<b>11246207</b>	<b>64.26</b>	<b>9532117</b>	<b>1712740</b>	<b>11244857</b>	<b>64.26</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>15694210</b>	<b>1805790</b>	<b>17500000</b>	<b>100.00</b>	<b>15787260</b>	<b>1712740</b>	<b>17500000</b>	<b>100.00</b>	<b>0.00</b>

#### b. Shareholding of promoters and promoter group (\*First named Member/Shareholder/Director in JB Advani and Company Private Limited)

Names	Shareholding at the beginning of the year			Shareholding at the end of the year			Percentage change
	No. of shares	Percent	Share pledged/encumbered	No. of shares	Percent	Share pledged/encumbered	
M/s. JB Advani and Company Pvt. Ltd.	46,06,578	26.32	-	46,06,578	26.32	-	-
Mr. Aditya Tarachand Malkani*	4,59,135	2.62	-	4,59,135	2.62	-	-
Mr. Ajit T Mirchandani	83,505	0.48	-	73,730	0.42	-	-
Ms. Aruna B Advani*	4,50,500	2.57	-	4,50,500	2.57	-	-
Mr. Deep Ashda Lalvani*	16,405	0.09	-	17,755	0.10	-	-
Ms. Gulshan Gulu Malkani	3,53,000	2.02	-	3,53,000	2.02	-	-
Ms. Michelle Gulu Malkani	41,850	0.24	-	41,850	0.24	-	-
Ms. Ninotchka Malkani Nagpal*	27,350	0.16	-	27,350	0.16	-	-
Ms. Rajbir Tarachand Malkani	83,515	0.49	-	83,515	0.49	-	-
Mr. Ravin A Mirchandani*	5,955	0.03	-	5,955	0.03	-	-
Ms. Reshma A Lalvani	48,500	0.28	-	48,500	0.28	-	-
Ms. Tania A Mirchandani	75,000	0.43	-	84,775	0.48	-	-
Ms. Vimla A Lalvani	2,500	0.01	-	2,500	0.01	-	-
<b>Total</b>	<b>62,53,793</b>	<b>35.74</b>	<b>-</b>	<b>62,55,143</b>	<b>35.74</b>	<b>-</b>	<b>-</b>

## c. Shareholding of Directors and Key Management Personnel

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
Mr. AT Malkani	4,59,135	2.62%	4,59,135	2.62%
Mrs. N Malkani Nagpal	27,350	0.16%	27,350	0.16%
Mr. HP Ledwani	50,885	0.29%	50,885	0.29%
Mr. NS Marshall	3,099	0.02%	3,099	0.02%
Mr. Santosh Janakiram	-	-	-	-
Mr. Rafique Abdul Malik	-	-	-	-
Ms. Geetha D	-	-	-	-

## d. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
M/s. Malabar India Fund Limited	6,16,159	3.52	8,50,000	4.86
M/s. Novostar International Fund	3,41,818	1.95	1,82,097	1.04
Mr. Anil Kumar Goel	2,75,000	1.57	2,75,000	1.57
M/s. IL and FS Trust Company Limited	2,20,000	1.26	2,20,000	1.26
Ms. Sarla Chandna	1,79,000	1.02	1,81,000	1.03
Mr. S Shyam	1,72,995	0.99	2,19,995	1.26
Mr. Megh Ishwer Manseta	1,65,000	0.94	1,65,000	0.94
Mr. Rajni Bahl	1,45,000	0.83	1,45,000	0.83
Mr. Nozer Jasi Shroff	1,44,500	0.83	1,44,500	0.83
Mr. J K Chandna	1,23,000	0.70	1,23,000	0.70

## 5. Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Names	Beginning of the year (01.04.2015)					Cumulative (31.03.2016)	
	No. of shares	Percent	Date	No. of shares	Reason	No. of shares	Percent
M/s. Malabar India Fund Limited	6,16,159	3.52	01.04.2015			6,16,159	3.52
			01.05.2015	2,194	Purchase	6,18,353	3.53
			15.05.2015	21,246	Purchase	6,39,599	3.65
			22.05.2015	1,196	Purchase	6,40,795	3.66
			29.05.2015	34,701	Purchase	6,75,496	3.86
			05.06.2015	31,100	Purchase	7,06,596	4.04
			12.06.2015	22,752	Purchase	7,29,348	4.17
			19.06.2015	24,945	Purchase	7,54,293	4.31
			26.06.2015	10,185	Purchase	7,64,478	4.37
			28.08.2015	6,710	Purchase	7,71,188	4.41
			04.09.2015	27,251	Purchase	7,98,439	4.56
			11.09.2015	32,139	Purchase	8,30,578	4.75
			18.09.2015	8,912	Purchase	8,39,490	4.80
M/s. Novostar International Fund	3,41,818	1.95	01.04.2015			3,41,818	1.95
			03.07.2015	(5,000)	Sold	3,36,818	1.92
			10.07.2015	(9,200)	Sold	3,27,618	1.87
			17.07.2015	(47,257)	Sold	2,80,361	1.60
			24.07.2015	(52,557)	Sold	2,27,804	1.30
			31.07.2015	(18,251)	Sold	2,09,553	1.20

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Names	Beginning of the year (01.04.2015)				Cumulative (31.03.2016)		
	No. of shares	Percent	Date	No. of shares	Reason	No. of shares	Percent
M/s. Novastar International Fund			30.10.2015	(26,306)	Sold	1,83,247	1.05
			08.01.2015	(250)	Sold	1,82,997	1.05
			15.01.2016	(900)	Sold	1,82,097	1.04
Ms. Sarla Chandna	1,79,000	1.02	01.04.2015			1,79,000	1.02
			19.02.2016	1,000	Purchase	1,80,000	1.03
			31.03.2016	1,000	Purchase	1,81,000	1.03
Mr. S Shyam	1,72,995	0.99	01.04.2015			1,72,995	0.99
			24.04.2015	30,000	Purchase	2,02,995	1.16
			29.05.2015	17,000	Purchase	2,19,995	1.26
Mr. J K Chandna	1,23,000	0.70	01.04.2015			1,23,000	0.70
			15.01.2016	-521	Sold	1,22,479	0.70
			22.01.2016	521	Purchase	1,23,000	0.70

### 6. Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
There was no indebtedness at the beginning, during and at the end of the financial year 2015-16.				

### 7. Remuneration of Directors and Key Managerial Personnel

#### a. Remuneration to the Managing Director, Whole-time Directors and/or the Manager for the financial year 2015-16 (₹ in lakhs)

Particulars of Remuneration	Names of the Director(s) and details		Total amount
	Mr. AT Malkani	Mr. HP Ledwani	
1. Gross salary as per Form 16 and 12 BA			
a. Salary as per the provisions contained in Section 17(1) of Income-tax Act, 1961	69	75	144
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	9	28	37
2. Commission {reckoned along with(a)above} for period 2014-15 & paid in 2015-16	Nil	20	20
{As a percent of profit up to ₹ 20 crores	Nil	0.75% of profit	Nil
₹ 20.01 crores to ₹ 35 crores	Nil	1% of profit	Nil
₹ 35.01 crores and above}	Nil	1.25% of profit	Nil
<b>Total</b>	<b>78</b>	<b>123</b>	<b>201</b>

Note: Remuneration is within the overall ceiling as per the Companies Act, 2013

#### b. Remuneration (Sitting fees for attending Board Meetings) to Directors for the financial year 2015-16 Amount in ₹

Particulars of Remuneration	Name of the Director(s) and details			
	Mrs. N Malkani Nagpal	Mr. N S Marshall	Mr. Santosh Janakiram	Mr. Rafique Abdul Malik
Independent Directors	-	52,000	68,000	34,000
Other Non Executive Directors	68,000	-	-	-

#### c. Remuneration to KMP other than MD/Manager/WTD-paid to CEO/CS/CFO-for the financial year 2015-16 (₹ in lakhs)

Particulars of Remuneration	Total amount
Gross salary to the Company Secretary as per Form 16 and 12 BA	
a. Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961	22
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	1
<b>Total</b>	<b>23</b>

#### d. Penalties/punishment/compounding of offences

Type	Section of the Companies Act	Brief description	Details of penalty/ fees imposed	Authority [RD/ NCLT Court]	Appeal made if, any [Give details]
Company					
Directors				Nil	
Other officers in default					

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE 8: PARTICULARS OF EMPLOYEES

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company, for the financial year 2015-16

Name of the Director	Designation	Ratio
Mr. A T Malkani	Chairman	10.53
Mr. H P Ledwani	Managing Director	18.22
Mrs. N Malkani Nagpal*	Promoter Director	0.08
Mr. Navroze S Marshall*	Independent Director	0.06
Mr. Santosh Janakiram*	Independent Director	0.08
Mr. Rafique Abdul Malik*	Independent Director	0.04

\*Were paid sitting fees for Board and Committee Meetings.

#### 2. Percentage increase in remuneration of the Directors and KMP's.

The increase in remuneration to the Chairman Mr. A T Malkani was thirteen percent; Mr. H P Ledwani was seven and Ms. Geetha D, Company Secretary was six percent. There were no changes in the amount of sitting fees for each of the Board and Committee meetings, during the financial year 2015-16 in comparison with the financial year 2014-15

#### 3. The percentage increase in the median remuneration of employees in financial year 2015-16 over 2014-15: Seven percent

#### 4. The number of permanent employees on the rolls of Company as on March 31, 2016: 236

#### 5. The explanation on the relationship between average increase in remuneration and the Company's performance

The Company's performance is considered both in terms of revenue and profitability. Besides cost of living index, general economic and industrial trends are factored to determine remuneration.

#### 6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Percent variance in KMPs' remuneration over last year: Nine percent  
Percent variance in the Company's performance over last year: Revenue increased by four percent with dip in profits.

#### 7. Variations in the market capitalisation of the Company, price

#### 13. Details of the employees with annual remuneration of ₹ 60 lakhs or more who are employed throughout the year or monthly remuneration of ₹ 5 lakhs or more, even if employed for part of the year during the financial year 2015-16: (₹ in lakhs)

Name & Shareholding	Designation	Age	Remuneration	Qualifications*	Exp.	Date of joining	Last designation*	Last employer*
Mr. Aditya T Malkani 2.62 percent	Chairman	35 yrs	89	BA-Economics MBA	11 Yrs.	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.29 percent	Managing Director	62 yrs	154	B.Sc (Hons) DAM (Bom) DTMM	42 Yrs.	01.12.1979	Group Leader	Ador Welding Limited (Previously Advani Oerlikon Limited)
Mr. Deep A Lalvani 0.09 percent	General Manager	35 yrs	99	MBA	09 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited

Notes: (i) Appointment of Chairman/Executive Director and Managing Director are contractual in nature and approved vide Shareholder's resolution dated July 17, 2012. (ii) Appointment of General Manager is as per employment letter dated April 28, 2008. (iii) There are no inter-relationship between the employee and the Directors or between Directors. (iv) \*Details of qualifications and others are as provided by the Director/Employee.

#### Certification to the Annexures forming part of the Directors' Report

Annexures to the Directors' Report as specified under the Companies Act, 2013 read with Rules thereunder and SEBI (LODR) Regulations/Listing agreement have been executed by the Chairman and Managing Director for and on behalf of the Company, Board and its Committees at Mumbai dated May 09, 2016.

earning ratio as at March 31, 2016 and March 31, 2015; percentage increase /decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

- Market capitalisation was ₹ 155 crores as at March 31, 2015 in comparison to ₹ 157 crores as at March 31, 2016.
- Over the same period, the price earning (PE) ratio moved from 11.60 as at March 31, 2015 to 15.14 as at March 31, 2016.
- The Company's share price as at March 31, 2016 had increased by 359% in comparison to the public issue price which was at ₹ 25/- (March 1995).

#### 8. Comparison of each of the remuneration of the KMP against the performance of the Company

While the Company's performance in terms of revenue registered marginal growth, there was a dip in profit. In comparison with the same, increase in remuneration of the Chairman was thirteen percent, Managing Director was seven percent and the Company Secretary was six percent. Increase in remuneration was effective from 1<sup>st</sup> of April.

#### 9. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2015-16 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

There was no significant difference between Managerial and Non-Managerial percentile increase.

#### 10. Key parameters for any variable component of remuneration availed by the Directors

Managing Director is entitled for commission/incentive based on profits. The terms of variable component are as approved by the Board and by the Shareholders in the General Meeting. Nonetheless with threshold in ceiling as per the Companies Act, 2013 commission was not made payable for the financial year 2015-16.

#### 11. The ratio of the remuneration of the highest paid Director to that of employees who are not Directors, but receive remuneration in excess of the highest paid Director during the year: None

#### 12. Affirmation that remuneration is as per the Remuneration Policy of the Company: Yes

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE 9: SECRETARIAL AUDIT REPORT

Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### To the Members of Ador Fontech Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate governance practices adopted by Ador Fontech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of Ador Fontech Limited's books, papers, minute books, forms and returns filed, other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Ador Fontech limited ('the Company') for the financial year ended on March 31, 2016 made available to me and according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. Registrar to Issue & Share Transfer Agents Regulations, 1993
  - b. Issue of Capital & Disclosure Requirements Regulations, 2009
  - c. Substantial Acquisition of Shares & Takeover Regulations, 2011
  - d. Prohibition of Insider Trading Regulations, 2015
  - e. Listing Obligation and Disclosure Requirements (LODR) Regulations 2015 w.e.f. December 1, 2015

I further report that there were no events/actions in pursuance of:

- a. Buyback of Securities Regulations, 1998
  - b. Issue and Listing of Debt Securities Regulations, 2008
  - c. Delisting of Equity Shares Regulations, 2009
  - d. Share based employee benefits Regulations, 2014
6. Other Laws including Rules applicable specifically to the Company:
    - (i) Factories Act, 1948 (ii) Industrial Employment (Standing Orders) Act, 1946 (iii) Employees Compensation Act, 1923 (iv) Payment of Bonus Act, 1965 (v) Minimum Wages Act, 1948 (vi) Equal Employment Remuneration Act, 1976 (vii) Child Labour (P&R) Act, 1986 (viii) Sexual harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013 (ix) Environment (Protection) Act, 1986 (x) Air/Water/Noise (Prevention/Regulation and Control of

Pollution) Act (xi) Payment of Wages Act, 1936 (xii) Employees State Insurance Act, 1948 (xiii) Employees PF and Miscellaneous Provisions Act, 1952 (xiv) Contract Labour (Regulation and Abolition) Act, 1970 (xv) Legal Metrology Act, 2009 (xvi) Standards of Weights and Measures Act, 1976 (xvii) Payment of Gratuity Act, 1972 (xviii) Industrial Disputes Act, 1947 (xix) Trade Marks Act, 1999 (xx) Indian Contracts Act, 1872 (xxi) Shops and Establishments Act.

