LIFE ENHANCEMENT OF INDUSTRIAL COMPONENTS

44TH ANNUAL REPORT 2018-19

ador FONTECH

ADOR FONTECH LIMITED IS A FRONTRUNNER ORGANISATION THAT OPERATES ON THE PHILOSOPHY OF ‘PARTNERING’ WITH ITS CLIENTS IN RECOMMENDING AND IMPLEMENTING VALUE-ADDED RECLAMATION, FUSION, SURFACING, SPRAYING AND ENVIRONMENTAL SOLUTIONS.

OUR VISION IS TO BE CONSIDERED AS THE PARTNER OF FIRST CHOICE BY OUR CUSTOMERS.

OUR MISSION IS TO PARTNER WITH OUR CUSTOMERS IN IMPLEMENTING VALUE-ADDED RECLAMATION, FUSION, SURFACING, SPRAYING AND ENVIRONMENTAL SOLUTIONS.

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Geetha D

MANAGEMENT TEAM

Mr. A T Malkani	Mr. Melville Ferns
Mr. H P Ledwani	Mr. R Krishna Kumar
Mr. Deep A Lalvani	Mr. Rajesh V Joshi
Mr. P Viswanathan	Mr. S S Mohiuddin
Mr. P Gopa Kumar	Mr. Palgun Vembar

COMPLIANCE OFFICER

Mr. Gagandeep Singh

REGISTERED AND CORPORATE OFFICE

Ador Fontech Limited
CIN: L31909KA1974PLC020010
Belview 7 Haudin Road Bengaluru 560 042
T: (080) 2559 6045 / 73 F: (080) 2559 7085
E: investorservice@adorfon.com **www.adorfon.com**

MANUFACTURING UNITS

Manufacturing Plant I
486 B-1 14th Cross 3rd Main 4th Phase Peenya Industrial Estate Bengaluru 560 058

Manufacturing Plant II
A-288 6th Main 2nd Stage Peenya Industrial Estate Bengaluru 560 058

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

WHOLLY OWNED SUBSIDIARY

3D Future Technologies Private Limited
Ador House 6K Dubash Marg Fort
Mumbai 400 001

STATUTORY AUDITORS

M/s. Srinivas & Subbalakshmi
Chartered Accountants
Firm Registration No. 011350S
237 2nd Cross Cambridge Layout Halasuru
Bengaluru 560 008

SECRETARIAL AUDITOR

Ms. Manjula Narayan
Company Secretary
COP No. 10150
22/A, 4th Cross Venkateshwara Theatre Road
Devasandra Krishnarajapuram Bengaluru 560 036

SHARE TRANSFER AGENT

Integrated Registry Management Services Pvt. Ltd.
CIN: U74900TN2015PTC101466
30 Ramana Residency 4th Cross Sampige Road
Malleswaram Bengaluru 560 003
T: (080) 2346 0815 – 818 F: (080) 2346 0819
E: irg@integratedindia.in

BANKERS

HDFC Bank Limited
8/24 Salco Centre Richmond Road Bengaluru 560 025

Syndicate Bank
Industrial Finance Branch Manipal Centre
Dickenson Road Bengaluru 560 042

GOODS AND SERVICES TAX REGISTRATIONS

Bengaluru 29AABCA1724H1ZY
Nagpur 27AABCA1724H1Z2
Gurgaon 06AABCA1724H2Z5

BOARD OF DIRECTORS

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

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Notice is hereby given that the 44th Annual General Meeting (AGM) of the Members of the Company will be held at Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001 on Thursday, August 1, 2019 at 3:00 p.m. to transact the following business:

ORDINARY BUSINESS

1. Adoption of Standalone Financial Statements

To consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. Adoption of Consolidated Financial Statements

To consider and adopt the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors ('the Board') and Auditors thereon.

3. Declaration of dividend

To declare dividend of Rs. 3.50/- (Rupees three and paise fifty only) per equity share for the financial year ended March 31, 2019.

4. Reappointment of Mrs. N Malkani Nagpal as a 'Director'

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

SPECIAL BUSINESS

5. Reappointment of Mr. N S Marshall as a Non-Executive-Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination & Remuneration Committee and approval of the Board of Directors in their respective meetings held on May 17, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013; the Companies (Appointment and Qualification of Directors) Rules, 2014; Regulations pertaining to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable Statutory Enactments, Provisions, Rules, Guidelines, Notifications (including modification(s) or re-enactment thereof for the time being in force) approval of the Members of the Company be and is hereby accorded, for the reappointment of Mr. N S Marshall (DIN 00085754) (i) whose current period of office will expire on August 19, 2019 (ii) has submitted a declaration confirming the criteria of independence under Section 149(6) of the Companies Act, 2013 (iii) is eligible for a second term under the applicable provisions of law (iv) in respect of whom the Company has received a notice in writing from a Member proposing his candidature as a Director of the Company, pursuant to Section 160 of the Companies Act, 2013 and (v) whose term shall not be subject to retirement by rotation; to hold office for a second term of five consecutive years on the Board as a Non-Executive-Independent Director of the Company w.e.f. August 20, 2019 up to August 19, 2024.

RESOLVED FURTHER THAT the Board of Directors (which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the resolution.

6. Reappointment of Mr. Santosh Janakiram as a Non-Executive-Independent Director

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination & Remuneration Committee and approval of the Board of Directors in their respective meetings held on May 17, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013; the Companies (Appointment and Qualification of Directors) Rules, 2014; Regulations pertaining to the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable Statutory Enactments, Provisions, Rules, Guidelines, Notifications (including modification(s) or re-enactment thereof for the time being in force) approval of the Members of the Company be and is hereby accorded, for the reappointment of Mr. Santosh Janakiram (DIN 06801226) (i) whose current period of office will expire on August 19, 2019 (ii) has submitted a declaration confirming the criteria of independence under Section 149(6) of the Companies Act, 2013 (iii) is eligible for a second term under the applicable provisions of law (iv) in respect of whom the Company has received a notice in writing from a Member proposing his candidature as a Director pursuant to Section 160 of the Companies Act, 2013 and (v) whose term shall not be subject to retirement by rotation; to hold office for a second term of five consecutive years on the Board as a Non-Executive-Independent Director of the Company w.e.f. August 20, 2019 up to August 19, 2024.

RESOLVED FURTHER THAT the Board of Directors (which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the resolution.

7. Appointment of Branch Auditors

To consider and 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 rules made there under, the accounts for the year ending March 31, 2020 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 and to fix their remuneration as also the terms and conditions of their appointment.

8. Cost Auditors and their remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of M/s. Rao, Murthy and Associates (Firm registration no. 000065) at a remuneration of rupees one lakh and twenty five thousand plus applicable taxes thereon, be and is hereby approved and ratified for conducting the Cost Audit of the Company for the financial year 2019-20.

NOTES

- A Member entitled to attend and vote at the Annual General Meeting (the 'meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. A person can act as proxy on behalf of a maximum of 50 Members and holding in the aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy, for any other person or Shareholder.
- Corporate Members intending to send their authorised representatives to attend, are requested to send a certified copy of the Board resolution to the Company or upload it on the e-Voting portal, authorising their representative to attend and vote on their behalf at the meeting.