I have also examined compliance with the applicable clauses of the:

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Listing Agreement entered in to by the Company with the 'BSE'.

During the period under review, the Company has broadly/generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

#### My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records, based on my audit.
2. I have followed the audit practices and processes, as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, Regulations and the happening of events, etc.
4. The compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of records and books of account have not been reviewed in this Audit by me as the same have been subject to review by statutory financial audits.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company

**Manjula Narayan**

Bengaluru  
May 09, 2016

ACS No. 28374  
CP No. 10150

### To the Members of Ador Fontech Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Ador Fontech Limited ('the Company') which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### 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 Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and prudent; and the 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 & are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the Accounting & Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the Auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

#### Opinion

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 Act in the manner so required and give

a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profits and cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report 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 purposes of our audit.
  - 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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company & the operating effectiveness of such controls, refer to our separate report in 'Annexure B' 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, in our opinion and to the best of our information & according to the explanations given to us:
    - (i) the Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its Standalone Financial Statements. (ii) the Company has made provisions, as required under the applicable law(s) / accounting standards, for material foreseeable losses, if any, on long-term contracts. (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Company.

For Amarnath Kamath and Associates

Chartered Accountants

Firm Registration No. 000099S

**Amarnath Kamath**

Partner [Membership No.13124]

Bengaluru

May 10, 2016

#### Annexure 'A' to the Auditors' Report

**The Annexure referred to in the Independent Auditors' Report to the Members of the Company on the Standalone Financial Statements for the year ended March 31, 2016, we report that:**

1.
  - a. The Company has maintained proper records showing full particulars, including quantitative detail & situation of fixed assets.
  - b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

- c. According to the information & explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in name of the Company.
2.
  - a. 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.
  - b. In our opinion & according to the information and 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 & the nature of its business.
  - c. 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 material and have been properly dealt with in the books of account.
3. The Company has granted loans to bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a. In our opinion, the rate of interest, other terms & conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
  - b. In the case of loans granted to bodies corporate listed in the register maintained under Section 189 of the Act, the
    7. b. According to the information and explanations given to us, there are no material dues of customs duty, sales tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, duty of excise, service tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	₹ in lakhs	Period to which the amount relates	Forum where dispute/objection raised is pending
The Maharashtra Village Panchayat Taxes and Fees Rules, 1970	Grampanchayat Tax	2	2001 to 2015	Hon'ble Nagpur Bench of Bombay High Court passed an order in our favour. However, the Dept. has preferred an appeal before the Supreme Court.
The Finance Act, 1994	Excise duty as per order passed by the Commissioner of Central Excise dated August 18, 2008	71	2002 to 2006	Appeal filed against the order at CESTAT and 'Stay order' received.
The Finance Act, 1994	Service tax as per order passed by the Jt. Commissioner of Central Excise & Service tax, dated Jan 18, 2010	32	2008 to 2009	Appeal filed against the order at CESTAT and 'Stay order' received.
The Finance Act, 1961	Service tax as per order passed by the Commissioner of Central Excise & Service tax (Appeals), dated Feb 08, 2011	2	2009 to 2010	Appeal filed against the order at CESTAT with 100% pre-deposit.
Income Tax Act, 1961	Income tax liability as per order passed u/s 143(3) of Income Tax Act, 1961	39	AY 2012-13	Commissioner of Income Tax, (Appeals-I) Bengaluru
		283	AY 2013-14	

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) & term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.



10. According to the information & explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash-transactions with Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

Bengaluru  
May 10, 2016

**Amarnath Kamath**  
Partner [Membership No.13124]

### **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls 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 ('ICAI'). 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 its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be 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 Notes 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 was established and 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 Company's internal financial controls system over financial reporting.

#### **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. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records which, 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 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 the risk that the internal financial controls 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

Bengaluru  
May 10, 2016

**Amarnath Kamath**  
Partner [Membership No.13124]

## BALANCE SHEET

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2.01	350	350
Reserves and surplus	2.02	8,860	8,561
<b>Sub-total</b>		<b>9,210</b>	<b>8,911</b>
<b>2. Non-current liabilities</b>			
Long-term liabilities	2.03	183	170
Long-term provisions	2.04	561	867
<b>Sub-total</b>		<b>744</b>	<b>1,037</b>
<b>3. Current liabilities</b>			
Trade payables	2.05	1,332	909
Other current liabilities	2.06	851	932
Short-term provisions	2.07	1,086	1,029
<b>Sub-total</b>		<b>3,269</b>	<b>2,870</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>13,223</b>	<b>12,818</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets	2.08		
– Tangible assets		2,186	2,084
– Intangible assets		–	4
– Capital work-in-progress		4	–
<b>Sub-total</b>		<b>2,190</b>	<b>2,088</b>
Non-current investments	2.09	859	885
Deferred tax	2.10	297	329
Long-term loans and advances	2.11	165	175
<b>Sub-total</b>		<b>3,511</b>	<b>3,477</b>
<b>2. Current assets</b>			
Current investments	2.12	144	112
Inventories	2.13	2,489	2,432
Trade receivables	2.14	3,257	2,719
Cash and cash equivalents	2.15	2,962	3,127
Short-term loans and advances	2.16	860	951
<b>Sub-total</b>		<b>9,712</b>	<b>9,341</b>
<b>TOTAL - ASSETS</b>		<b>13,223</b>	<b>12,818</b>
<b>Significant accounting policies and notes to the Standalone Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Amarnath Kamath**  
Partner (Membership No. 13124)  
Bengaluru, May 10, 2016

## STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Revenue from operations (gross)</b>		<b>15,131</b>	<b>14,532</b>
Less: Excise duty		814	789
<b>Revenue from operations (net)</b>	2.17	<b>14,317</b>	<b>13,743</b>
<b>2. Other income</b>	2.18	<b>390</b>	<b>413</b>
<b>3. Total revenue (1+2)</b>		<b>14,707</b>	<b>14,156</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.19	3,183	3,161
b. Purchase of traded goods	2.20	5,066	4,256
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(63)	6
d. Employee benefit expenses	2.22	2,140	1,985
e. Finance cost	2.23	–	4
f. Depreciation and amortisation expenses		312	355
g. Other expenses	2.24	2,423	2,384
<b>Total expenses</b>		<b>13,061</b>	<b>12,151</b>
<b>5. Profit before tax (3-4)</b>		<b>1,646</b>	<b>2,005</b>
<b>6. Prior period expenses</b>		<b>2</b>	<b>–</b>
<b>7. Profit before tax and after prior period expenses</b>		<b>1,644</b>	<b>2,005</b>
<b>8. Tax expenses</b>			
a. Current tax		575	700
b. Deferred tax		32	(30)
<b>Sub-total</b>		<b>607</b>	<b>670</b>
<b>9. Profit after tax (7-8)</b>		<b>1,037</b>	<b>1,335</b>
<b>10. Earnings per share</b>			
Basic and diluted	2.25	5.93	7.63
<b>Significant accounting policies and notes to the Standalone Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Amarnath Kamath**  
Partner (Membership No. 13124)  
Bengaluru, May 10, 2016

## STANDALONE CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Cash flow from operating activities</b>		
Net profit before tax as per Statement of Profit and Loss	1,644	2,005
Add/(Less):		
Depreciation, amortisation and impairment	312	355
Provisions made in the books of account	(176)	(19)
Taxes paid	(648)	(651)
Interest on dealer deposits	–	4
Profits on sale of assets/investments	–	(39)
Interest and dividend income	(268)	(307)
<b>Operating profit before changes in working capital</b>	<b>864</b>	<b>1,348</b>
Adjustment for movements in:		
Inventories	(57)	(23)
Trade receivables	(538)	17
Short-term loans & advances and other current assets	91	(276)
Trade payables	423	(33)
Other current liabilities	(81)	365
<b>Cash generated from operations (A)</b>	<b>702</b>	<b>1,398</b>
<b>B. Cash flow from investing activities</b>		
(Purchase)/Sale of fixed assets	(414)	(377)
(Purchase)/Sale of non-current investments	26	27
(Purchase)/Sale of current investments	(32)	(58)
(Investments)/Disposal of other non-current assets	10	46
Dividend income	268	307
<b>Net cash from investing activities (B)</b>	<b>(142)</b>	<b>(55)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(decrease) in long-term liabilities	13	(15)
Interest on dealer deposits	–	(4)
Dividend paid	(738)	(717)
<b>Net cash from financing activities (C)</b>	<b>(725)</b>	<b>(736)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(165)</b>	<b>607</b>
Opening balance of cash and cash equivalents	3,127	2,520
Closing balance of cash and cash equivalents	2,962	3,127

Notes: (i) Figures in brackets represent cash outflow. (ii) The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in AS-3-Cash Flow Statement notified under the Company's (Accounting Standards) Rule, 2016 (refer note 1.13).

On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Amarnath Kamath**  
Partner (Membership No. 13124)  
Bengaluru, May 10, 2016

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Company information

Ador Fontech Limited is incorporated in India on August 22, 1974 and is a frontrunner organisation that operates on the philosophy of 'partnering' with its clients in recommending and implementing value-added fusion, surfacing, spraying and environmental solutions. The Company is dedicated to the supply of products, services and solutions that meet and exceed the needs of its end-users under the broad gamut of 'Life enhancement of industrial components'. The Company is a public limited company [CIN: L31909KA1974PLC020010] & is listed on the Bombay Stock Exchange (BSE).

### Note 1

#### 1.0 Summary of Significant Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

##### 1.01 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### 1.02 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

##### 1.1 Revenue recognition

- a. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of Sales tax/VAT and are net of returns. It is stated at gross and net of excise duty.
- b. Income from conversion job is recognised on its completion and on its acceptance by the customers.
- c. Dividend income is accounted for in the year in which the right to receive the same is established.
- d. Interest income is recognised using the time-proportion-method, based on rates implicit in the transaction.

##### 1.2 Fixed assets

Tangible assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties, taxes and other incidental expenses/adjustments related to its acquisition. All such direct costs are capitalised when the tangible fixed assets are ready for use. Intangible assets relating to product development are recorded at

actual cost incurred on the development of products and are capitalised once the products receive approval from relevant authorities and the same are carried at cost less accumulated amortisation.

##### 1.3 Depreciation and amortisation

- a. (i) Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. (ii) Considering the applicability of Schedule II, the Management has re-estimated useful lives and residual values of all its fixed assets. Management also believes that the depreciation rates currently used fairly reflect its estimate of useful lives and residual values of fixed asset.
- b. Depreciation on tangible assets purchased during the year have been calculated as under: (i) All assets (except leasehold interest): On written down value basis. (ii) Lease hold land: On straight line basis over the period of lease. (iii) Intangible assets: Over a period of approximately four years, so as to effectively depreciate the assets over the specified useful lives leaving behind a residual value of five percent.
- c. Depreciation on additions to fixed assets during the current year are charged on pro-rata-basis, for the period of use.

##### 1.4 Impairment of assets

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

##### 1.5 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on the Management's intention. Current investments are carried at cost. Cost of overseas investments comprises the Indian rupee value of consideration paid for the investment translated at the exchange rate prevalent on the date of investment. Long-term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

##### 1.6 Inventories

- a. Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower.
- b. Process stock: At cost or estimated realisable value, whichever is lower.
- c. Finished goods: At cost or net realisable value, whichever is lower and are inclusive of cenvat thereon.
- d. Excise duty relating to the difference between closing and opening stock is recognised as part of changes in inventories of finished goods, work-in-progress and stock-in trade.  
Note: Cost is determined on a weighted average basis.

##### 1.7 Employee benefits

**Gratuity:** The Company has computed its liability towards future payments of gratuity to employees, on actuarial basis and the charge for current year is debited to the Statement of Profit and Loss.

**Superannuation:** The Company contributes towards superannuation fund, for future payment of retirement benefits to employees. The contributions accruing during each year are charged to the Statement of Profit and Loss.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**Leave encashment:** Liabilities are determined by actuarial valuation done at the end of the year and the charge for the current year is debited to the Statement of Profit and Loss.

**Provident fund:** Employer's contribution to provident fund is charged to the Statement of Profit and Loss.

### 1.8 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction. Any income or expense on account of exchange difference, either on settlement or on translation is recognised in the Statement of Profit and Loss. Assets and liabilities in foreign currencies are restated at the year-end-exchange rates.

### 1.9 Leases

Lease rental payments under operating lease are recognised as an expense on straight line basis in the Statement of Profit and Loss over the lease term.