- Instrument appointing proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
- Statement pursuant to Section 102 of the Companies Act, 2013 and explanations relating to business to be transacted at the meeting are annexed hereto.
- Register of Members and Share Transfer Books will remain closed from July 26, 2019 to August 1, 2019 (both days inclusive). Eligibility for dividend will be reckoned as on July 25, 2019; if declared at the Annual General Meeting.
- Members are requested to note that dividend(s) not claimed within seven years from the due date are 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.
- In terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of dividends on the website of the Company 'www.adorfon.com' to enable Shareholders to check for their unclaimed dividend(s), if any.
- Amount of unclaimed dividend as at March 31, 2019 for the years 2011-12 to 2017-18 aggregate to Rs. 1,13,46,649 (previous year: Rs. 1,13,06,967).
- Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been claimed for seven consecutive years or more will have to be transferred by the Company to the Investor Education and Protection Fund (IEPF). The Company has also written to the concerned Shareholder(s) intimating them, their particulars of equity shares due for transfer. These details are also available on the Company's website 'www.adorfon.com'. Shareholders are requested to claim dividend on these equity shares at the earliest to avoid transfer of the aforesaid shares. No claim shall lie against the Company in respect of these equity shares, post their transfer to IEPF. However, upon transfer, the Shareholders will be able to claim these equity shares from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in.
- 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).
- As per Regulation 40 of SEBI (LODR) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company or the Registrar and Transfer Agent (Integrated Registry Management Services Private Limited) for assistance, if any, that may be required in this regard.
- The Register of Directors and Key Managerial 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.
- Copies of Annual Report 2018-19 including Notice to the 44th 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 address or if e-mail sent bounces back, physical copies of the Annual Report are being sent by the permitted mode.
- The Company has provided e-Voting as an option. E-Voting will commence from July 29, 2019 at 9:00 a.m. and end on July 31, 2019 at 5:00 p.m. Instructions for the same have been made available as part of addendum to this Annual Report. Further, voting rights will be reckoned on the paid-up value of shares registered in the name of the Member(s) as on July 25, 2019. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e. July 25, 2019 may obtain Login Id & Password by sending a request to NSDL-evoting@nsdl.co.in.
- Statutory Auditors: At the forty second AGM, Members had appointed M/s Srinivas & Subbalakshmi, Chartered Accountants (Firm Registration No. 011350S) as Statutory Auditors of the Company for a period of five years, which was duly ratified by the Members on August 2, 2018. The requirement to seek year on year ratification has been done away by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Accordingly the audit firm, M/s Srinivas & Subbalakshmi, Chartered Accountants will continue as Statutory Auditors until the conclusion of the 47th Annual General Meeting of the Company. Further an increase of ten percent in their remuneration over the previous year has been envisaged.

ADDITIONAL INFORMATION ON DIRECTORS BEING APPOINTED/ REAPPOINTED

As required under Regulation 36 of the Securities and Exchange Board of India (LODR) Regulations, 2015 and Secretarial Standard-2 issued by the ICSI.

Item No. 4

NAME OF THE DIRECTOR: Mrs. N Malkani Nagpal

DIRECTOR IDENTIFICATION NUMBER (DIN)
00031985

DATE OF BIRTH: July 6, 1971

DATE OF FIRST APPOINTMENT ON THE BOARD
July 20, 2007

BRIEF RESUME, QUALIFICATION, EXPERIENCE AND NATURE OF EXPERTISE IN SPECIFIC FUNCTIONAL AREAS: Mrs. N Malkani Nagpal is a graduate in Commerce with a 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 two decades of experience with the Ador Group of Companies. Her specific area of expertise is General Management.

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Four

DIRECTORSHIPS HELD IN OTHER COMPANIES (OTHER THAN ADOR FONTECH LIMITED)
(i) Public Limited Companies: Ador Welding Limited, Piem Hotels Limited and Ador Multiproducts Limited.

(ii) Private Limited Companies: J B Advani and Company Private Limited, Ador Green Energy Private Limited, 3 D Future Technologies Private Limited and 1908 E-Ventures Private Limited.

*MEMBERSHIPS / CHAIRMANSHIPS OF COMMITTEES OF OTHER BOARDS (OTHER THAN ADOR FONTECH LIMITED):
Stakeholder's Relationship Committee
(i) Ador Welding Limited (Member)
(ii) Ador Multiproducts Limited (Chairman)

REMUNERATION LAST DRAWN: Sitting fees for Board and Committee meetings.(2018-19:Rs. 68,000).

REMUNERATION SOUGHT TO BE PAID: Sitting fees for Board and Committee meetings.

SHAREHOLDING IN THE COMPANY: 27,350 shares

RELATIONSHIP WITH OTHER DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY: Nil

Item No. 5

NAME OF THE DIRECTOR: Mr. N S Marshall

DIRECTOR IDENTIFICATION NUMBER (DIN):
00085754

DATE OF BIRTH: March 21, 1976

DATE OF FIRST APPOINTMENT ON THE BOARD:
April 29, 2009

BRIEF RESUME, QUALIFICATION, EXPERIENCE AND NATURE OF EXPERTISE IN SPECIFIC FUNCTIONAL AREAS: Mr. N S Marshall is a British national of Indian origin. He holds a Master's degree in Business Administration. His specific areas of expertise are Production, Planning and Leadership.

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Four

DIRECTORSHIPS HELD IN OTHER COMPANIES (OTHER THAN ADOR FONTECH LIMITED):
(i) Public Limited Companies: Simmonds Marshall Limited and Ador Multiproducts Limited.
(ii) Private Limited Companies: J N Marshall Engineering Private Ltd., Marshall Poultry Farm (India) Private Ltd., Langford Estates Private Ltd., Powair Automation Equipments Private Ltd., J N Marshall Private Ltd., Diamtools Private Ltd., Desmet Ballestra India Private Ltd., Sadafuli Finstock Private Ltd., Nap Apps Private Ltd. and Corrodyne Coatings Private Ltd.

*MEMBERSHIPS / CHAIRMANSHIPS OF COMMITTEES OF OTHER BOARDS (OTHER THAN ADOR FONTECH LIMITED):
Stakeholders' Relationship Committee
(i) Simmonds Marshall Limited (Member)

Audit Committee
(i) Simmonds Marshall Limited (Member)
(ii) Ador Multiproducts Limited (Member)

REMUNERATION LAST DRAWN: Sitting fees for Board and Committee meetings. (2018-19: Rs. 52,000).

REMUNERATION SOUGHT TO BE PAID: Sitting fees for Board and Committee meetings.

SHAREHOLDING IN THE COMPANY: 3,099 shares

RELATIONSHIP WITH OTHER DIRECTORS & KEY MANAGERIAL PERSONNEL OF THE COMPANY: Nil

Item No. 6

NAME OF THE DIRECTOR: Mr. Santosh Janakiram

DIRECTOR IDENTIFICATION NUMBER (DIN): 06801226

DATE OF BIRTH: August 22, 1978

BRIEF RESUME, QUALIFICATION, EXPERIENCE AND NATURE OF EXPERTISE IN SPECIFIC FUNCTIONAL AREAS: Mr. Santosh Janakiram is a Law Graduate from the National Law School and is an enrolled Advocate of the Bar Council of Maharashtra & Goa. He is associated with Amarchand Mangaldas Suresh A Shroff & Company (Advocates and Solicitors), Mumbai as 'Partner'. His specific areas of expertise are Corporate and General Laws.

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Three

DIRECTORSHIPS HELD IN OTHER COMPANIES (OTHER THAN ADOR FONTECH LIMITED):
(i) Public Limited Companies: Nil

(ii) Private Limited Companies: Social Lending Technologies & Holdings Private Limited and 3D Future Technologies Private Limited.

*MEMBERSHIPS / CHAIRMANSHIPS OF COMMITTEES OF OTHER BOARDS (OTHER THAN ADOR FONTECH LIMITED): Nil

REMUNERATION LAST DRAWN: Sitting fees for Board and Committee meetings. (2018-19: Rs. 51,000).

REMUNERATION SOUGHT TO BE PAID: Sitting fees for Board and Committee meetings.

SHAREHOLDING IN THE COMPANY: Nil

RELATIONSHIP WITH OTHER DIRECTORS AND KEY MANAGERIAL PERSONNEL OF THE COMPANY: Nil

*Note: Membership of Committees comprise Audit and Stakeholders' Relationship Committee.

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

Item No. 4

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 reappointment. She has furnished her Director's identification number as 00031985 and has made declaration that she is not disqualified to become a Director.

The Board recommends the resolution set out at item no. 4 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 Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
(c) Other than relatives of the person mentioned in the 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/or other Director(s), is/are concerned or interested in the resolution.

Item No. 5

The Company has received notice in writing from a Member proposing the candidature of Mr. N S Marshall for reappointment. The same was perused by the Management Development, Nomination & Remuneration Committee and based on the evaluation of performance, appointment was recommended to the Board. Further, Mr. N S Marshall has furnished (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under

sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. (iv) Compliance with respect to the Code of conduct and Senior Management Personnel of the Company (v) Confirmation to the effect that he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective of independent judgement, without any external influence and that he is independent of the Management.
(vi) Adherence with all the other applicable provisions of Independent Directors w.r.t the Companies Act, 2013; SEBI Regulations and guidelines issued by the Institute of Company Secretaries of India.

Hence, the Board in pursuance to the provisions of Section 161 of the Act read with applicable Rules made thereunder and SEBI (LODR) Regulations, 2015 has reappointed Mr. N S Marshall (DIN 00085754) in the capacity of a Non-Executive-Independent Director for an additional period of 5 years (from August 20, 2019 up to August 19, 2024), subject to the approval of the Members. All relevant documents, contracts, terms and conditions of reappointment of Mr. N S Marshall shall be open for inspection to the Members at the Registered Office of the Company between 10:00 a.m. to 1:00 p.m. on all working days, (Monday to Friday) up to the date of Annual General Meeting. The same shall also be made available at the venue of the AGM.

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, except Mr. N S Marshall, as it pertains to his appointment.

(b) None of the Key Managerial 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.

Item No. 6

The Company has received notice in writing from a Member proposing the candidature of Mr. Santosh Janakiram for reappointment. The same was perused by the Management Development, Nomination & Remuneration Committee and based on evaluation of performance, the appointment was recommended to the Board. Further, Mr. Santosh Janakiram has furnished (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and qualification of Directors) Rules, 2014 (ii) Intimation in form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 (iii) Declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. (iv) Compliance with respect to the Code of conduct and Senior Management Personnel of the Company. (v) Confirmation to the effect that he is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective of independent judgement, without any external influence and that he is independent of the Management. (vi) Adherence with all the other applicable provisions of Independent Directors w.r.t the Companies Act, 2013; SEBI Regulations and guidelines issued by the Institute of Company Secretaries of India.

Hence, the Board in pursuance to the provisions of Section 161 of the Act read with applicable Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has reappointed Mr. Santosh Janakiram (DIN 06801226) in the capacity of a Non-Executive-Independent Director for an additional period of 5 years (from August 20, 2019 up to August 19, 2024), subject to the approval of the Members. All relevant documents, contracts, terms and conditions of reappointment of Mr. Santosh Janakiram shall be open for inspection to the Members at the Registered Office of the Company between 10:00 a.m. to 1:00 p.m. on all working days, (Monday to Friday) up to the date of Annual General Meeting. The same shall also be made available at the venue of the AGM.

The Board recommends the resolution set out at item No.6 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 Mr. Santosh Janakiram, as it pertains to his appointment.

(b) None of the Key Managerial 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) & (b) is concerned or interested in the resolution.

Item No. 7

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, 2020 and fix their remuneration.

The Board recommends the resolution set out at item No.7 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 Managerial 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) & (b) is concerned or interested in the resolution.

Item no. 8

Keeping in line the best practices of Corporate Governance, the Board has appointed M/s. Rao, Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2019-20 and finalised their remuneration. The same is placed for approval/ratification of the Members.

The Board recommends the resolution set out at item No.8 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 Managerial 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) & (b) is concerned or interested in the resolution.

ADDITIONAL INFORMATION

General

NATURE OF INDUSTRY: Life enhancement of industrial components/Repairs and refurbishment. The Company commenced operations on August 22, 1974.

FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS: Detailed financial statements (including notes to the accounts) and comparative data analysis forms part of the Annual Report.

Others

DETAILS OF NOTICE OF INTEREST PROVIDED BY DIRECTORS AS PER MBP-1:
Mr. A T Malkani: (i) Public Limited Companies: Ador Welding Limited.
(ii) Private Limited Companies: J B Advani and Company Private Limited, Ador Green Energy Private Limited, Plasma Laser Technologies Private Limited, Mack Valves Pty Limited, 3D Future Technologies Private Limited and Nap Apps Private Limited.

Mr. H P Ledwani: Private Limited Companies: 3D Future Technologies Private Limited.

Mr. Rafique Abdul Malik: (i) Public Limited Companies: Metro Brands Limited and MIRC Electronics Limited.
(ii) Private Limited Companies: Metro Shopping Plaza Private Limited, Metro House Private Limited, Metro Holdings and Securities Private Limited and Metmill Footware Private Limited.

REASONS FOR LOSS OR INADEQUATE PROFITS:
The Company's performance has significantly improved during the year 2018-19 in comparison to the previous years and is deemed to be on an inclined growth path, in correlation to the growth of the Gross Domestic Product (GDP) of the country.

COMPARATIVE REMUNERATION:
In companies of similar size, extrapolated in aggregate and singly, remuneration ranges between rupees one hundred and fifty to two hundred lakhs per person. The Directors qualifications, experience and expertise largely substantiates their compensation package(s).

STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT: The Company is constantly endeavouring to align resources, lower overheads and improve its working capital management.

EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS: The Company is focusing on profit maximisation, conservation of cash, operational efficiencies and working capital management. Although, it is difficult to provide accurate data, thrust on operational efficiencies is expected to enhance productivity and profitability.

By order of the Board
For ADOR FONTECH LIMITED
GEETHA D
Company Secretary
CIN: L31909KA1974PLC020010

Mumbai
May 17, 2019

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 the 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 2018-19.

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 details have been uploaded on the website of the Company.

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-Independent Directors and the Company.

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

		H P LEDWANI
Mumbai	GAGANDEEP SINGH	Managing Director
May 17, 2019	Compliance Officer	DIN: 00040629

DIRECTORS' REPORT

To the Members,
The Directors are delighted to present the 44th Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

Rupees In Lakhs

Details	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue	18,723	15,474	18,934	15,602
Earnings before interest, tax and depreciation	2,283	1,728	1,972	1,534
Finance/Interest cost	-	-	(15)	(15)
Depreciation	(276)	(302)	(328)	(346)
Write-off of old stock inventories	-	(84)	-	(84)
Profit before tax	2,007	1,342	1,629	1,089
Tax	(625)	(444)	(530)	(394)
Profit after tax	1,382	898	1,099	695
Opening balance of profit	3,049	2,251	2,571	1,976
Transfer to General reserve	(200)	(100)	(200)	(100)
Dividend including distribution tax	(630)	-	(632)	-
Closing balance of profit	3,601	3,049	2,838	2,571
Total comprehensive income	1,440	943	1,158	740

DIVIDEND

The Board of Directors is pleased to recommend a dividend of Rs. 3.50/- (Rupees three and paise fifty only) per equity share of the face value of Rs. 2/- each, being one hundred and seventy five percent, which is inclusive of a special dividend of twenty five percent, to commemorate the 40th year of business operations in to life enhancement of industrial components.

The outflow on account of dividend and distribution tax envisaged is Rs. 739 lakhs comprising Rs. 613 lakhs and Rs. 126 lakhs respectively. The pay out towards the same will be from the Reserves of the Company. Dividend shall be paid to those Shareholders whose names appear in the Register of Members as on the date of the book closure.

REVIEW OF BUSINESS OPERATIONS

Standalone

The Company showed significant growth during the financial year 2018-19. The total income increased by Rs. 3,249 lakhs from Rs. 15,474 lakhs (2017-18) to Rs. 18,723 lakhs (2018-19), being a growth of 21% and the profit before tax (PBT) also registered an increase of 50% from Rs. 1,342 lakhs (2017-18) to Rs. 2,007 lakhs (2018-19).

The growth is an outcome of congenial economic and industrial environment, exemplary contribution by the employees, process improvements, product rationalisation and thriving performance of all business verticals/strategic business units.

Going forward, the Company would continue to remain focused on (i) The Service sector in terms of repairs and refurbishment operations (ii) Transplantation of case studies (iii) Performance management system and training (iv) Focused working capital management.

Consolidated

3D Future Technologies Private Limited (3DFT) registered a growth in revenue of Rs. 83 lakhs from Rs. 128 lakhs to Rs. 211 lakhs. There were 376 certified Orthodontists associated with the Company and jointly 737 aligner cases have been successfully delivered. During the year, the manufacturing hub of the Company shifted from Mumbai to Pune, as it was felt it would provide an effective operational base. The total investment in equity stood at Rs. 850 lakhs as on March 31, 2019 of which Rs. 200 lakhs was funded by Ador Fontech Limited during the financial year 2018-19. The Company has also provided lien mark on its investments to the extent of Rs. 500 lakhs to facilitate 3DFT to manage its working capital and remain self-sustaining.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2019 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2019.

SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2019 was Rs. 350 lakhs divided in to 175 lakhs equity shares of Rs. 2/- each. During the year under review, there was no change in the capital structure. Further, as on March 31, 2019 none of the Directors of the Company held any instrument convertible in to equity shares of the Company.