### 1.10 Post-sale-client support and warranties

The Company provides its clients with a fixed-period warranty for corrections of errors and support on all its fixed-price, fixed-time-frame contracts. Costs associated with such support services are accrued at the time when related revenues are recorded and included in the Statement of Profit and Loss. The Company estimates such

costs based on historical experience and the same are reviewed annually for any material changes in assumptions.

### 1.11 Taxes on income

**Current tax:** Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.

**Deferred tax:** Provision for deferred tax is made using the applicable rate of taxation, for all timing differences, which arise during a year and are reversed in subsequent periods.

### 1.12 Provisions and contingent liabilities

Based on the best estimate of the Management, provisions are determined on the outflow of economic benefits, which are required to settle obligations, as at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Disclosure for contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of the Company's resources.

### 1.13 Cash flow statement

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash-nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated accordingly.

## Note 2:

**2.01 Share capital:** The Company has only one class of shares, referred to as equity shares having a par value of ₹ 2/- per share. Each holder of equity share is entitled to one vote per share and dividend as may be declared at the Annual General Meeting. The right of the shareholders is governed by the Articles of Association and the Companies Act. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### a. Particulars of authorised, issued, subscribed and paid-up capital

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Authorised: Equity shares of ₹ 2/- each	2,50,00,000	500	2,50,00,000	500
Issued: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed and paid up: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed but not fully paid up: Equity shares of ₹ 2/- each	-	-	-	-
Calls unpaid	-	-	-	-
Par value per equity share	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-

#### b. Reconciliation of number of equity shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity shares				
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

#### c. Details of equity shares held by shareholders holding more than five percent of aggregate shares in the Company

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	Percent	No. of shares held	Percent
J B Advani and Company Private Limited				
CIN:U51900MH1925PTC004217 PAN:AAACJ1966D	46,06,578	26.32	46,06,578	26.32

#### d. As on the date of the Balance Sheet

(i) The Company has not issued any equity share as fully paid pursuant to contracts without payment being received in cash. (ii) The Company has not issued any fully paid bonus share. (iii) The Company also did not buy back any equity share.

**e. Issue/conversion of equity shares:** As on the date of the Balance Sheet, the Company has not issued securities like convertible preference shares, convertible debentures etc., which are convertible in to equity/preference shares.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.02 Reserves and surplus

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Capital reserve</b>		
Balance as at the beginning of the year	12	12
Additions/deletions during the year	-	-
<b>Balance as at the end of the year</b>	<b>12</b>	<b>12</b>
<b>Securities premium account</b>		
Balance as at the beginning of the year	172	172
Additions/deletions during the year	-	-
<b>Balance as at the end of the year</b>	<b>172</b>	<b>172</b>
<b>General reserve</b>		
Balance as at the beginning of the year	6,378	6,000
Add: Transferred from surplus in Statement of Profit and Loss	200	400
Less: Adjusted for depreciation as per schedule II*	-	22
<b>Balance as at the end of the year</b>	<b>6,578</b>	<b>6,378</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,999	1,802
Add: Net profit after tax transferred from Statement of Profit and Loss	1,037	1,335
<b>Amount available for appropriation</b>	<b>3,036</b>	<b>3,137</b>
<b>Less: Appropriations</b>		
Proposed dividend on equity shares	613	613
Dividend distribution tax	125	125
Transfer to general reserve	200	400
<b>Balance as at the end of the year</b>	<b>2,098</b>	<b>1,999</b>
<b>Total</b>	<b>8,860</b>	<b>8,561</b>

Note: \*During the year ended March 31, 2015, the Company had adopted estimated useful lives of fixed assets as stipulated by Schedule II to the Companies Act, 2013. Accordingly, depreciation effect of ₹ 22 lakhs [net of deferred tax ₹ 13 lakhs] on account of assets whose useful lives stood exhausted as on April 01, 2014 were duly adjusted against the General Reserve.

### 2.03 Long-term liabilities

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Deposits from dealers and employees	183	170
<b>Total</b>	<b>183</b>	<b>170</b>

### 2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for warranties	134	380
Provision for compensated absences (for employee benefits)	427	487
<b>Total</b>	<b>561</b>	<b>867</b>

### 2.05 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables	1,332	909
<b>Total</b>	<b>1,332</b>	<b>909</b>

### 2.06 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance received from customers	17	24
Statutory dues (including provident fund, tax deducted at source and others)	238	258
Unclaimed dividends	99	84
Provision for expenses	497	566
<b>Total</b>	<b>851</b>	<b>932</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.07 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for compensated absences (for employee benefits)	103	49
Provision for proposed equity dividend	613	613
Provision for dividend distribution tax	125	125
Provision for income tax (net of taxes paid)	5	122
Provision for warranties	240	120
<b>Total</b>	<b>1,086</b>	<b>1,029</b>

### 2.08 Fixed assets

(₹ in lakhs)

Particulars	Gross block				Depreciation					Net block	
	As at 01.04.15	Additions	Disposals	As at 31.03.16	As at 01.04.15	Withdrawn on sales	For the year	Trf. to Reserves	As at 31.03.16	As at 31.03.16	As at 31.03.15
<b>Tangibles</b>											
Freehold land	76	-	-	76	-	-	-	-	-	76	76
Leasehold land	2	-	-	2	-	-	-	-	-	2	2
Buildings	1,062	18	-	1,080	350	-	69	-	419	661	712
Office premises	600	1	-	601	91	-	25	-	116	485	510
Plant & machineries	1,040	312	1	1,351	616	-	89	-	705	646	423
Electrical equipment	86	3	1	88	39	-	12	-	51	37	46
Computers	170	9	31	148	148	29	13	-	132	16	23
Office equipment	81	5	-	86	63	-	9	-	72	14	19
Furniture & fixtures	119	11	-	130	93	-	7	-	100	30	25
Vehicles	538	63	40	561	290	32	84	-	342	219	248
<b>Sub-total</b>	<b>3,774</b>	<b>422</b>	<b>(73)</b>	<b>4,123</b>	<b>1,690</b>	<b>(61)</b>	<b>308</b>	<b>-</b>	<b>1,937</b>	<b>2,186</b>	<b>2,084</b>
<b>Intangibles</b>											
Software	4	-	-	4	3	-	1	-	4	-	1
Product development	66	-	-	66	63	-	3	-	66	-	3
<b>Sub-total</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>66</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>4</b>
<b>Total</b>	<b>3,844</b>	<b>422</b>	<b>(73)</b>	<b>4,193</b>	<b>1,756</b>	<b>(61)</b>	<b>312</b>	<b>-</b>	<b>2,007</b>	<b>2,186</b>	
Previous year	3,543	394	(94)	3,843	1,443	(78)	355	35	1,755		2,088

### 2.09 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Trade investments (un-quoted)</b>		
<b>Investment in overseas body corporate</b>		
Dualrank Fontech (M) Sdn. Bhd. (4,80,000 shares of MYR 1 each)	76	76
<b>Investments in wholly owned subsidiary</b>		
3D Future Technologies Private Limited (20,00,000 shares of ₹ 10 each) (Previous year 10,00,000 shares of ₹ 10 each)	200	100
<b>Sub-total</b>	<b>276</b>	<b>176</b>
<b>Non-trade investments (In units of mutual funds-quoted)</b>		
Edelweiss Arbitrage Fund - Dividend option (4,83,161.811 units)	50	50
Kotak Bond Fund - Growth (1,47,749.334 units)*	50	50
Kotak Equity Arbitrage fund-Dividend option (9,28,729.313 units)	100	100
Reliance - FMP- Series 14 (15,00,000 units)*	150	150
SBI Dynamic Bond Fund -Growth (3,40,119.858 units)*	50	50
HDFC- FMP -370 D (10,93,230 units)*	109	109
HDFC Income Fund - Growth (3,63,957.90 units)*	100	100
<b>Sub-total</b>	<b>609</b>	<b>609</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.09 Non-current investments (Cont...)

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Capital gains bonds</b>		
National Highways Authority (500 bonds of ₹ 10,000 each)	–	50
Rural Electrification Corporation Limited (500 bonds of ₹ 10,000 each)	50	50
<b>Sub-total</b>	<b>50</b>	<b>100</b>
<b>Total</b>	<b>935</b>	<b>885</b>
Less: Provision for diminution in the value of investment	76	–
<b>Total</b>	<b>859</b>	<b>885</b>

Notes: (i) Market value of quoted investments as at March 31, 2016 was ₹ 753 lakhs (Previous year ₹ 767 lakhs). (ii) \*The earmarked investments have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/demand loan/term loan) to 3D Future Technologies Private Limited (Wholly owned subsidiary of Ador Fontech Limited). As at March 31, 2016, 3D Future Technologies Private Limited had borrowings from the HDFC Bank Limited equivalent to rupees eighty six lakhs.

### 2.10 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book and tax balance of fixed assets	(79)	(78)
<b>Sub-total</b>	<b>(79)</b>	<b>(78)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences	185	182
Provision for warranties	129	170
Others	62	55
<b>Sub-total</b>	<b>376</b>	<b>407</b>
<b>Net deferred tax asset</b>	<b>297</b>	<b>329</b>

### 2.11 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Rent deposit and Government deposits	23	24
Security deposits and retention monies	25	13
Earnest money deposits and performance guarantees	117	138
<b>Total</b>	<b>165</b>	<b>175</b>

### 2.12 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Non-trade investments (In units of mutual funds, quoted)</b>		
HDFC Liquid Fund-daily reinvest*	144	112
<b>Total</b>	<b>144</b>	<b>112</b>
Market value of quoted investments	144	112

Note: \*Current year: 14134.489 units at NAV of ₹ 1019.820 (Previous year: 1098359.622 units at NAV of ₹ 10.1982) {HDFC Mutual Fund had notified consolidation of units/NAV vide their addendum to the liquid fund scheme dated August 15, 2015}.

### 2.13 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Raw materials	740	735
Traded goods	1,365	1,262
Work-in-progress	69	113
Finished goods	255	251
Packing materials	10	12
Stores, spares and consumables	50	59
<b>Total</b>	<b>2,489</b>	<b>2,432</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.14 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Outstanding for a period exceeding six months (from the due date of payment)</b>		
Unsecured – considered good	539	465
Considered doubtful	3	–
Less: Provision for doubtful trade receivables	(3)	–
<b>Other trade receivables</b>		
Secured – considered good	30	24
Unsecured – considered good	2,688	2,230
<b>Total</b>	<b>3,257</b>	<b>2,719</b>

### 2.15 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash in hand	2	1
Cheques in hand	21	161
Balance with banks in current and unclaimed dividend accounts	122	176
Fixed deposits with banks	2,817	2,789
<b>Total</b>	<b>2,962</b>	<b>3,127</b>

Note: Fixed deposits with banks as at March 31, 2016 and March 31, 2015 includes restricted balances of ₹ 265 lakhs and ₹ 246 lakhs, respectively. The restrictions are primarily on account of margin money deposits held against guarantees and unclaimed dividends.

#### Details of cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Fixed/term deposits with banks</b>		
HDFC Bank	749	400
Canara Bank	375	255
IDBI Bank	700	–
IndusInd Bank	500	1,012
ING Vysya Bank	–	657
State Bank of Mysore	327	303
HDFC Bank-Margin deposits	71	71
Syndicate Bank-Margin deposits	95	91
<b>Total</b>	<b>2,817</b>	<b>2,789</b>
<b>Balance with banks in current accounts</b>		
Syndicate Bank	1	15
State Bank of India	20	24
HDFC Bank	2	53
<b>Unclaimed dividends</b>		
HDFC Bank	85	70
IndusInd Bank	14	14
<b>Total</b>	<b>122</b>	<b>176</b>

### 2.16 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Taxes, duties, input credits and refunds due	422	365
Advance to suppliers	28	62
Loans and advances -unsecured, considered good	–	–
– Joint venture entity	220	165
– Other advances	145	276
Prepaid expenses	45	83
<b>Total</b>	<b>860</b>	<b>951</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.17 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Sale of products</b>		
Manufactured goods	7,251	7,160
Scrap sales	10	–
Traded goods	6,518	5,788
<b>Sale of services and other operating income</b>		
Job works	1,157	1,523
Other operating income	195	61
<b>Sub-total</b>	<b>15,131</b>	<b>14,532</b>
Less: Excise duty	814	789
<b>Total</b>	<b>14,317</b>	<b>13,743</b>

### 2.18 Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest income	250	300
Dividend income	18	7
Net gain on sale of current investment	–	38
Reversal of liabilities no longer payable	121	62
Other non-operating income	1	6
<b>Total</b>	<b>390</b>	<b>413</b>

#### Details of interest and dividend income

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest on bank deposits	197	232
Interest on inter-corporate deposits	34	30
Interest on amount advanced to joint venture entity	12	9
Other interest	7	29
<b>Total</b>	<b>250</b>	<b>300</b>
Dividends from mutual funds (current investment)	9	3
Dividends from mutual funds (non-current investment)	9	4
<b>Total</b>	<b>18</b>	<b>7</b>

### 2.19 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening inventories	747	776
Add: Purchases	3,186	3,191
<b>Sub-total</b>	<b>3,933</b>	<b>3,967</b>
Less: Closing inventories	750	806
<b>Total</b>	<b>3,183</b>	<b>3,161</b>
<b>Details of materials consumed</b>		
Wires, strips, coils, fluxes, tiles, components	2,899	2,889
Spares and consumables	206	234
Others	78	38
<b>Total</b>	<b>3,183</b>	<b>3,161</b>

### 2.20 Purchase of traded goods

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Welding consumables	3,460	2,525
Equipment and spares	1,606	1,731
<b>Total</b>	<b>5,066</b>	<b>4,256</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.21 Changes in inventories

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Inventories at the end of the year</b>		
Finished goods	255	252
Work-in-progress	69	113
Stock-in-trade	1,365	1,262
<b>Sub-total</b>	<b>1,689</b>	<b>1,627</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	251	235
Work-in-progress	113	109
Stock-in-trade	1,262	1,289
<b>Sub-total</b>	<b>1,626</b>	<b>1,633</b>
<b>(Increase)/decrease in inventories</b>	<b>(63)</b>	<b>6</b>

### 2.22 Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salaries, allowances and other benefits	1,768	1,663
Contribution		
–Provident fund	106	106
–Superannuation scheme	94	79
–Gratuity fund	27	12
Staff welfare	145	125
<b>Total</b>	<b>2,140</b>	<b>1,985</b>

### 2.23 Finance cost

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest expense on dealer deposits	–	4
<b>Total</b>	<b>–</b>	<b>4</b>

### 2.24 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Rent, rates, insurance and taxes	140	154
Consumables and stores	129	116
Power, fuel and utilities	58	48
Sub-contracting of job works	604	524
Stationery, printing and communication	75	82
Repairs to building	4	15
Repairs to machinery	14	8
Other repairs and maintenance		
–Vehicle maintenance	32	24
–Office maintenance	20	26
–Computer maintenance	9	16
–Others	29	9
Professional fees	53	99
Travelling and conveyance	470	492
Freight and forwarding	215	206
Sales commission and promotional expenses	222	290
Provision for warranties	32	36
Payment to auditors	17	15

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.24 Other expenses (Cont...)