TRANSFER TO RESERVES

The Directors propose to transfer rupees two crores, (previous year: rupees one crore only) to the General Reserve.

BOARD AND ITS COMPOSITION

The Company had an appropriate mix of Executive, Non-Executive and Independent Directors with distinctiveness in the functions of governance and management. At the end of fiscal year 2018-19, the Company had two Executive Directors and four Non-Executive-Directors, out of whom three of them were Independent Directors.

2
Executive Directors

4
Non-Executive Directors

The Board had met four times during the year and so did the Committees of the Board, details of which are provided in the Corporate Governance Report, that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, the Company has adopted optimum policies for Director's appointment and remuneration.

DIRECTORS

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with relevant provisions of the Articles of Association of the Company, Mrs. N Malkani Nagpal, Non-Executive/Woman Director is liable to retire by rotation and being eligible has offered her candidature for reappointment.

The tenure of the two Independent Directors, Mr. N S Marshall and Mr. Santosh Janakiram would elapse on August 19, 2019. The Board evaluated their performance and based on their skill levels, expertise in legal and business management, have recommended for their reappointment.

Further all Independent Directors have submitted declaration of independence as stipulated under the Companies Act, 2013 and SEBI (LODR) Regulations (including Section 149(6) and Regulation 25(8) of the said enactments), besides compliance in terms of the Guidance Note issued by the Institute of company Secretaries of India.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of Sections 134(3)(c) and 134(5) of the Companies Act, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- In the preparation of the annual accounts for the year ended March 31, 2019; the applicable accounting standards read with requirements as set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- The Directors have selected accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profits for the year ended on that date.
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting fraud(s) and other irregularities.
- The Directors have prepared the 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 are adequate & operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws.

DETAILS OF CHANGES IN DIRECTORS AND/OR KEY MANAGERIAL PERSONNEL

The Board has appointed Mr. P Gopa Kumar as the Chief Financial Officer (CFO) of the Company at its meeting held on May 17, 2019.

Mr. P Gopa Kumar has extensive experience of over 40 years in Finance, Accounts and Administration. He has worked with Ador Fontech Limited in a range of roles starting from an Accountant to Senior General Manager. His previous employment was with Carter Wallace Limited.

There were no changes in the Board during the financial year 2018-19.

AUDIT COMMITTEE RECOMMENDATIONS

The Board has accepted all the recommendations of the Audit Committee and hence no further explanations have been provided for in this Report.

PERFORMANCE EVALUATION

(i) The Board

The Company has, during the year, conducted an evaluation of the Board as a whole, its committees and individual Directors (including Independent Directors) as stipulated in the Nomination and Remuneration Policy adopted by the Company and as per the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (LODR) Regulations, 2015. The evaluation was carried out on the basis of the below set targets:

- Business strategies
- Corporate budget
- Capital expenditure
- Performance of products
- Committee wise reviews

Other parameters of evaluation comprised level of participation, integrity, independence, knowledge, impact and influence on the Board. The Independent Directors of the Company also convened a separate meeting on February 6, 2019 and evaluated the performance of the Board, Non-Independent-Directors and the Chairman. The Board is confident that collectively and individually best possible efforts have been made.

(ii) Staff members

While the Company has adopted Performance Management System (PMS) to facilitate employee engagement and compensation, during the year 2018-19 it facilitated a half yearly review which provided requisite feedback mechanism to the employees to introspect their performance. The employees in general also expressed their satisfaction on the system being followed and the collective efforts to improvise the same.

COMMITTEES OF THE BOARD

In consonance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Company has the following four committees:

- Audit Committee
- Management Development, Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the 'Corporate Governance Report'.

INTERNAL CONTROL SYSTEMS

The Company has in place an effective internal control system commensurate with its size and complexity of business. It believes that such systems provide an assurance that all material transactions are carried out with authorisations of the Management and are properly recorded in the financial statements resulting in an efficient conduct of business, safeguarding of assets, prevention/detection of frauds and errors. Such internal control system is further supported through an extensive quarterly internal audit and periodic review by the Audit Committee. Further, the Statutory Auditors have also carried out an audit and their report on internal financial controls forms part of the Annual Report.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor have reported to the Audit Committee under Section 143(12) of the Companies Act, 2013 any instance of fraud committed against the Company by its officers or employees, the details of which need to be mentioned in the Board's report.

AUDITS

Statutory Audit

In respect of the financial year 2018-19, there were 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 Company has complied with all the applicable provisions of Secretarial Standards and the Secretarial Audit Report for the financial year 2018-19 forms part of this Report.

Cost Audit

The Company maintains cost accounting records and has cost control measures in place. As per best practices, the Company suo motto ensures conduct of cost audit.

AUDITORS

Statutory Auditors

M/s. Srinivas & Subbalakshmi, Chartered Accountants (Firm Registration No. 011350S), having office at No. 237, 2nd cross, Cambridge Layout, Halasuru, Bengaluru 560 008 have been appointed as the Statutory Auditors for a term of five years, which will conclude at the end of the 47th Annual General Meeting. The Company has received communication from the Auditors to the effect that their appointment will be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Secretarial Auditor

The Board has appointed Ms. Manjula Narayan, Company Secretary in Practice (ACS Membership No. 28374 & COP No.10150), having office at No.22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru - 560 036 as the Secretarial Auditor of the Company for the financial year 2019-20.

Cost Auditor

M/s. Rao, Murthy and Associates, Cost Accountants (Firm Registration No. 000065) having office at 23/33 Surveyor's Street, Basavanagudi, Bengaluru 560 004 have been appointed as the Cost Auditor and resolution for approval/ratification of remuneration have been placed before the Members.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return for the year 2018-19 in form MGT-9 and MGT-7 in respect of the previous year have been uploaded on the website of the Company at http://www.adorfon.com/mgt9.html and a brief summary of the same forms part of this report.

TRANSFER OF UNCLAIMED DIVIDEND & SHARES TO IEPF

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') notified by the Ministry of Corporate Affairs, unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund, as per the Rules specified therein.

Further, the shares on which dividends have not been paid or claimed by the Shareholders for seven consecutive years or more, will also have to be transferred to the demat account of the IEPF Authority.

Accordingly, the Company has transferred, dividends amounting to Rs. 10,13,323/- (Rupees ten lakhs, thirteen thousand, three hundred and twenty three only) and 34,000 equity shares of Rs. 2/- each to the Investor Education and Protection Fund. The details of the same have been hosted on the website of the Company.

JOINT VENTURE AND SUBSIDIARY

As at December 31, 2018 the Balance Sheet of the Joint Venture was completely written off with only capital subsisting. Parleys are on with the Malaysian Venture Partner (M/s Dualrank Fontech (M) Sdn. Bhd) for closure of the entity as per Malaysian laws.

While the subsidiary, 3D Future Technologies Private Limited continued to incur losses, it may be pertinent to note that the Company is operating on a minimal capital base, with the holding company providing intermittent contributions each year. While the current target of the Subsidiary is to skim the market, it is opined that it will take a couple of years to get in to profits. Every effort is being consistently made to raise the performance levels with the available limited resources, given the adopted scale of business operations.

REGISTRATIONS

The Company's products are manufactured to international standards with adherence to quality systems and marketed under Registered Trademarks.

Further, the primary logo of the Company, 'Ador Fontech' is a registered mark under Class 6,7,37 and 40 of the Trademarks Act.

PARTICULARS OF LOANS, GUARANTEE & INVESTMENTS

During the financial year 2018-19, the Company made an equity investment of rupees two crores in its wholly owned subsidiary-3D Future Technologies Pvt. Ltd.

Further, Inter-corporate-deposit (ICD) to Ador Powertron Limited (APL) was facilitated, of which principal along with interest were duly repaid.

The reckoning of interest was a clear three point seven five percent, above the bank rate and safety of investment was covered through legal documentation, entailing rights over the assets of APL next only to their banker's charge. Details of ICD were duly filed with the Registrar of Companies/Ministry of Corporate Affairs vide SRN G83766147 dated April 16, 2018.

It may be pertinent to state that APL is in to digital electronics. They are a leading manufacturer of high voltage rectifier, transformer sets, power solution provider and design customised equipment. The Company has been in operation since 1995. The purpose for which APL had requested for ICD was to bridge finance their short term working capital requirements.