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Bank and other charges	11	11
Discounts and rebates	83	52
Provision for doubtful receivables	3	-
Bad debts and irrecoverable advances written off (net)	-	27
Provision for diminution in the value of investments	76	-
Corporate social responsibility	29	27
General expenses	98	107
<b>Total</b>	<b>2,423</b>	<b>2,384</b>

### 2.25 Earnings per share

The Company has evaluated its earnings per share as per Accounting Standard -20- issued by The Institute of Chartered Accountants of India, as under:

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net profit after tax	1,037	1,335
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	5.93	7.63

The Company does not have any outstanding dilutive potential equity shares as at March 31, 2016. Consequently, basic and diluted earnings per share of the Company remain the same.

### 2.26 Disclosure relating to contingent liabilities, capital and other commitments

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Guarantees (Bank and Corporate)	333	300
Disputed excise duty demand under appeal	71	71
Disputed service tax demand under appeals	34	115
Disputed income tax demand under appeals	322	39

Note: The Legal Counsel has opined that the Company has a good case with respect to Income tax appeals filed and hence no provisions have been made in respect of such demands.

### 2.27 Operating lease

(₹ in lakhs)

The Company has entered in to cancellable operating lease with an option to renew in respect certain of godowns, offices and residential premises. The expenditure incurred thereon amounting to ₹ 62 lakhs (Previous year ₹ 63 lakhs) has been charged to the Statement of Profit and Loss.

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Lease payments for the year	62	63
<b>Minimum lease payments</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Not later than one year	62	59

### 2.28 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Nonetheless, there are no amounts outstanding for a period beyond the stipulated period as specified under the said Act.

### 2.29 Related party transactions

#### a. Names of related parties and description of relationship with the Company

##### i. Associate companies

J B Advani and Company Private Limited, Ador Welding Limited, Ador Welding Academy Private Limited, Ador Multiproducts Limited and Ador Powertron Limited.

##### ii. Related personnel (by virtue of shareholding in associate companies): Mr. Deep A Lalvani

##### iii. Joint venture: Dualrank Fontech (M) Sdn. Bhd.

##### iv. Wholly owned subsidiary: 3D Future Technologies Private Limited.

##### v. Key management personnel: Mr. A T Malkani and Mr. H P Ledwani

##### vi. Relatives of key management personnel: Mrs. Sunila H Ledwani.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### b. Transactions with related parties

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>JB Advani and Company Private Limited</b>		
Purchase of traded goods	15	10
<b>Ador Welding Limited</b>		
Purchase of traded goods	80	96
Purchase of manufactured goods	40	116
Sale of manufactured goods	12	10
Sale of traded goods	3	2
Rent paid	5	8
<b>Ador Welding Academy Private Limited</b>		
Sale of traded goods	20	17
<b>Ador Powertron Limited</b>		
Reimbursements	-	2
Royalty payment	-	2
Inter corporate deposit (ICD)-Paid and repaid in full during the year	500	300
Interest received on ICD	34	30
<b>Related Personnel</b>		
Professional fees	-	23
Remuneration	86	79
<b>Joint Venture</b>		
Sale of manufactured goods	6	17
Sale of traded goods	-	1
Professional fees	1	-
Loans granted for working capital	25	64
Interest on loans granted	12	9
<b>Key Management Personnel</b>		
Remuneration	201	180
<b>Relatives of Key Management Personnel</b>		
Rent	22	21

### c. Balances of related parties

(₹ in lakhs)

Particulars	As at 31.03.2016
J B Advani and Company Private Limited	-
Ador Welding Limited (Dr)	16
Ador Welding Academy Private Limited (Dr)	-
Ador Powertron Limited	-
Dualrank Fontech (M) Sdn. Bhd.	20

### d. Maximum balance during the year

(₹ in lakhs)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Dr.	Cr.	Dr.	Cr.
J B Advani and Company Private Limited	-	-	-	-
Ador Welding Limited	16	11	19	12
Ador Welding Academy Private Limited	-	-	10	-
Ador Powertron Limited	-	-	2	-
Dualrank Fontech (M) Sdn. Bhd.	20	-	13	-

Notes: (i) Remuneration-Travel expenses/per diem allowance incurred for business purpose have been excluded. Perquisites are valued as per Income Tax Act. (ii) Debit balances depict receivables/advance towards supplies. (iii) Related party relationship is as identified by the Company and relied upon by the Auditors. (iv) Please refer Page no.30 and Schedule no.2.09 w.r.t lien marking on investments to facilitate working capital for 3D Future Technologies Pvt. Ltd. (v) There are no investments made by the loanees in the shares of Ador Fontech Limited.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.30 Receipts in foreign currencies

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Commission on export services	34	45
Other exports	2	54
<b>Total</b>	<b>36</b>	<b>99</b>

### 2.31 Expenditure in foreign currencies

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Travelling expenses	28	66
Conferences	49	30
<b>Total</b>	<b>77</b>	<b>96</b>

### 2.32 Details of imported and indigenous raw materials, stores and spares consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
	Amount	Percentage	Amount	Percentage
<b>Raw materials</b>				
Imported	100	3.14	298	9.43
Indigenous	3,083	96.86	2,863	90.57
<b>Sub-total</b>	<b>3,183</b>	<b>100.00</b>	<b>3,161</b>	<b>100.00</b>
<b>Stores and spares</b>				
Imported	8	6.20	-	-
Indigenous	121	93.80	116	100.00
<b>Sub-total</b>	<b>129</b>	<b>100.00</b>	<b>116</b>	<b>100.00</b>
<b>Total</b>	<b>3,312</b>	<b>100.00</b>	<b>3,277</b>	<b>100.00</b>

### 2.33 Prior period expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Depreciation on plant and machinery (short provision of earlier years)	2	-

### 2.34 CIF value of imports

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Raw materials	422	312
Equipment, spares and others	1,124	893
Traded goods	1,903	2,418
Plant and machinery	100	-
<b>Total</b>	<b>3,549</b>	<b>3,623</b>

### 2.35 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Statutory audit	8	6
Taxation	2	2
Other services	7	7
<b>Total</b>	<b>17</b>	<b>15</b>

### 2.36 Particulars of unhedged foreign currency exposures

(₹ in lakhs)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Foreign currencies	Indian rupees	Foreign currencies	Indian rupees
Payables*				
US Dollar*	6	394	5	314
Euro*	2	137	0.4	26
SEK	10	81	4	29

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.37 Defined benefit obligation: Gratuity (As certified by the Actuary)

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>1. Changes in defined benefit obligation</b>		
Obligation at the beginning of the year	322	273
Interest cost	26	16
Service cost	21	24
Actuarial (gain)/ loss	(6)	24
Benefits paid	(15)	(15)
Obligation at the end of the year	348	322
<b>2. Changes in fair value of assets</b>		
Opening fair value of plan assets	340	305
Expected return on plan assets	27	21
Actuarial gain/(losses)	(9)	30
Benefits paid	(14)	(16)
Closing fair value of plan assets	344	340
<b>3. Liability recognised in the Balance Sheet</b>		
Present value of funded obligations	348	322
Fair value of plan assets	(344)	(340)
Net liability	4	(18)
<b>4. Expenses recognised in the Statement of Profit and Loss</b>		
Service cost	21	16
Interest cost	26	24
Expected return on plan assets	(27)	(21)
Actuarial (gain)/loss	2	(7)
Provision for shortfall in fair value of plan assets over liabilities	4	-
Total expenses included in employee benefit expenses	26	12
<b>Assumptions</b>		
Discount factor	7.90%	7.95%
Estimated rate of return on plan assets	8.00%	8.00%
Salary increase	7.00%	7.00%
Attrition rate		
21-44 years	2%	2%
45-57 years	1%	1%
Retirement age	58 years	58 years

### 2.38 Defined contribution scheme

Superannuation: The amounts are determined and defrayed to a trust fund, year on year and hence no further liability accrues to the Company on this account as on the date of the Balance Sheet.

### 2.39 Defined benefit obligation

Leave encashment: Cumulative defined benefit obligation of compensated absences (unfunded) amounts to ₹ 530/- lakhs (Rupees five hundred and thirty lakhs) as per actuarial valuation. The same has been provided for in the books of account.

### 2.40 Information on joint venture and wholly owned subsidiary

The Company has the following Joint venture and Wholly owned subsidiary as on March 31, 2016 and its proportionate share in the Assets, Liabilities, Income and Expenditure of Joint venture and Wholly owned subsidiary are given below: (₹ in lakhs)

Particulars	Country of in-corporation	Percentage of holding	As at 31.03.2016				2015-16	
			Assets	Liabilities (External)	Contingent Liabilities	Capital Com-mitments	Income	Expenditure
Dualrank Fontech (M) Sdn. Bhd.	Malaysia	48%	111(152)	181(203)	-	-	180(186)	228(205)
3D Future Technologies Private Limited	India	100%	176(100)	89(7)	-	-	6(-)	(106)(7)

Note: Amounts in brackets represent values of the previous year.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.41 Segment reporting

- a. **Segment policies:** Revenues and identifiable operating expenses in relation to the segments are categorised based on items that are individually identifiable to that segment. In cases, where the Management believes it is not practical to provide disclosure relating to some expenses, then these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. The accounting policies adopted for segment reporting are in line with accounting policies adopted by the Company for the purpose of financial statements.
- b. **Business segments:** For Management reporting purpose, the Company is organised in to two major operating segments:

#### (i) Products and Services

(₹ in lakhs)

Particulars	Financial year 2015-16			Financial year 2014-15		
	Products	Services	Total	Products	Services	Total
Segment revenue	13,160	1,157	14,317	12,220	1,523	13,743
Segment results	1,058	328	1,386	1,210	519	1,729
Unallocated expenses	-	-	132	-	-	137
Other income	-	-	390	-	-	413
Profit before tax and after prior period expenses	-	-	1,644	-	-	2,005
<b>Capital employed</b>						
Segment assets	6,705	1,656	8,361	6,070	1,476	7,546
Segment liabilities	(2,850)	(419)	(3,269)	(2,343)	(407)	(2,750)
Net segment assets over liabilities	3,855	1,237	5,092	3,727	1,069	4,796
Unallocable assets	-	-	1,300	-	-	1,326
Investments	-	-	2,818	-	-	2,789
<b>Net capital employed</b>	-	-	<b>9,210</b>	-	-	<b>8,911</b>
Capital expenditure (inclusive of capital w-i-p)	-	-	426	-	-	394
Depreciation and amortisation expenses	-	-	312	-	-	355

#### (ii) Geographical segments

(₹ in lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue (including other income)	14,671	14,057	36	99	14,707	14,156

- c. The above segments have been identified taking in to account the organisation's structure as well as differing risks and returns of these segments.

### 2.42 Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for other than those referred in Note no. 2.26.

### 2.43 Realisations

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances, will in the ordinary course of business be not less than the amounts at which they are stated in the Balance Sheet.

### 2.44 Transfer pricing

Transfer pricing report duly audited was filed for the Assessment Year 2015-16. Similar compliance shall be made by the Company for the Assessment Year 2016-17.

Further, the Management is of the opinion that its transactions are on arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for tax.

### 2.45 Amounts in the financial statement

Amounts in the financial statements are rounded off to the nearest lakh and have been re-grouped whenever necessary.