Note: Aggregate of investments and loans provided are within the powers and limits specified under Section 179, 185 and 186 of the Companies Act, 2013.

CAPITAL EXPENDITURE

The Company has spent Rs.115 lakhs in aggregate towards ERM (Enterprise Resource Management) which is held under capital work-in-progress. The same will be capitalised on successful implementation.

DEPOSITS

The Company has not accepted any deposits from the public and as such, no amount on account of principal or interest on deposits from the public was outstanding as on the date of the Balance Sheet.

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2018-19, the Company has spent more than the requisite amount to be defrayed as per the Companies Act, in the discharge of its Corporate Social Responsibility.

MATERIAL CHANGES, COMMITMENTS & 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 Company's operations in the future.

EMPLOYEES AND WORKPLACE CULTURE

The Company recognises the significance of human capital and remains focused to hire and retain the best brains of the industry. The Company organises various training programmes and seminars throughout the country for effective development of employee talent and efficiency. The Company is committed to provide equal opportunity to all its employees without any bias on the basis of caste, gender, creed, religion or nationality.

The Company has a strong vigil mechanism (whistle-blower) policy and all employees have access to the Chairman of the Audit Committee, to report any of their concerns.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company believes in providing a safe work environment to its employees. To ensure such environment, the Company has adopted Anti-Sexual-Harassment policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

An internal complaints committee has been specially constituted to redress complaints under sexual harassment. During the fiscal year 2018-19, there were no complaints received under this category.

HEALTH AND SAFETY

The Company has adopted various measures to create a healthy and illness free atmosphere across the Company. The Health of employees is monitored through pre-medical check-ups and health camps organised from time to time.

Further, in respect of the factories/business units, the Company has appointed the Chief Operating Officer (COO) and Plant-in-charge(s)/Unit head(s) to ensure industrial and safety law compliance(s). The Company makes available necessary health and safety equipment to its employees and there are no let or hindrance whatsoever on this account.

The Company has also mandated for employees to adhere to the highest standards of ethical and legal conduct of business operations, besides adherence to safety standards during the course of employment, be it in the work area or at external premises.

QUALITY SYSTEMS

The Company has been bestowed with ISO 9001, 14001 and OHSAS 18001 Management System Certificates by DNV-GL-Business Assurance.

RISK MANAGEMENT

The Company has adopted 'Risk Management Policy' to identify, assess, monitor and mitigate various risks which may impact the Company's business. The Company has an adequate framework to curtail any adverse impact on its core operations. The Board of Directors and Management are committed towards identifying major risks exposed to the business and means to mitigate the same.

INSURANCE

The Company has sufficient insurance coverage encompassing (i) Assets (ii) Inventories (iii) Transit of materials during the course of shipment etc.

The Company has also covered employees under Personnel accident, Workmen compensation policy, Employees deposit linked insurance scheme etc. in order to safeguard their interests.

NOMINATION AND REMUNERATION POLICIES

As required under the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company had adopted policy for Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors etc. Details on remuneration policy are explained in the Corporate Governance Report.

DISCLOSURES

(i) Related party transactions

All transactions entered in to with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year, were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no material significant transactions with related parties, during the financial year which were in conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standards have been provided in the notes to the Standalone and Consolidated Financial Statements. The approved policy on 'Related Party Transactions' has been made available on the website of the Company.

(ii) Insider trading

The Company has adopted 'Code of Conduct' for prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company.

(iii) Details of fees paid to the Statutory Auditors

The total fees for all services paid by Ador Fontech Limited and its subsidiary on a consolidated basis to M/s Srinivas & Subbalakshmi, Statutory Auditors, for the year ended March 31, 2019, are as follows:

Rupees In Lakhs

Particulars	Amount
Audit fees	4
Certifications	1
TOTAL	5

(iv) Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32

There were no funds raised by the Company through preferential allotment or qualified institutional placement during the financial year 2018-19.

(v) Certificate on non-disqualification of Directors

A Certificate from the Practicing Company Secretary has been received by the Company stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Directors.

(vi) Other disclosures

The following reports have been annexed/appended and forms part of the Directors' Report:

- Management discussion and analysis report
- Corporate governance report
- Report on CSR activities
- Conservation of energy, technology absorption, foreign exchange earnings & outgo
- Particulars of arrangements/transactions made with related parties
- Particulars of employees
- Details of Subsidiary, Associates and Joint venture

(vii) Web link

All requisite policies and documents have been uploaded on the website of the Company 'www.adorfon.com'.

INITIATIVES

The Company continues to sustain its commitment to the highest levels of quality, superior service management, robust information security practices and mature business continuity management. These fundamental ethos and integrity will continue to transcend in the years to come.

ACKNOWLEDGEMENT

The Board wishes to place on record its deep sense of appreciation to the contributions made by employees at all levels for enabling the Company's consistent growth over the years and in particular during the financial year 2018-19. It also extends special thanks to all the stakeholders who have been associated with the Company through the last four decades.

For ADOR FONTECH LIMITED
A T MALKANI
Chairman
DIN: 01585637

Mumbai
May 17, 2019

A JOURNEY THROUGH THE MEMORY LANE

Ador Fontech Limited started off as a trading unit of Ador Welding Limited (Previously known as-Advani Oerikon Limited-Pioneers in the welding industry in India) to market special purpose electrodes called 'Low Heat Input Welding Alloys' under the broad gamut of 'Repairs and Maintenance' segment.

While technically, the concept of low heat welding alloys seemed robust, the ground realities called for expertise in analysing the conditions of base materials (already in a state of wear and tear due of usage) and then provide an optimum solution, which pre-requisites creation of value addition to its customers.

Given the broad framework, the organisation set its course on a roller coaster journey on December 1, 1979. It encountered many challenges particularly during the inception stage with meagre resources. Nonetheless, with challenges came solutions. The Company looked overseas to grow its business and successfully tied up with reputed organisations from abroad. In the process it brought to India, the best of its class welding and allied technologies, besides making inroads in to specialised high velocity oxy-fuel and plasma spray coating services.

Traversing to the next scale of business operations, the Company came out with its maiden public issue in the year 1995 and shifted its base from Mumbai to Bengaluru, to make a significant impact in the southern industrial belt.

While the Company predominantly remained a trading unit up to the year 2000, it was opined that it needs to create a sustaining value chain and hence established its own manufacturing hub at Bengaluru and a state-of-the-art facility for repairs and refurbishment at Nagpur. It may be pertinent to mention that the Company through the aegis of LE-SERVICES has carried out challenging repairs in critical maintenance. In effect, it not only helped the customer's business, but also facilitated conservation of mineral resources for the Indian sub-continent and the World at large.

Few of the factors which may be noteworthy are the debt-free status of the Company and the year on year growth in revenues and profitability. Further, the organisation sustains on a brick and mortar framework and remains grounded to its functions, which per se are difficult endeavours.

On the Human Resource front, many of the employees have served the organisation for over two decades. They have found for themselves a canopy under which they can partake in the corporate growth year on year through dint of hard work and serve the organisation beyond the call of their duties. This has also been possible through the encouragement and support of the Promoters.

Lastly, it is the Stakeholders of the Company who have largely reposed confidence in the Organisation and the Management, that makes it possible for the Company to remain progressive.

Our journey continues in the Life enhancement of industrial components with the motto 'Reclaim.... Do not Replace'.

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE 1

ECONOMIC AND BUSINESS ENVIRONMENT

The Indian economy started the fiscal year 2018-19 with a healthy 8.2 percent growth in the first quarter due to strong economic resilience. The growth rate thereafter plummeted to 7.3 percent in the second quarter due to rising financial volatility, standardised monetary policy in advanced economies and re-routing of investments. Further, the rising crude prices caused weak rupee position and faster outflow of investment from the country.

Despite a faint growth rate, the Indian economy remains one of the fastest growing economies and has sustained a GDP rate of 7.2 percent during the fiscal year 2018-19. It has out-shined France as the sixth largest economy in the world and is expected to become the fifth-largest economy in the upcoming fiscal year.