## FORM AOC-1

### SALIENT FEATURES OF SUBSIDIARY/ASSOCIATE COMPANY/JOINT VENTURE

Pursuant to Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014

#### 1. Part A : Subsidiaries

Particulars	Details
Name of the subsidiary	3D Future Technologies Private Limited
Reporting period of the subsidiary concerned, if different from holding company's reporting period	Not Applicable Reporting year: April-March
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Not Applicable
Share capital**	Authorised capital : ₹ 5 crores-As at 31.03.16 Paid up capital: ₹ 2 crores-As at 31.03.16
Reserves and surplus/Accumulated losses**	(Rupees one crore and fourteen lakhs)-As at 31.03.16
Total assets	Rupees one crore and seventy six lakhs-As at 31.03.16
Total liabilities (external)	(Rupees eighty nine lakhs)-As at 31.03.16
Investments**	Sixteen lakhs (As at 31.03.16)
Turnover**	Six lakhs-As at 31.03.16
Profit/(loss) before tax**	(One crore)-As at 31.03.16
Provision for tax**	Not Applicable
Profit/(loss) after tax**	(One crore)-As at 31.03.16
Proposed dividend	Nil
Percentage of shareholding	One hundred percent held by Ador Fontech Limited

#### 2. Part B : Associates and joint venture

Name of the Associates/Joint Ventures	J B Advani and Company	Ador Welding	Ador Powertron	Ador Multiproducts	Ador Welding Academy	Ador Green Energy	Dualrank Fontech
Latest audited Balance Sheet date	31.03.16	31.03.16	31.03.16	31.03.16	31.03.16	31.03.16	31.03.16
Shares of Associate/joint ventures held by the Company							
Number	-	-	-	-	-	-	4,80,000
Amount of investment in Associate/joint venture	-	-	-	-	-	-	₹ 75,68,438
Extent of Holding (percent)	-	-	-	-	-	-	48 percent
Description of how there is significant influence	Promoter	Promoter group	Promoter group	Promoter group	Promoter group	Promoter group	Shareholding greater than 20 percent
Reason why the associate/joint venture is not consolidated*	Related Party	Related Party	Related Party	Related Party	Related Party	Related Party	Consolidated
Net-worth attributable to shareholding as per latest audited	N/A	N/A	N/A	N/A	N/A	N/A	Consolidated**
Balance Sheet	N/A	N/A	N/A	N/A	N/A	N/A	Consolidated**
Profit/(loss) for the year	N/A	N/A	N/A	N/A	N/A	N/A	Consolidated**
Considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	Yes
Not considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes: (i) Not Applicable: N/A (ii) Names of associates or joint ventures which are yet to commence operations – Not Applicable (iii) Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable (iv) \*Related parties/associates are separate legal and business entities-public limited/private limited companies and there are no cross shareholdings, between Ador Fontech Limited and such companies, except by way of J B Advani and Company Private Limited (the Promoter) and its Director's/Shareholder's shareholdings across such organisations. (v) This statement is certified in the same manner in which the Balance Sheet is certified as at March 31, 2016. (vi) \*\*Detailed financial statements of 3D Future Technologies Private Limited and Dualrank Fontech (M) Sdn. Bhd. along with Audit/Review Reports have been provided in Page no. 56. (vii) Amounts in brackets indicate negative values.

**To the Members of Ador Fontech Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Ador Fontech Limited (hereinafter referred to as 'the Company'), its Wholly owned subsidiary and the Joint venture entity (the Company and its Wholly owned subsidiary and the Joint venture entity together referred to as 'the Group' and the Wholly owned subsidiary and Joint venture entity together referred to as 'the Covered entities'), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies & other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of 'the Company', as aforesaid.

**Auditors' responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Companies Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers the internal financial controls relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors referred to in the 'Other matters' (following paragraph), is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

**Opinion**

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016 & the consolidated loss & cash flows for the year ended on that date.

**Other matters**

We did not audit the financial statements of the Covered entities, whose financial statements reflect net total assets, revenue and profit/(loss) after tax as below for the year ended on that date. (₹ in lakhs)

Particulars	Dualrank Fontech*	3DFT*	Total
Net total assets	(70)	87	17
Revenue	180	6	186
Profit/(Loss) after tax	(48)	(100)	(148)

\*We have only considered forty eight percent of the financial statements of the Joint venture entity (Dualrank Fontech) for the purposes of consolidation, as the Company holds forty eight percent of the ordinary/equity shares. We have considered hundred percent of the Subsidiary company (3DFT), as it is wholly owned by the Company. The financial statements of the Joint venture and 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 these subsidiaries are based solely on the reports of the other Auditors.

Our opinion on the Consolidated Financial Statements and our report on 'Other Legal and Regulatory requirements' below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other Auditors.

**Report on other legal and regulatory requirements**

As required by Section 143(3) of the Act, we report to the extent applicable that:

1. We have sought and obtained all the information & explanations which to the best of our knowledge & belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
2. In our opinion, proper books of account as required by law relating to preparation of the Consolidated Financial Statements have been kept, so far as it appears from our examination of those books and the reports of the other Auditors.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement 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.
4. In our opinion, the Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
5. On the basis of the written representations received from the Directors of the Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of the Joint venture company incorporated in Malaysia and the Wholly owned subsidiary company incorporated in India, none of the Directors of the Group is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our report in 'Annexure A', which is based on the Auditors'

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Reports of the Company and the Covered entities. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company and the Covered entities.

7. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group.
  - The Group has made provisions in its Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses 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 and the Covered Entities.

For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

Bengaluru  
May 10, 2016

**Narayanan V**  
Partner [Membership No.219265]

### Annexure 'A' to the Auditors' Report

(Referred to in paragraph (6) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

The details mentioned in Companies (Auditor's Report) Order 2016 is applicable to the Company and not to Consolidated Financial Statements. Hence, the same has not been furnished.

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') & its Wholly owned subsidiary incorporated in India as at March 31, 2016 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the Company and its Wholly owned subsidiary company, incorporated in India, 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 'Guidance Note'). 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 its business, including adherence to the respective company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. 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 over financial reporting was established and 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 controls 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 Auditors' 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 and the audit evidence obtained by the other Auditors of the Wholly owned subsidiary incorporated in India, are sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### 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:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- 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
- 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 the 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, the Company and its Wholly owned subsidiary, which are companies incorporated in India, have, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 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 ICAI.

For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

Bengaluru  
May 10, 2016

**Narayanan V**  
Partner [Membership No.219265]

## CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2.01	350	350
Reserves and surplus	2.02	8,677	8,427
<b>Sub-total</b>		<b>9,027</b>	<b>8,777</b>
<b>2. Non-current liabilities</b>			
Long-term liabilities	2.03	184	177
Long-term provisions	2.04	557	745
<b>Sub-total</b>		<b>741</b>	<b>922</b>
<b>3. Current liabilities</b>			
Short-term borrowings	2.05	86	–
Trade payables	2.06	1,386	947
Other current liabilities	2.07	980	1,097
Short-term provisions	2.08	1,090	1,151
<b>Sub-total</b>		<b>3,542</b>	<b>3,195</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>13,310</b>	<b>12,894</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets	2.09		
– Tangible assets		2,380	2,147
– Intangible assets		–	4
– Capital work-in-progress		4	–
<b>Sub-total</b>		<b>2,384</b>	<b>2,151</b>
Non-current investments	2.10	659	709
Deferred tax	2.11	292	329
Long-term loans and advances	2.12	168	175
<b>Sub-total</b>		<b>3,503</b>	<b>3,364</b>
<b>2. Current assets</b>			
Current investments	2.13	160	112
Inventories	2.14	2,536	2,471
Trade receivables	2.15	3,301	2,766
Cash and cash equivalents	2.16	2,978	3,228
Short-term loans and advances	2.17	832	953
<b>Sub-total</b>		<b>9,807</b>	<b>9,530</b>
<b>TOTAL - ASSETS</b>		<b>13,310</b>	<b>12,894</b>
<b>Significant accounting policies and notes to the Consolidated Financial Statements (Refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Narayanan V**  
Partner (Membership No. 219265)  
Bengaluru, May 10, 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Revenue from operations (gross)</b>		<b>15,310</b>	<b>14,717</b>
Less: Excise duty		814	789
<b>Revenue from operations (net)</b>	2.18	<b>14,496</b>	<b>13,928</b>
<b>2. Other income</b>	2.19	<b>397</b>	<b>414</b>
<b>3. Total revenue (1+2)</b>		<b>14,893</b>	<b>14,342</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.20	3,348	3,366
b. Purchase of traded goods		5,066	4,256
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(69)	10
d. Employee benefit expenses	2.22	2,204	2,003
e. Finance cost	2.23	2	8
f. Depreciation and amortisation expenses		325	363
g. Other expenses	2.24	2,518	2,357
<b>Total expenses</b>		<b>13,394</b>	<b>12,363</b>
<b>5. Profit before tax (3-4)</b>		<b>1,499</b>	<b>1,979</b>
<b>6. Prior period expenses</b>		<b>2</b>	<b>-</b>
<b>7. Profit before tax and after prior period expenses</b>		<b>1,497</b>	<b>1,979</b>
<b>8. Tax expenses</b>			
a. Current tax		575	700
b. Deferred tax		37	(30)
<b>Sub-total</b>		<b>612</b>	<b>670</b>
<b>9. Profit after tax (7-8)</b>		<b>885</b>	<b>1,309</b>
<b>10. Earnings per share</b>			
Basic and diluted	2.25	5.10	7.50
<b>Significant accounting policies and notes to the Consolidated Financial Statements (refer notes 1 and 2)</b>			

### On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Narayanan V**  
Partner (Membership No. 219265)  
Bengaluru, May 10, 2016

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Cash flow from operating activities</b>		
Net profit before tax as per Statement of Profit and Loss	1,497	1,979
Add/(Less):		
Depreciation, amortisation and impairment	325	363
Provisions made in the books of account	(176)	91
Taxes paid	(648)	(651)
Interest and dividend income	(268)	(307)
<b>Operating profit before changes in working capital</b>	<b>730</b>	<b>1,475</b>
Adjustments for movements in:		
Inventories	(65)	(20)
Trade receivables	(535)	(3)
Short-term loans & advances and other current assets	121	(241)
Trade payables	439	(370)
Other current liabilities	(117)	451
<b>Cash generated from operations (A)</b>	<b>573</b>	<b>1,292</b>
<b>B. Cash flow from investing activities</b>		
(Purchase)/Sale of fixed assets	(558)	(312)
(Purchase)/Sale of non-current investments	50	109
(Purchase)/Sale of current investments	(48)	(46)
(Investments)/Disposal of other non-current assets	7	47
Dividend income	268	307
<b>Net cash from investing activities (B)</b>	<b>(281)</b>	<b>105</b>
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in long-term liabilities	7	10
Increase/(Decrease) in short-term borrowings	86	-
Consolidation adjustments	103	17
Dividend paid	(738)	(717)
<b>Net cash from financing activities (C)</b>	<b>(542)</b>	<b>(690)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>(250)</b>	<b>707</b>
Opening balance of cash and cash equivalents	3,228	2,521
Closing balance of cash and cash equivalents	2,978	3,228

Notes: (i) Figures in brackets represent cash outflow. (ii) The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in AS-3-Cash Flow Statement notified under the Company's (Accounting Standards) Rule, 2016 (refer note 1.15).

On behalf of the Board of Directors

**A T Malkani**  
Chairman  
DIN 01585637

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, May 09, 2016

As per our report of even date attached  
For **Amarnath Kamath and Associates**  
Chartered Accountants  
Firm Registration No. 000099S

**Narayanan V**  
Partner (Membership No. 219265)  
Bengaluru, May 10, 2016

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Note 1

#### 1.01 Basis of preparation of the Consolidated Financial Statements

The Consolidated Financial Statements are prepared in accordance with Indian GAAP under the historic cost convention and on accrual basis. GAAP comprises mandatory accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and relevant requirements/guidelines issued by SEBI. The Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standards (AS) 21 - Consolidated Financial Statements, Accounting Standards (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standards (AS) 27 - Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2014, (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years.

The particulars of the Company, its Wholly owned subsidiary and Joint venture entity together referred to as 'the Group', which are included in consolidation and the Company's holding therein, are as under:

Name and address	Country of incorporation	Percentage of holding either directly or through subsidiary as at March 31, 2016	Status	Directors
<b>Ador Fontech Limited</b> Belview 7 Haudin Road Bengaluru 560 042	India	100%	Parent	Mr. A T Malkani
				Mr. H P Ledwani
				Mrs. N Malkani Nagpal
				Mr. N S Marshall
				Mr. Santosh Janakiram
<b>Dualrank Fontech (M) Sdn. Bhd.</b> A1-3 Jalan 2/142 A Megan Phoenix Cheras Kuala Lumpur KM 10 56000	Malaysia	48%	Associate (Joint venture)	Mr. James Edward Buxton
				Mr. Laurence Yee Lye Eu
				Mrs. Anttonette Marie B Joseph
				Mr. Sumant Puntambekar
				Mr. Vishwanathan Puthalath
<b>3D Future Technologies Pvt. Ltd.</b> Ador House 5 <sup>th</sup> floor 6 K Dubash Marg Fort Mumbai 400 001	India	100%	Wholly owned subsidiary	Mr. A T Malkani
				Mr. H P Ledwani
				Mrs. N Malkani Nagpal

Mr. Santosh Janakiram, Independent Director of Ador Fontech Limited has been invited to join the Board of 3D Future Technologies Pvt. Ltd.

Name of the Entity	Net assets ie., total assets minus total liabilities		Share in the Profit/Loss	
	As a percentage of consolidated net assets	Amount (₹ in lakhs)	As a percentage of consolidated profit/loss	Amount Profit after tax (₹ in lakhs)
Ador Fontech Limited	102.87	9,286	117.51	1,040
Dualrank Fontech (M) Sdn. Bhd.	(1.61)	(145)	(5.42)	(48)
3D Future Technologies Pvt. Ltd.	(1.26)	(114)	(12.09)	(107)
<b>Total</b>	<b>100.00</b>	<b>9,027</b>	<b>100.00</b>	<b>885</b>

#### 1.02 Use of estimates

The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures as at the date of the financial statements besides, the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined. Any revision to accounting estimates is recognised prospectively in current and future years.

#### 1.03 Principles of consolidation

The Consolidated Financial Statements relate to Ador Fontech Limited ('the Company'), its Wholly owned subsidiary and Joint venture entity. The Consolidated Financial Statements have been prepared on the following basis:

- The financial statements of the Company and Covered entities have been combined on a line by line basis by adding together

the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions in accordance with Accounting Standard (AS) - 21 - 'Consolidated Financial Statements'.

- Interest on Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) - 27 - 'Financial Reporting of Interest in Joint Ventures'.
- In case of foreign company (Joint venture entity), being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.
- Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements, where ever applicable.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- e. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

### 1.04 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- a. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. It is stated at both gross and net values.
- b. Income from conversion job is recognised on its completion and on its acceptance by the customers.
- c. Dividend income is accounted for in the year in which the right to receive the same is established.
- d. Interest income is recognised using the time-proportion-method, based on rates implicit in the transaction.

### 1.05 Fixed assets

Tangible assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties, taxes and other incidental expenses/adjustments related to its acquisition. All such direct costs are capitalised when the tangible fixed assets are ready for use. Intangible assets relating to product development are recorded at actual cost incurred on the development of products & are capitalised once the products receive approval from relevant authorities and the same are carried at cost less accumulated amortisation.

### 1.06 Depreciation and amortisation

#### The Company

- a.
  - i. Schedule II to the Company Act, 2013 prescribes useful lives for fixed assets and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.
  - ii. Considering the applicability of Schedule II, the Management has re-estimated useful lives and residual values of all its fixed assets. Management also believes that the depreciation rates currently used fairly reflect its estimate of useful lives & residual values of fixed assets.
- b. Depreciation on tangible assets purchased during the year have been calculated as under:
  - i. All assets (except leasehold interest): On written down value basis.
  - ii. Lease hold land: On straight line basis over the period of lease.
  - iii. Intangible assets: Over a period of approximately four years, so as to effectively depreciate the assets over the specified useful lives leaving behind a residual value of five percent.
- c. Depreciation on additions to fixed assets during the current year are charged on pro-rata basis, for the period of use.

#### Wholly owned subsidiary

The Wholly owned subsidiary was incorporated on January 19, 2015 and depreciation on assets have been provided as per the Companies Act, 2013.

#### Associate (Overseas Joint venture entity)

Depreciation is provided on straight line basis, calculated to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates.

- a. Renovations, tools and equipment, air conditioners, furniture and fittings, office equipment, machinery and moulds at ten percent.
  - b. Computers and motor vehicles at twenty percent.
- Residual values, useful lives and depreciation methods are reviewed at Balance Sheet date.

### 1.07 Impairment of assets

An impairment loss is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### 1.08 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention. Current investments are carried at cost. Cost of overseas investments comprises the Indian rupee value of consideration paid for the investment translated at the exchange rate prevalent at the date of investment. Long-term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

### 1.09 Inventories

Inventories are stated at lower of cost and net realisable value and are principally determined on first-in first-out basis. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred for marketing, selling & distribution.

For work-in-progress and finished goods, cost consists of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

### 1.10 Employee benefits

- a. Salaries, wages, bonus and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Companies.
- b. Employees are entitled to paid annual leave earned on a cumulative basis. Holding Company provides for accumulation of leave and encashment thereof.
- c. Defined contribution plans are post-employment benefit plans under which a participating company pays fixed contributions in to separate funds and thereafter no legal or constructive obligation to pay further would accrue. While the Company contributes towards provident, gratuity and superannuation funds, the associate company (overseas joint venture) contributes towards employees provident fund (EPF).

### 1.11 Leases and hire purchase arrangements

Lease rental payments under operating lease are recognised as an expense on straight line basis in the Consolidated Statement of Profit and Loss over the lease term.

Assets acquired under hire purchase arrangements are capitalised in the financial statements and corresponding obligations are treated as liabilities in the Balance Sheet.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Hire purchase payments are apportioned between finance costs and reduction of outstanding liabilities.

Finance costs, which represent differences between the total hire purchase commitments and the fair value of the assets acquired, net of deposits paid, are recognised in the income statement over the period of hire purchase arrangements so as to produce a constant periodic rate charge on the remaining balance of the obligations for each accounting period.

### 1.12 Risk management

- a. **Financial risk management:** The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of business while at the same time, managing its risks.
- b. **Credit risk:** The Group has credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit and generally collaterals are not sought in respect of credit extensions to customers. Credit terms for trade receivables are assessed and approved on a case by case basis. The Group does not have any significant concentration of credit risks that may arise from exposure to a single debtor or to a group of debtors.
- c. **Liquidity risk:** The Group monitors & maintains a level of cash & cash equivalents deemed adequate to finance business activities & to mitigate the effects of fluctuations in cash flows.
- d. **Interest rate risk:** The Group's exposure to changes in interest rates relates primarily to financial borrowings and/or short term deposits. There is no formal hedging policy with respect to interest rate fluctuations. Exposure to interest rate risk is

monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

- e. **Currency risk:** The Group does not hedge foreign currency exposure by purchasing forward currency controls. Exposure to currency risk is monitored on an ongoing basis and it is endeavoured to keep the exposure at an acceptable level.

### 1.13 Taxes on income

- a. **Current tax:** Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.
- b. **Deferred tax:** Provision for deferred tax is made using the applicable rate of taxation, for all timing differences, which arise during a year and are reversed in subsequent periods.

### 1.14 Provisions and contingent liabilities

Based on the best estimate of the Management, provisions are determined on the outflow of economic benefits, which are required to settle obligations, as at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Disclosure for contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of the Company's resources.

### 1.15 Cash flow statement

Consolidated cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated accordingly.

## Note 2:

### 2.01 Share capital

#### a. Details of authorised, issued, subscribed and paid-up capital

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Authorised: Equity shares of ₹ 2/- each	2,50,00,000	500	2,50,00,000	500
Issued: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed and paid up: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed but not fully paid up: Equity shares of ₹ 2/- each	-	-	-	-
Calls unpaid	-	-	-	-
Par value per equity share	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-

#### b. Reconciliation of number of equity shares

Particulars	As at 31.03.2016		As at 31.03.2015	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity shares				
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

#### c. Details of equity shares held by shareholders holding more than five percent of aggregate shares in the Company

Name of the Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of shares held	Percent	No. of shares held	Percent
J B Advani and Company Private Limited CIN:U51900MH1925PTC004217 PAN:AAACJ1966D	46,06,578	26.32	46,06,578	26.32

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**d. As on the date of the Balance Sheet**

(i) The Company has not issued any equity share as fully paid pursuant to contracts without payment being received in cash. (ii) The Company has not issued any fully paid bonus share. (iii) The Company did not buy back any equity share. (iv) The Company has not issued securities like convertible preference shares, convertible debentures, etc., which are convertible in to equity/preference shares.

**e. Issue/conversion of equity shares**

As on the date of the Balance Sheet, the Company has not issued securities like convertible preference shares, convertible debentures etc., which are convertible in to equity/preference shares.

### 2.02 Reserves and surplus

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Capital reserve</b>		
Balance as at the beginning of the year	18	12
Add: Additions/(deletions) during the year	-	6
<b>Balance as at the end of the year</b>	<b>18</b>	<b>18</b>
<b>Consolidation adjustment</b>	<b>76</b>	<b>-</b>
<b>Exchange fluctuation reserve</b>		
Balance as at the beginning of the year	17	-
Add: Additions/(deletions) during the year	27	17
<b>Balance as at the end of the year</b>	<b>44</b>	<b>17</b>
<b>Securities premium account</b>		
Opening balance	172	172
Additions/(deletions) during the year	-	-
<b>Balance as at the end of the year</b>	<b>172</b>	<b>172</b>
<b>General reserve</b>		
Opening balance	6,378	6,000
Add: Transferred from surplus in Statement of Profit and Loss	200	400
Less: Adjusted for depreciation as per Schedule II*	-	22
<b>Balance as at the end of the year</b>	<b>6,578</b>	<b>6,378</b>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	1,842	1,671
Add: Profit for the year	885	1,309
Transfer to General Reserve	(200)	(400)
Proposed dividend on equity shares	(613)	(613)
Dividend distribution tax	(125)	(125)
<b>Balance as at the end of the year</b>	<b>1,789</b>	<b>1,842</b>
<b>Total</b>	<b>8,677</b>	<b>8,427</b>

Note: \* During the year ended March 31, 2015, the Company had adopted estimated useful lives of fixed assets as stipulated by Schedule II to the Companies Act, 2013. Accordingly, depreciation effect of ₹ 22 lakhs (net of deferred tax ₹ 13 lakhs) on account of assets whose useful lives stood exhausted on April 01, 2014 were duly adjusted against the General Reserve.

### 2.03 Long-term liabilities

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Term loan from other parties	1	7
Deposit from dealers and employees	183	170
<b>Total</b>	<b>184</b>	<b>177</b>

### 2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for warranties	130	258
Provisions for compensated absences	427	487
<b>Total</b>	<b>557</b>	<b>745</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.05 Short-term borrowings

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured - Overdraft facility from bank	86	-
<b>Total</b>	<b>86</b>	<b>-</b>

Note: \*The earmarked investments (refer Page no. 51-Schedule 2.10) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan/overdraft facilities to 3D Future Technologies Private Limited (Wholly owned subsidiary of Ador Fontech Limited).

### 2.06 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables	1,386	947
<b>Total</b>	<b>1,386</b>	<b>947</b>

### 2.07 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance from customers	17	24
Statutory dues	238	258
Unclaimed dividends	99	84
Others	626	731
<b>Total</b>	<b>980</b>	<b>1,097</b>

### 2.08 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provision for compensated absences (for employee benefits)	107	49
Provision for proposed equity dividend	613	613
Provision for dividend distribution tax	125	125
Provision for income tax (net of taxes paid)	5	122
Provision for warranties	240	242
<b>Total</b>	<b>1,090</b>	<b>1,151</b>

### 2.09 Fixed assets

(₹ in lakhs)

Particulars	Gross block					Depreciation					Net block	
	As at 01.04.15	Exchange Adj.	Additions	Disposals	As at 31.03.16	As at 01.04.15	Exch. adj. Trf. to res.	Withdrawn on sales	For the year	As at 31.03.16	As at 31.03.16	As at 31.03.15
<b>Tangibles</b>												
Freehold land	76	-	-	-	76	-	-	-	-	-	76	76
Leasehold land	2	-	-	-	2	-	-	-	-	-	2	2
Buildings	1,062	-	18	-	1,080	350	-	-	69	419	661	713
Office premises	607	-	1	-	608	92	-	-	25	117	491	515
Plant & machineries	1,101	-	432	1	1,532	625	(1)	-	100	724	808	476
Electrical equipment	86	-	4	1	89	39	-	-	12	51	38	46
Computers	174	-	9	31	152	149	-	29	14	134	18	25
Office equipment	82	-	12	-	94	63	-	-	10	73	21	19
Furniture & fixtures	119	-	26	-	145	93	-	-	7	100	45	25
Vehicles	542	-	62	40	564	292	-	32	84	344	220	250
<b>Sub-total</b>	<b>3,851</b>	<b>-</b>	<b>564</b>	<b>(73)</b>	<b>4,342</b>	<b>1,703</b>	<b>(1)</b>	<b>(61)</b>	<b>321</b>	<b>1,962</b>	<b>2,380</b>	<b>2,147</b>
<b>Intangibles</b>												
Software	4	-	-	-	4	3	-	-	1	4	-	1
Product development	66	-	-	-	66	63	-	-	3	66	-	3
<b>Sub-total</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>70</b>	<b>-</b>	<b>4</b>
<b>Total</b>	<b>3,921</b>	<b>-</b>	<b>564</b>	<b>(73)</b>	<b>4,412</b>	<b>1,769</b>	<b>(1)</b>	<b>(61)</b>	<b>325</b>	<b>2,032</b>	<b>2,380</b>	
Previous year	3,572	(2)	445	(95)	3,920	1,451	33	(78)	363	1,769		2,151

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.10 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Non-Trade Investments (In units of Mutual Funds-quoted)</b>		
Edelweiss Arbitrage Fund - Dividend option (483161.811 units)	50	50
Kotak Bond Fund - Growth (147749.334 units)*	50	50
Kotak Equity Arbitrage fund (928729.313 units)	100	100
Reliance - FMP- Series 14 (15,00,000 units)*	150	150
SBI Dynamic Bond Fund -Growth (3,40,119.858 units)*	50	50
HDFC- FMP -370 D (10,93,230 units)*	109	109
HDFC Income Fund - Growth (3,63,957.90 units)*	100	100
<b>Sub-total</b>	<b>609</b>	<b>609</b>
<b>Capital gains bonds</b>		
National Highways Authority (500 bonds of ₹ 10,000 each)	-	50
Rural Electrification Corporation Ltd.(500 bonds of ₹ 10,000 each)	50	50
<b>Sub-total</b>	<b>50</b>	<b>100</b>
<b>Total</b>	<b>659</b>	<b>709</b>

Notes: (i) Market value of quoted investments as at March 31, 2016 was ₹ 753 lakhs (Previous year ₹ 767 lakhs). (ii) \*The earmarked investments have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/demand loan/term loan) to 3D Future Technologies Private Limited (Wholly owned subsidiary of Ador Fontech Limited). As at March 31, 2016, 3D Future Technologies Private Limited had borrowings from the HDFC Bank equivalent to rupees eighty six lakhs.