INDUSTRY STRUCTURE AND DEVELOPMENT

Welding is a precise, reliable, cost-effective and high-tech method for joining materials in manufacturing industries. It is broadly divided in to fabrication and maintenance/ repair welding. The industry contributes significantly to the gross domestic product (GDP) in several ways, such as support to welding intensive industries, auxiliary products, complimentary goods, employment etc. While the Indian welding industry has been dominated by low technology and very rare technological innovations, in recent years however, the demand for automatic and semi-automatic welding production systems and un-conventional methods are rising. The future of welding holds greater promise as methods are devised for joining dissimilar and non-metallic materials, coupled with innovations like Nano and 3D technology for metal printing, which may per-se-dominate the repair market and facilitate quick replacement of parts, thereby reducing down time in case of breakdown and facilitate preventive maintenance in general.

CURRENT YEAR OUTLOOK

The current year's outlook is positive. An analysis of market segment in terms of (i) Heavy engineering (ii) Railways (iii) Construction (iv) Ship Building (v) Cement and (vi) Steel, reflect buoyancy, given the initiatives of the Government like Make in India, Cluster development, SME support programmes, Concept of SMART manufacturing etc. The repair welding segment which is sub-servient to fabrication is expected to thrive on increased utilisation capacities necessitated by the maintenance of equipment, parts and components.

OPPORTUNITIES

While there is a window of opportunities, the most essential are:

- Rapid growth in robotic welding: The global robotic welding market is expected to reach US$5.96 billion by 2023 growing at a compounded annual growth of 8.91% per annum. Asia Pacific is anticipated to be the largest market for robotic welding in the coming years. Incidentally, the best supporter for robotic welding is the Indian Railways, which needs to keep its tracks running and maintained all across the sub-continent.
- Welder safety requirements: The increasing knowledge about the health hazards associated with breathing harmful levels of welding fumes and gases is driving companies to invest more in occupational safety. The air purifying systems and use of respiratory protection equipment provides safe breathing environment, that allows the shop floor personnel to work in a peaceful and homogeneous environment.

RISK, THREATS & CONCERNS

Lack of standardised specifications and tedious approval process has resulted in the growth of unorganised sector, which presently occupies 50-55% of the market share. Furthermore, one of the biggest challenges faced is considerable imports, which has negatively impacted the market share of local participants in various industries like cement, steel, power, ship building, automotive and transportation. Other challenges or concerns include (i) Lack of knowledge of end users in the application of welding techniques and cost economies (ii) Inadequate testing facilities and (iii) Low thrust on Research and Development.

BUSINESS ORGANISATION

When performed effectively, a weld repair can ensure that the product can over perform its design requirements and even extend the lifetime of any structure.

The real imperative need & value addition devolves primarily in establishing the need for repair. The work predominantly starts from the scrap yard and shop floor to analyse:

1 Functions of components

2 Operating conditions

3 Safety implications

4 Customer's expectations

5 Product life cycle

The strength of Ador Fontech Limited lies in:

- Providing a complete range of products and services for reclamation and surfacing solutions.
- Presence of 'Application Engineering Specialists' at almost all important industrial locations, all over India.
- Existence of customer focused 'Authorised Dealer network'.
- Partnership with world class agencies and technologies.

The Company will remain focussed on its core areas of business operations, both in the short and long term.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an effective system of internal controls reviewed by the Management and Auditors periodically. The Company will move its operations in to a new ERM (Enterprise Resource Management) in order to upgrade its operational processes and work systems. The Board and Management of the Company have provided immense efforts during the design stage to ensure adequate internal checks, controls and compliances.

HUMAN RESOURCE DEVELOPMENT

The Company believes that Human Resource plays a pivotal role in its growth prospects. There were 204 employees on the muster roll of the Company as at March 31, 2019. The Company also deploys workers in its shop floor both at the Peenya and Nagpur factories, in addition to administrative/office upkeep functions. The Company promotes just and fair HR practices, employee-friendly approach, both for its regular and contractual workers by ensuring on time credit of salaries/wages, contribution to retiral funds, besides medical support for self and family. The Company emphasises on carrying out a people-oriented attitude towards its employees and ensures highest level of work ethics across the organisation.

Further, through the aegis of DOTES (Documentation, Training and Educational Services)-a center of learning at Ador Fontech Limited, the Company provides in-depth training to its employees in the areas of technical and soft skills development.

PERFORMANCE ANALYSIS

(i) Balance sheet analysis

Overall the Balance Sheet of the Company remained healthy as at March 31,2019. The salient features include:

- Improved working capital management.
- Continuation of debt free status.
- Funding of capex through internal accruals.

(ii) Income statement analysis

In comparison to the previous year:

- Total revenue of the Company went up by 21%
- The profit before tax had risen by 50%.
- In view of lower tax rate at 25%, the profit after tax also registered an increase of 58%.

(iii) Material event(s) which may have an impact on the Company

The growth of the Country in terms of GDP, performance of core sector industries & leverage from the fabrication sector are factors that will have to be reckoned.

SAFE HARBOR AND DISCLAIMER STATEMENT

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

FINANCIALS AND RATIO ANALYSIS

Rupees In Lakhs

Particulars	2018-19		2017-18	
	Standalone	Consolidated	Standalone	Consolidated
KEY FINANCIALS				
Revenue from operations	18,443	18,643	15,084	15,204
Total income	18,723	18,934	15,474	15,602
Earnings before interest, depreciation and tax (EBIDAT)	2,283	1,972	1,728	1,534
Depreciation	276	328	302	346
Earnings before interest, exceptional items and taxes (EBIT)	2,007	1,644	1,426	1,188
Interest expense	-	15	-	15
Exceptional items	-	-	84	84
Profit/(loss) before tax	2,007	1,629	1,342	1,089
Tax expense	625	530	444	394
Profit/(loss) after tax	1,382	1,099	898	695
Total comprehensive income	1,440	1,158	943	740
Equity dividend (percent)	175%	-	150%	-
Reserves and surplus	10,865	10,103	10,055	9,577
Net worth	11,215	10,453	10,405	9,927
Gross property (Plant, equipment and intangible assets)	3,795	4,146	3,734	4,018
Net property (Plant, equipment and intangible assets)	1,674	1,874	1,865	2,051
KEY INDICATORS				
Working capital turnover ratio	2.3	2.4	2.0	2.1
Debtors turnover ratio	7.5	7.5	5.4	5.4
Interest coverage ratio	-	109.6	-	79.2
Inventory turnover ratio	5.6	5.2	4.5	4.2
Current ratio	4.4	3.7	4.1	3.7
Debt/Equity ratio	-	0.03	-	0.02
Earnings per share	7.9	6.3	5.1	4.0
EBIDAT/Sales ratio	12%	11%	11%	10%
Gross profit margin percent	35.1%	35.3%	34.6%	34.7%
Net profit margin percent	7%	6%	6%	4%
Return on capital employed	18%	16%	13%	12%
PARAMETERS				
(i) Average debtors	2,459	2,476	2,813	2,822
(ii) Average capital employed	11,177	10,384	10,579	10,025
(iii) Working capital	8,194	7,827	7,462	7,262
Current assets	10,575	10,694	9,881	9,948
Current liabilities	2,381	2,867	2,419	2,686
(iv) Borrowings	-	301	-	188
(v) Gross profit	6,478	6,590	5,212	5,274
(vi) Cost of goods sold	11,965	12,053	9,872	9,930
(vii) Average inventory	2,155	2,326	2,173	2,338

REPORT ON CORPORATE GOVERNANCE

ANNEXURE 2

The Company believes that good corporate governance is essential to create sustainable growth and maximise Stakeholders' value. Ador Fontech is committed to adopt best practices in the field of corporate governance and transparency. It is our constant effort to adhere to the highest standard of integrity and to safeguard the interest of all the Stakeholders.

POLICIES AND DOCUMENTS 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:
http://www.adorfon.com/corporate-governance.html

BOARD OF DIRECTORS

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, its 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 order/judgement/strictures on the Company or any adverse view regarding another enterprise, that can have negative impact on the Company.
- Significant labour problems and their proposed solution.
- Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature of investments, subsidiaries, assets etc. which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as unclaimed dividends, delay in share transfers, etc.
- Updates on the working of subsidiary.

Core skills/ expertise/ competencies of the Board of Directors

The Company believes that effective contribution of the Board will impact the Company's performance and therefore, Members amongst themselves should have a blend of skills, experience and diversity of perspectives.