### 2.11 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book and tax balance of fixed assets	84	78
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences	185	182
Provision for warranties	129	170
Provision for bad and doubtful debts	1	-
Provision for diminution in the value of investments	26	-
Provision for indirect tax not acknowledged as debt	35	55
<b>Net deferred tax</b>	<b>292</b>	<b>329</b>

### 2.12 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Rent deposit and Government deposits	23	24
Security deposits and retention monies	28	13
Earnest money deposits and performance guarantees	117	138
<b>Total</b>	<b>168</b>	<b>175</b>

### 2.13 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Non-trade investments (In units of mutual funds, quoted)</b>		
HDFC Liquid fund – daily reinvest - 14134.489 units (Previous year - 1098359.622 units)	144	112
HDFC Liquid fund - growth - 539.27 units (Previous year - nil)	16	-
<b>Total</b>	<b>160</b>	<b>112</b>
<b>Market value of quoted investments</b>	<b>160</b>	<b>112</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.14 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Raw materials	742	735
Finished goods	69	1,262
Work-in-progress	255	113
Traded goods	1,410	290
Packing materials	10	12
Stores, spares and consumables	50	59
<b>Total</b>	<b>2,536</b>	<b>2,471</b>

### 2.15 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>Outstanding for a period exceeding six months (from the due date of payment)</b>		
Unsecured – considered goods	584	512
Other trade receivables		
Secured – considered good	30	24
Unsecured – considered good	2,687	2,230
<b>Total</b>	<b>3,301</b>	<b>2,766</b>

### 2.16 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Cash in hand	8	2
Balance with banks in current accounts	152	438
Fixed deposits with banks	2,818	2,788
<b>Total</b>	<b>2,978</b>	<b>3,228</b>

Notes: (i) Fixed deposits with banks as at March 31, 2016 and March 31, 2015 includes restricted balances of ₹ 265 lakhs and ₹ 246 lakhs respectively. The restrictions are primarily on account of margin money deposits held against guarantees and unclaimed dividends. (ii) The deposits maintained by the Company with banks comprise of term/time deposits.

### 2.17 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2016	As at 31.03.2015
Taxes, duties, input credits and refunds due	422	365
Advance to suppliers	28	62
Security deposit-secured, considered good	–	11
Loans and advances -unsecured considered good	294	441
Prepaid expenses and receivables	88	74
<b>Total</b>	<b>832</b>	<b>953</b>

### 2.18 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Sale of products</b>		
Manufactured goods	7,431	7,331
Scrap sales	10	14
Traded goods	6,517	5,788
<b>Sale of services and other operating income</b>		
Job works	1,157	1,523
Other operating income	195	61
<b>Sub-total</b>	<b>15,310</b>	<b>14,717</b>
Less: Excise Duty	814	789
<b>Total</b>	<b>14,496</b>	<b>13,928</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.19 Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest income	250	300
Dividend income	18	7
Net gain on sale of current investments	–	38
Other non-operating income	129	66
Profit on sale of assets	–	3
<b>Total</b>	<b>397</b>	<b>414</b>

### 2.20 Raw materials consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Opening inventories	747	776
Add: Purchases	3,353	3,337
<b>Sub-total</b>	<b>4,100</b>	<b>4,113</b>
Less: Closing inventories	752	747
<b>Total</b>	<b>3,348</b>	<b>3,366</b>

### 2.21 Changes in inventories

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>Inventories at the beginning of the year</b>		
Finished goods	290	277
Work-in-progress	113	109
Stock-in-trade	1,262	1,289
<b>Sub-total</b>	<b>1,665</b>	<b>1,675</b>
<b>Inventories at the end of the year</b>		
Finished goods	1,410	290
Work-in-progress	255	113
Stock-in-trade	69	1,262
<b>Sub-total</b>	<b>1,734</b>	<b>1,665</b>
<b>(Increase)/decrease in inventories</b>	<b>(69)</b>	<b>10</b>

### 2.22 Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Salaries, allowances and other benefits	1,828	1,680
Contribution to provident and other funds	230	197
Staff welfare	146	126
<b>Total</b>	<b>2,204</b>	<b>2,003</b>

### 2.23 Finance cost

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest expense on dealer deposits	2	8
<b>Total</b>	<b>2</b>	<b>8</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.24 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Rent, rates, insurance and taxes	150	168
Consumables, stores and utilities	190	107
Sub-contracting of job works	604	524
Printing, stationery and communication expenses	79	84
Repairs to building	4	15
Repairs to machinery	14	8
Other repairs and maintenance		
–Vehicle maintenance	32	24
–Office maintenance	20	26
–Computer maintenance	10	16
–Others	34	9
Professional fees	90	103
Travelling and conveyance	495	501
Freight and forwarding	215	206
Sales commission and promotional expenses	222	290
Provision for warranties	32	36
Payment to auditors	17	16
Bank and other charges	11	11
Discounts and rebates	83	52
Provision for doubtful receivables	3	–
Bad debts and irrecoverable advances written off (net)	–	27
Provision for diminution in the value of investments	76	–
Corporate social responsibility	29	27
General expenses	108	107
<b>Total</b>	<b>2,518</b>	<b>2,357</b>

### 2.25 Earnings per share

(₹ in lakhs)

The Company has evaluated its earning per share as per-Accounting Standard 20- issued by the Institute of Chartered Accountants of India, as under:

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Net profit after tax	885	1309
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	5.10	7.50

The Company does not have any outstanding dilutive potential equity shares as at March 31, 2016. Consequently, the basic and diluted earnings per share of the Company remain the same.

### 2.26 Disclosure relating to contingent liabilities, capital and other commitments (Refer note 2.26 of Standalone Financial Statements)

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Guarantees (Bank and Corporate)	333	300
Disputed excise duty demand under appeal	71	71
Disputed service tax demand under appeals	34	115
Disputed income tax demand under appeals	322	39

### 2.27 Operating lease

(₹ in lakhs)

a. The Company has entered in to cancellable operating lease with an option to renew in respect of certain godowns, offices and residential premises. The expenditure incurred thereon amounting to ₹ 62 lakhs (Previous year ₹ 63 lakhs) has been charged to the Statement of Profit and Loss.

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Lease payments for the year	62	63
<b>Minimum lease payments</b>	<b>As at 31.03.2016</b>	<b>As at 31.03.2015</b>
Not later than one year	62	59



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### b. Hire purchase payables by Dualrank Fontech (M) Sdn. Bhd.

(₹ in lakhs)

Particulars	2016 MYR	2015 MYR	2016 INR*	2015 INR*
<b>Minimum finance lease payment</b>				
Not later than one year	80,712	1,76,364	14	30
Later than one year but not later than two years	7,164	78,344	1	13
Later than two years but not later than five years	8,887	16,648	2	3
Future finance charges	(3,792)	(15,827)	(1)	(3)
Present value of finance lease liabilities	92,971	2,55,529	16	43
<b>Repayable as follows</b>				
Current liabilities – not later than one year	77,987	1,63,562	13	28
Non-current liabilities				
Later than one year but not later than two years	6,436	74,309	1	13
Later than two years but not later than five years	8,548	17,658	2	2
<b>Total</b>	<b>92,971</b>	<b>2,55,529</b>	<b>16</b>	<b>43</b>

Notes: \*(i) Conversion rate MYR to INR – March 31, 2016 – 16.92 and March 31, 2015 -16.85 (ii) The effective interest rates on hire purchase payables were between 3.50% and 3.75% per annum (2015: 3.50% and 3.76%).

### 2.28 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Statutory audit	8	7
Taxation	2	2
Other services	7	7
<b>Total</b>	<b>17</b>	<b>16</b>

### 2.29 Segment reporting

Segment policies: Revenues and identifiable operating expenses in relation to the segments are categorised based on items that are individually identifiable to that segment. In cases, where the Management believes it is not practical to provide disclosures relating to some expenses, then these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. The accounting policies adopted for segment reporting are in line with accounting policies adopted by the Company for the purpose of financial statements.

Business segments: For Management reporting purpose, the Company is organised in to two major operating segments:

#### (i) Products and services

(₹ in lakhs)

Particulars	Financial year 2015-16			Financial year 2014-15		
	Products	Services	Total	Products	Services	Total
Segment revenue	13,339	1,157	14,496	12,220	1,708	13,928
Segment results	968	278	1,246	1,210	499	1,709
Unallocated expenses	-	-	(146)	-	-	(144)
Other income	-	-	397	-	-	414
Profit before tax & after prior period expenses	-	-	1,497	-	-	1,979
Capital employed	-	-	-	-	-	-
Segment assets	6,945	1,692	8,637	6,253	1,477	7,730
Segment liabilities	(2,939)	(600)	(3,539)	(2,343)	(550)	(2,893)
Net segment assets	4,006	1,092	5,098	3,910	927	4,837
Unallocable assets	-	-	1,111	-	-	1,151
Investments	-	-	2,818	-	-	2,789
<b>Net capital employed</b>	<b>-</b>	<b>-</b>	<b>9,027</b>	<b>-</b>	<b>-</b>	<b>8,777</b>
Capital expenditure	-	-	564	-	-	445
Depreciation and amortisation expenses	-	-	325	-	-	363

#### (ii) Geographical segments

(₹ in lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue (including other income)	14,671	14,057	222	285	14,893	14,342

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.30 Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for other than those referred in Note no. 2.26.

### 2.31 Realisations

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances, will in the ordinary course of business be not less than the amounts at which they are stated in the Balance Sheet.

### 2.32 Transfer pricing

Transfer pricing report duly audited were filed for the Assessment Year 2015-16. Similar compliance shall be made by the Company for the Assessment Year 2016-17.

### 2.33 Amounts in the financial statements

(i) Grouping and heads of account of the Covered entities have been rearranged/reorganised in terms of presentation for 'the Group' as a whole as were deemed necessary. (ii) Amounts of the previous year have been rearranged /regrouped to facilitate comparison. Amounts are rounded off to the nearest lakh. (iii) Negative numbers have been specified in brackets.

### 2.34 Financial statements of Joint venture and Wholly owned subsidiary

#### Balance Sheet

(₹ in lakhs)

Particulars	Dualrank Fontech (M) Sdn. Bhd.		Ador Fontech's Share (48%)		3D Future Technologies	
	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15	As at 31.03.16	As at 31.03.15
<b>Shareholders' funds</b>						
Accumulated losses	(303)	(264)	(69)*	(127)	(114)	(7)
<b>Shareholders' equity (A)</b>	<b>(303)</b>	<b>(264)</b>	<b>(69)*</b>	<b>(127)</b>	<b>(114)</b>	<b>(7)</b>
<b>Non-current liabilities</b>						
Financial borrowings	3	15	1	7	-	-
<b>Current liabilities</b>						
Short-term borrowings	-	-	-	-	86	-
Trade payables	113	79	54	38	-	-
Sundry payables and accruals	262	329	126	158	3	7
<b>External liabilities (B)</b>	<b>378</b>	<b>423</b>	<b>181</b>	<b>203</b>	<b>89</b>	<b>7</b>
<b>Non-current assets</b>						
Plant and equipment	119	132	57	63	137	-
Long-term loans and advances					3	
<b>Current assets</b>						
Investments	-	-	-	-	16	-
Deferred tax	-	-	-	-	(5)	-
Inventories	94	81	45	39	2	-
Trade receivables	92	97	44	47	-	-
Cash and cash equivalents	18	3	9	1	7	100
Short-term loans and advances	(91)	4	(44)	2	16	-
<b>Total assets (C)</b>	<b>232</b>	<b>317</b>	<b>111</b>	<b>152</b>	<b>176</b>	<b>100</b>
<b>Net total assets (C) - (B)</b>	<b>(146)</b>	<b>(106)</b>	<b>(70)</b>	<b>(51)</b>	<b>87</b>	<b>93</b>

Notes: (i) Net total assets represents capital investments & loans which are eliminated on consolidation. (ii) Ador Fontech's contribution to equity aggregates to ₹ 76 L & ₹ 200 L to Dualrank Fontech & 3DFT respectively. Further loans in tranches to Dualrank Fontech aggregates to ₹ 196 L. (iii) \* After adjustment of provision of ₹ 76 L (₹ 303 L x 48% less ₹ 76 L = ₹ 69L).

#### Income Statement

(₹ in lakhs)

Particulars	Dualrank Fontech (M) Sdn. Bhd.		Ador Fontech's Share (48%)		3D Future Technologies	
	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015	Year ended 31.03.2016	Year ended 31.03.2015
<b>Revenue</b>	<b>375</b>	<b>388</b>	<b>180</b>	<b>186</b>	<b>6</b>	<b>-</b>
Less: Cost of sales	331	309	159	148	-	-
Operating and administrative expenses	144	119	69	57	106	7
<b>Operating loss</b>	<b>(100)</b>	<b>(40)</b>	<b>(48)</b>	<b>(19)</b>	<b>(100)</b>	<b>(7)</b>

Notes: (i) Complete set of financial statements including schedules, notes to accounts along with Auditors' Report have been uploaded on the website of the Company. (ii) Conversion rates of MYR to INR- Current year: Closing 16.92 & Average 16.29 (Previous year: Closing 16.85 & Average 18.20).



**Ador Fontech Limited**

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**ATTENDANCE SLIP  
41<sup>st</sup> ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 41<sup>st</sup> Annual General Meeting (AGM) of the Members of the Company on Thursday, August 04, 2016 at 11:30 hours at Woodlands Hotel Private Limited No. 5 Raja Ram Mohan Roy Road Bengaluru 560 025.

**\*Signature of the Member(s)/ Proxy/Authorised Representatives** .....

Place: Bengaluru

Date: August 04, 2016

**Notes:**

1. Sign this attendance slip and hand it over at the entrance of the meeting hall.
2. Bodies Corporate, whether a Company or not, who are Members, may attend through their authorised representative(s) appointed under Section 113 of the Companies Act, 2013. A copy of the authorisation should be deposited with the Company.
3. In case of shares held in demat/electronic form, signature(s) of the Beneficial Owner is liable for verification with the record furnished to the Company by National Securities Depository Limited (NSDL)/Central Depository Services Limited (CDSL).