The whole gamut of analysis is done on a feedback mechanism on structured questionnaires with an effective plan, do and check programme, based on initiatives of the previous year's observations, current and proposed actions.

The following competencies are currently available with the Members, besides educational qualifications (including graduations/programmes from Harvard and Standford Universities) and rich experience in terms of finance, legal and overall business management.

Strategic Planning	Skill sets to evaluate corporate/ business strategies and based thereon to facilitate and improvise the Company's strategies in the achievements of its goals.
Governance	Expertise in developing good governance practices, serving the best interests of all Stakeholders, maintaining accountability, building stakeholder engagements and driving corporate ethics and values.
Risk Management and Compliance	Expert scrutiny of key risks impacting the Company's businesses and contributing towards development of internal controls and systems for risk mitigation and management.

Given the growth of the Company during 2018-19 and increase in profits, it is deemed that the Board and Senior Management have effectively discharged their responsibilities in the operative business domain.

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

Director's identification number

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

Meetings

During the year 2018-19, four Board Meetings were held on

May **29** 2018

Aug **02** 2018

Nov **02** 2018

Feb **06** 2019

Attendance and Directorships

Attendance at Board meetings, last Annual General Meeting, number of directorships in other companies and membership in committees across various companies:

Name of the Director	Financial year 2018-2019		As on March 31, 2019		
	Attendance at		Other Directorships		
	Board Meetings	AGM 02.08.2018	Nos.	Committee Positions	
				No. of Membership	Chairmanships
Mr. A T Malkani	4	Present	One	One	-
Mrs. N Malkani Nagpal	4	Present	Three	One	One
Mr. H P Ledwani	4	Present	-	-	-
Mr. N S Marshall	4	Present	Two	Three	-
Mr. Santosh Janakiram	3	Present	-	-	-
Mr. Rafique Abdul Malik	3	-	Two	One	One

Notes: (i) Directorship, Membership and Chairmanship excludes Ador Fontech Limited, Private limited companies and Alternate directorship. (ii) For Membership/Chairmanship, only Audit and Stakeholders' Relationship Committees have been considered. (iii) Directors have affirmed compliance w.r.t. the applicable number of Committee positions and Chairmanship as per Regulation 26 of SEBI (LODR) Regulations, 2015.

AUDIT COMMITTEE

Broad terms of reference

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

Meetings

During the year 2018-19, four Audit Committee Meetings were held on

May	Aug	Nov	Feb
29	02	02	06
2018	2018	2018	2019

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	Three
Mr. Rafique Abdul Malik	Member	Three

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

Vigil mechanism/Whistle-blower policy

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed entity to formulate vigil mechanism for Directors and Employees to report genuine concerns. In consonance with the same, the Company has established a vigil mechanism to report genuine concerns directly to the Members and Chairperson of the Audit Committee through email, 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. The above policy is uploaded on the website of the Company at http://www.adorfon.com/corporate-governance.html.

Risk and hedging

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

MANAGEMENT DEVELOPMENT, NOMINATION AND REMUNERATION COMMITTEE

Terms of reference and policy

Management Development Programmes are addressed through an in-house-educational institute called DOTES- Documentation, Training and Educational Services. This department has an earmarked 'Training Head' and support team members, who manage all related activities pertaining to 'Employee Development and Training'. Need based assessments are conducted and programmes are organised throughout the year in various facets comprising technical and non-technical/skill based training. Further, under the participative educational policy of the Company, employees are encouraged and sponsored to attend educational programmes and learning sessions, organised by various external academies.

The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015. The Policy is also available on the website of the Company at http://www.adorfon.com/ corporate-governance.html.

Objectives and purpose

- To formulate criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director(s) both, Executive and 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.

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:

  (i) Attract and motivate talent to pursue the Company's long term growth strategies.

  (ii) 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 and market requirements.
- The Company's retirement benefit schemes including superannuation, gratuity, leave encashment etc.
- The Company's remuneration reporting in the financial statements.

Meetings

During the year 2018-19, four Management Development, Nomination & Remuneration Committee Meetings were held on

May 29 2018

Aug 02 2018

Nov 02 2018

Feb 06 2019

Composition and Attendance

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

Appointments and remuneration

- The Committee shall identify and ascertain qualifications, expertise, experience and integrity of the person(s) for appointment as Director, KMP or at Senior Management positions. Further, as regards the appointment of Executive Directors, recommendations of the Committee are validated by the Board and thereafter placed for the approval of the Shareholders.
- Any person chosen to be appointed as a 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 reappoint any person as its Director including Chairman, Managing Director, CEO for a term not exceeding five years at a time and any person if associated with any disqualification specified under the Companies Act or in terms of legal invalidity, shall be disassociated.
- The Chairman is the leader of the Board. He is responsible for fostering and promoting integrity of the Board, while nurturing a culture where the Board works harmoniously for the long term benefit of the Company and all its stakeholders. The Chief Executive Officer/ Managing Director is responsible for corporate strategy, planning and general management of the Company. The Non-Executive Directors are entrusted with the roles to provide an outside in perspective of business operations and compliances, besides evaluating the strategic course of the organisation.

- Sitting fees for Board, Audit & Stakeholders' Relationship committee meetings are Rs. 8,000/- (Rupees eight thousand only), Rs.5,000/- (Rupees five thousand only) and Rs.4,000/- (Rupees four thousand only) respectively.
- No sitting fees is paid for: (i) Corporate social responsibility committee (ii) Management development, nomination and remuneration committee.
- 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 their official duties.

Remuneration to Whole time Directors　　Rupees In Lakhs

Names	Salary	Benefits	Total
Mr. A T Malkani	83	13	96
Mr. H P Ledwani	162	26	188

Notes:

- The agreements with the Whole Time Director(s) are for a period of three years w.e.f. April 1, 2017.
- Either party may terminate the agreement by giving six months' notice to the other party.
- In the event of loss of office, remuneration shall be paid for the remaining period of the contract, except in case where there is no profit or profits are inadequate.
- Salary includes basic, house rent and other allowances.
- Benefits includes contribution to provident and superannuation fund, which are above the taxable limits and reimbursements of medical, insurance, electricity, education, leave travel allowance and leave encashment.
- Performance linked incentive is applicable to the Managing Director on a graded scale on the profits.
- No stock option has been provided.
- Remuneration is in terms of appointment as per the Member's approval dated August 2, 2017 and reckoned as per the Companies Act, 2013 read with Schedule V, subject to amendments and modifications, duly notified.

  Remuneration to Non-Executive-Directors:

Sitting fees　　Amount In Rupees

Name of the Director	2018-19	2017-18
Mrs. N Malkani Nagpal	68,000	85,000
Mr. N S Marshall	52,000	65,000
Mr. Santosh Janakiram	51,000	68,000
Mr. Rafique Abdul Malik	51,000	85,000
TOTAL	2,22,000	3,03,000

- Remuneration to employees

  Remuneration including for the Senior Management Personnel of the Company are driven by Performance Management System (PMS). It entails setting up of achievable targets at the beginning of the year and review of the same from time to time, culminating in an annual appraisal. Based on achievements in graded bands, the percentage of increments and incentives gets factored.

Performance evaluation

The 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, oversee management of risks, review effectiveness of risk management processes and most importantly the 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 takes place through self-evaluation of Directors and by peers.

Independent Directors

During the year under review, Independent Directors met on February 6, 2019, to inter-alia discuss 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 the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Familiarisation programme

Visit to the factory(ies) and attendance at the review meetings formed part of the familiarisation programmes provided to the Directors.

Stakeholders' Relationship Committee

Functions

The Stakeholders' Relationship Committee of the Board looks in to redressal of Investor 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 and other allied transactions. The Committee has delegated powers to the Executives of the Company, to facilitate quick response.

Meetings

During the year 2018-19, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on

May 29 2018

Aug 02 2018

Nov 02 2018

Feb 06 2019

Composition and Attendance

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

Transfer committee meetings

Sixteen periodic sub-committee meetings were held during the year 2018-19.