**ELECTRONIC VOTING PARTICULARS**

EVEN (e-Voting Event Number)	User ID	Password
Details as per email/attendance slip (physical document)		

**E-VOTING FACILITY IS AVAILABLE DURING THE FOLLOWING VOTING PERIOD**

Commencement of e-Voting	End of e-Voting
August 01, 2016 (Monday) at 9:00 hours	August 03, 2016 (Wednesday) at 17.00 hours



**Ador Fontech Limited**

CIN: L31909KA1974PLC020010

Registered Office: Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045, 25596073 Fax: (080) 25597085

Web: www.adorfon.com; Email: investorservice@adorfon.com

**PROXY FORM – FORM NO. MGT-11**

**Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014**

Name of the Member(s): ..... Email: .....  
Registered address: ..... Folio No/Client ID: .....  
..... DP ID: .....

I/We, being the Member(s) of ..... shares of the above named Company hereby appoint.

- 1. Name: ..... Address: .....  
Email: ..... Signature: ..... or failing him
- 2. Name: ..... Address: .....  
Email: ..... Signature: ..... or failing him
- 3. Name: ..... Address: .....  
Email: ..... Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company, to be held on Thursday, August 04, 2016 at 11:30 hours at Woodlands Hotel Private Limited No. 5 Raja Ram Mohan Roy Road Bengaluru 560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	Adoption of Accounts		
2.	Declaration of Dividend		
3.	Re-appointment of Mrs. N Malkani Nagpal as Director		
4.	Ratification of appointment of Statutory Auditors		
5.	Appointment of Branch Auditors		

Signed this ..... day of ..... 2016

.....  
Signature of the Shareholder(s)

.....  
Signature of the Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

## VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members facility to exercise their right to vote at the 41<sup>st</sup> Annual General Meeting (AGM) by electronic means and the business to be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under:

1. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participant(s)]:
  - a. Open email and open PDF file 'Ador Fontech-e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN. Please note that the password is an initial password.
  - b. Launch the internet browser and type the URL <https://www.evoting.nsdl.com>.
  - c. Click on Shareholder-Login.
  - d. Input User ID, Password and Click Login.
  - e. Password change menu appears. Change the password/PIN with a new password of your choice with minimum 8 digits/characters or combination thereof. Please note down the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - f. Home page of e-Voting opens. Click on e-Voting – Active voting cycles.
  - g. Select "EVEN" of Ador Fontech Limited.
  - h. Now you are ready for e-Voting as 'Cast Vote' page opens.
  - i. Cast your vote by selecting the appropriate option and click on 'Submit' and also 'Confirm' when prompted.
  - j. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  - k. Once you have voted on the resolutions, you will not be allowed to modify your vote.
  - l. Institutional Shareholders (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scanned (PDF/JPEG format) of the relevant Board resolution/Authority letter etc. together with attested specimen signature of duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail 'cs.skannan@gmail.com' with a copy marked to 'evoting@nsdl.co.in'.
2. In case a Member receives physical copy of the Notice to the AGM [for Member(s) whose email ids are not registered with the Company/Depository Participant(s) or who have requested for physical copy]:
  - a. Kindly refer User ID and Password provided in the 'Attendance Slip'  
EVEN (e-Voting Event Number) ..... User ID ..... Password/PIN .....
  - b. Please follow all steps from SI No. (b) to SI No. (i) of point no. 1 above, to cast vote.
  - c. If you are already registered with NSDL for e-Voting then you can use your existing user ID and PW/PIN for casting your vote.
  - d. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - e. The e-Voting period commences from August 01, 2016 (9:00 hours) and ends on August 03, 2016 (17.00 hours). During this period, the Shareholders' of the Company, holding shares either in physical or in dematerialised form, as on the cut-off date - July 29, 2016, may cast their vote electronically. Once the vote on a resolution is cast by the Shareholder(s), it shall not be allowed to change subsequently.
  - f. The voting rights of the Shareholder(s) shall be in proportion to their shares reckoned on the paid-up equity share capital of the Company as on the cut-off date: July 29, 2016. Any person, who acquires shares and becomes Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 29, 2016 may obtain 'Login Id and Password' by sending request to NSDL-[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - g. Mr. Kannan S, Company Secretary (FCS Membership No. 6261 and CP No. 13016) having office at No. 13, Ground Floor, 1<sup>st</sup> Main Road, Venkateshwara Layout, Off BCC Layout, Attiguppe, Vijayanagar, Bengaluru 560 040 and failing him, Ms. Manjula Narayan (ACS Membership No. 28374 and CP No. 10150), having office at No. 22/A, 4<sup>th</sup> Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036; Company Secretary(ies) in practice have been appointed as Scrutiniser(s) to scrutinise the e-Voting process in a fair and transparent manner.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting User Manual available in the download section of <https://www.evoting.nsdl.com> or contact NSDL-Tel: (022) 24994600.

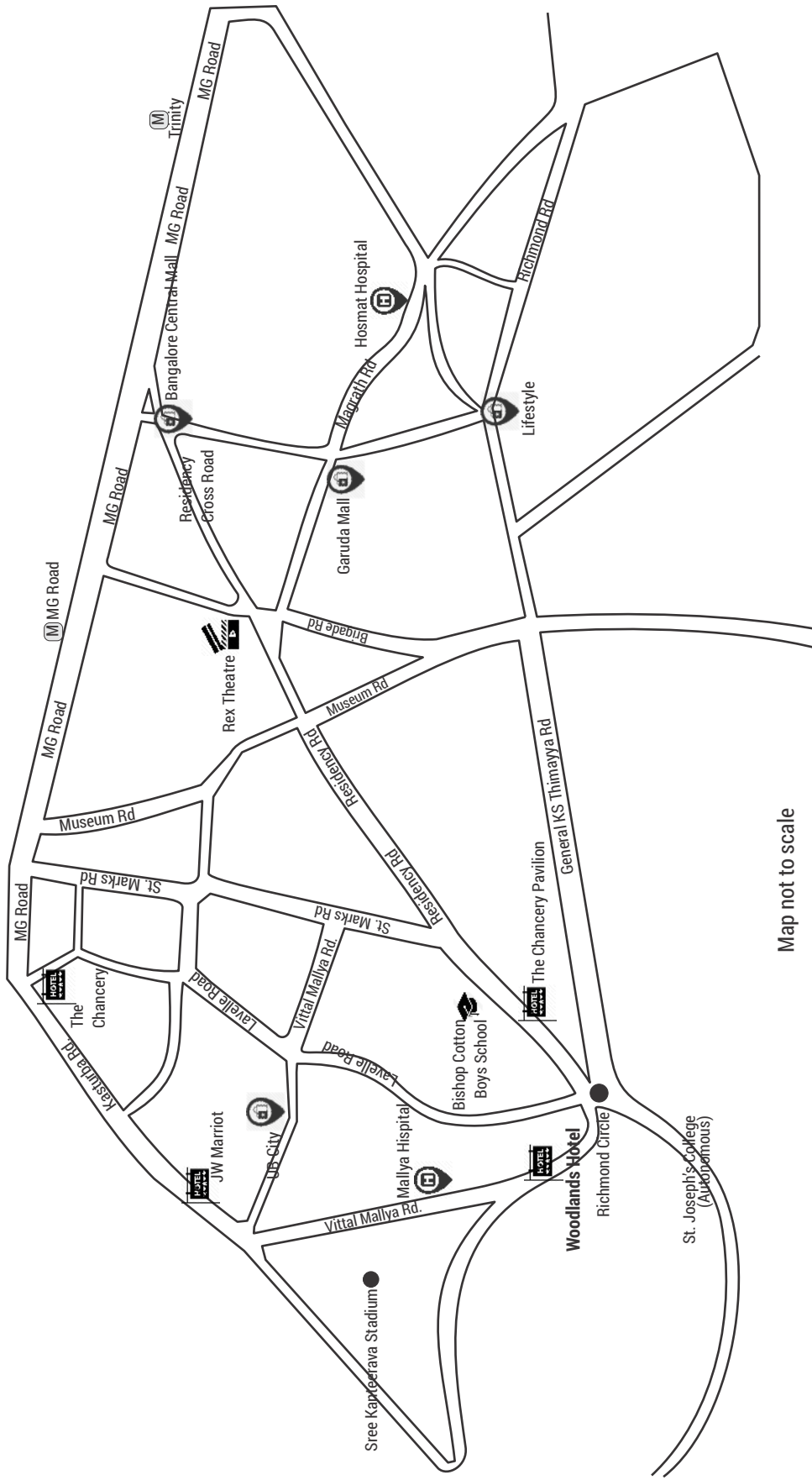
### POLL AT THE MEETING AND THE SCRUTINISER'S REPORT

At the end of the AGM, the Chairman will order for a poll in respect of the items provided in the Notice. Poll will be conducted and supervised by the Scrutiniser. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-Voting, will make a consolidated Scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated Scrutiniser's report will be placed on the website of the Company '[www.adorfon.com](http://www.adorfon.com)' and on the website of the e-Voting agency '[www.evoting.nsdl.com](http://www.evoting.nsdl.com)' and also communicated to BSE (the Stock Exchange) within 48 hours as per SEBI (LODR) regulations.

### Safe Harbor and Disclaimer Statement

Any statements forming part of this document that are not statements of historical facts should be considered as forward looking statements. There are a number of important factors that could cause Ador Fontech's actual results to differ materially from those indicated by the forward looking statements. Ador Fontech disclaims any obligation to update any forward looking statements to reflect future events or circumstances unless required to do so by law.

### Route map to the AGM Venue



### Offices

#### South Divisional Office

**Bengaluru**

Tel: 080-22223805

e-mail: south@adorfon.com

#### North Divisional Office

**Gurgaon**

Tel: 0124-4119276

e-mail: north@adorfon.com

#### East Divisional Office

**Kolkata**

Tel: 033-22841537

e-mail: east@adorfon.com

#### West Divisional Office

**Mumbai**

Tel: 022-25961351

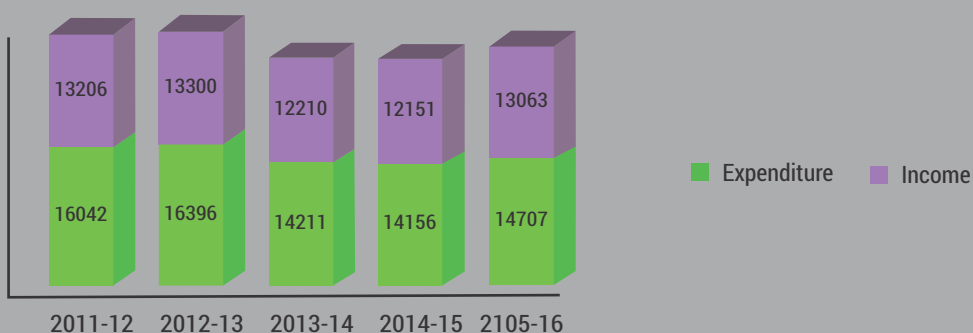
e-mail: west@adorfon.com

Our network also includes field sales offices at: Ahmedabad, Bhilai, Bokaro, Chennai, Chittorgarh, Coimbatore, Guwahati, Hospet, Jamshedpur, Lucknow, Ludhiana, Meerut, Nagpur, Pune, Rajkot, Rourkela, Satna, Secunderabad, Shaktinagar, Trichy, Vadodara and Visakhapatnam.

# Financial Highlights (Standalone)

(₹ in lakhs)

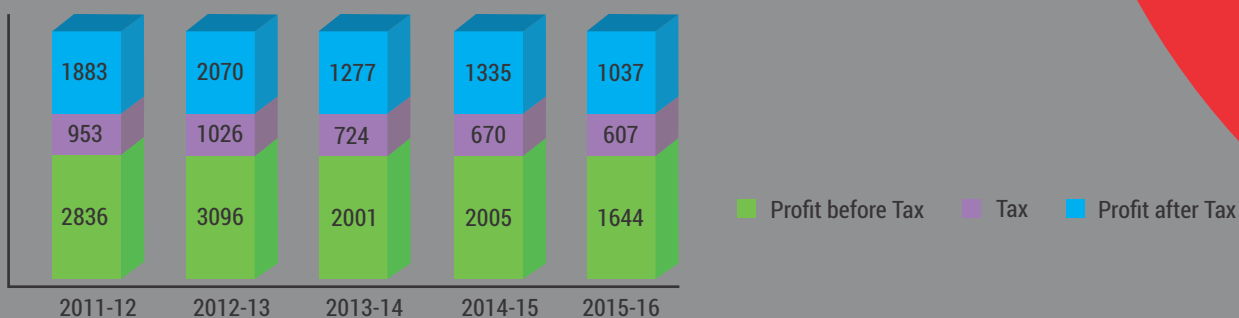
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Income	16,042	16,396	14,211	14,156	14,707
Expenditure	13,206	13,300	12,210	12,151	13,063



*Five Years at a Glance*

(₹ in lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Profit before tax	2,836	3,096	2,001	2,005	1,644
Tax	953	1,026	724	670	607
Profit after tax	1,883	2,070	1,277	1,335	1,037



(₹ in lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Share capital	350	350	350	350	350
Reserves and surplus	6,072	7,426	7,986	8,561	8,860
Market capitalisation	15,619	13,178	11,900	15,488	15,715
Number of employees	253	248	222	231	236

# Industrial Applications



Thermal spray equipment

Thermal spray consumables

Coating services

Turkey projects



*State-of-the-art  
Thermal Spray  
Coating Services  
at Nagpur*



**Ador Fontech Limited**  
Belview 7 Haudin Road Bengaluru 560 042  
Tel: 080 25596045 25596073  
Email: [investorservice@adorfon.com](mailto:investorservice@adorfon.com)  
Web: [www.adorfon.com](http://www.adorfon.com)