Director's shareholding as on March 31, 2019

Name of the Director	Number of shares
Mr. A T Malkani	5,31,468
Mrs. N Malkani Nagpal	27,350
Mr. H P Ledwani	59,116
Mr. N S Marshall	3,099
Mr. Santosh Janakiram	–
Mr. Rafique Abdul Malik	–

GENERAL BODY MEETINGS

Dividend history

Rupees In Lakhs

Financial Year	Dividend percent	Dividend outflow	Dividend Tax outflow	Total
2017-18	One hundred & fifty	525	105	630
2016-17	One hundred & fifty	525	105	630
2015-16	One hundred & seventy five	613	125	738
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

Compliance officer

The Board has designated Mr. Gagandeep Singh, Asst. Company Secretary as the Compliance Officer of the Company to ensure compliance specifically w.r.t. (i) SEBI and Stock Exchange requirements (ii) Economic and other legislations.

Location and time of last three Annual General Meetings

Financial Year	Date	Location of the Meeting	Time (hrs.)
2017-2018	02.08.2018	Hotel Ajantha, B'luru	11.30
2016-2017	02.08.2017	Hotel Woodlands, B'luru	11.30
2015-2016	04.08.2016	Hotel Woodlands, B'luru	11.30

SPECIAL RESOLUTIONS AND POSTAL BALLOT

(i) Appointments of the Chairman and Managing Director were through special resolutions passed at the Annual General Meeting held on August 2, 2017.

(ii) There were no postal ballot(s) taken up during the last three years.

DISCLOSURES

Materially significant related party transactions

During the year 2018-19, there were no materially significant related party transactions with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

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.

Affirmation

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

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date & day: August 1, 2019-Thursday
Time: 3:00 p.m.
Venue: Hotel Ajantha, Bengaluru

Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
The Company has paid listing fees to the Stock Exchange up to the financial year 2019-20.

Book closure dates

July 26, 2019 to August 1, 2019 (both days inclusive)

Dividend payment dates

August 2, 2019 and onwards

ISIN

INE853A01022

Scrip code

530431

Corporate/Head office

CIN: L31909KA1974PLC020010
Belview 7 Haudin Road Bengaluru 560042
T (080) 25596045 / 73 F (080) 25597085

Reclamation centre

S-60-61 MIDC Hingna Industrial Estate Nagpur 440016

Manufacturing plant I

486 B-1 14th Cross 3rd Main 4th Phase Peenya Industrial Area Bengaluru 560058

Manufacturing plant II

A-288 6th Main 2nd Stage Peenya Industrial Estate Bengaluru 560058

Share transfer agent

Integrated Registry Management Services Private Limited
CIN: U74900TN2015PTC101466
30 Ramana Residency Sampige Road Malleswaram
Bengaluru 560003
T (080) 23460815-18 F (080) 23460819

Share transfer system

The transfer of shares in physical form is processed and completed by Integrated Registry Management Services Private Limited. In case where shares are held in electronic form, transfers are processed by the Depositories-NSDL and CDSL.

93% of the paid up share capital of the Company stands dematerialised as on March 31, 2019.

The Company has no outstanding GDRs/ ADRs/ warrants or convertible instruments

Reconciliation of share capital

During the financial year 2018-19, audits were carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling total admitted and listed capital with the total number of shares in physical form and dematerialised shares held with NSDL and CDSL. Duly confirmed reports were submitted to the Stock Exchange.

Related party transactions

The Company has formulated policy on related party transactions, as required under the provisions of the Companies Act, 2013 and in terms of the SEBI (LODR) Regulations, 2015. The same has been uploaded on the Company's website.

Insider trading regulations

- In terms of the regulations, the Company has been intimating significant changes, if any, in the shareholding of Promoters, Directors, KMPs and Senior Management Personnel to the Stock Exchange (BSE).
- At the inception of the financial year, trading window was generally closed seven days prior and re-opened two days after the Board meeting. With the amendment brought in by the SEBI (Prohibition of Insider Trading) Amendment Regulations, 2019; trading window is being closed from the end of each financial quarter and re-opened forty-eight hours after the declaration of results/ Board meeting. Reporting is made on the closure of trading window to the Stock Exchange (BSE) as well as due intimations are being provided to the Directors and covered Employees for their compliance.

Documents which have been uploaded on the website

- Composition of the Board
- Brief profile of the Directors
- Details of the Promoter and Promoter Group
- Audit Committee Charter and policies framed thereunder
- Policy on Management Development, Nomination and Remuneration Committee
- Policy on Stakeholders' Relationship Committee
- Policy on Corporate Social Responsibility
- Policy pertaining to Related Party Transactions
- Policy for determining Material Subsidiary
- Policy on Whistle blower cum vigil mechanism
- Policy on prevention of sexual harassment
- Policy related to Insider trading regulations
- Terms and conditions of appointment of additional (Independent) Directors
- Terms & conditions of appointment of Independent Directors
- Code of ethics and business principles applicable to Non- Executive Directors
- Guidelines on professional conduct, role, function and duties of an Independent Director
- Methodology of familiarisation programme for Independent Directors
- Remuneration to Non-Executive Directors
- Details of unclaimed dividends and unclaimed shares
- Financial results
- Shareholding pattern
- Corporate governance report
- Annual reports
- Notices and documents addressed to the Members
- Business responsibility statement
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- General - Details of products, business partnerships, trade-marks, awards and accolades

EQUITY SHARES

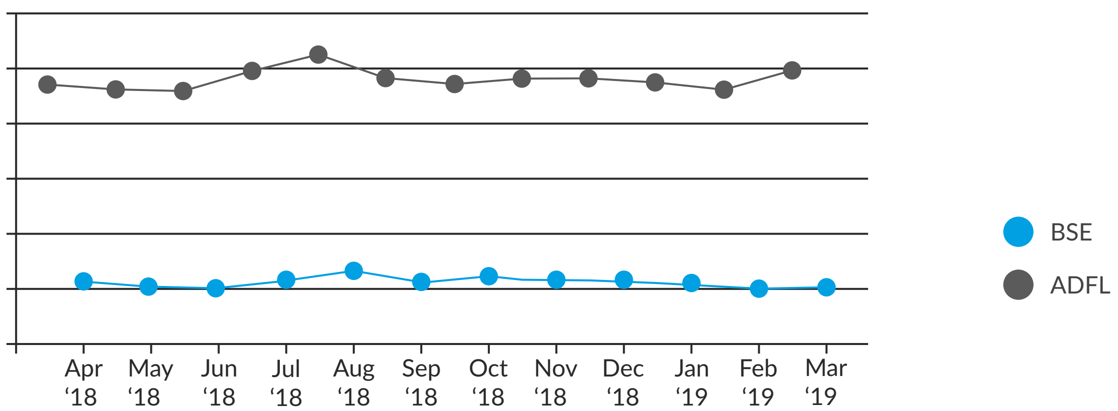
Distribution schedule as at March 31, 2019

Nominal value (Rs.)	No. of Shareholders		Amount	
	No.	Percent	In Rs.	Percent
Up to Rs. 5000	6,931	93.33	64,18,544	18.34
5,001-10,000	234	3.15	18,66,356	5.33
10,001-20,000	127	1.71	18,79,898	5.37
20,001-30,000	44	0.59	11,17,976	3.19
30,001-40,000	16	0.22	5,72,564	1.64
40,001-50,000	14	0.19	6,43,560	1.84
50,001-1,00,000	24	0.32	16,17,332	4.62
1,00,001 & above	36	0.49	2,08,83,770	59.67
Total	**7,426**	**100.00**	**3,50,00,000**	**100.00**

Stock price data: Bombay Stock Exchange, Mumbai

Month	Open	High	Low	Close
Apr 2018	108	125	107	112
May 2018	114	116	99	104
Jun 2018	106	108	98	100
Jul 2018	102	115	95	113
Aug 2018	113	135	111	132
Sept 2018	132	134	111	113
Oct 2018	117	126	104	122
Nov 2018	123	130	112	116
Dec 2018	120	122	111	117
Jan 2019	119	121	106	108
Feb 2019	109	110	98	99
Mar 2019	98	113	98	102

Comparative closing share prices



DETAILS OF UNCLAIMED DIVIDENDS AND SHARES

Amount In Rupees

Financial year(s)	Dividend declaration date(s)	Due date(s) for transfer to IEPF account	Unclaimed dividend(s)	Remarks
2011-12	July 17, 2012	September 18, 2019	12,58,786	(i) 34,000 number of shares were transferred to the IEPF account in FY 2018-19. (ii) 16,500 shares are due for transfer to the IEPF account during FY 2019-20. Kindly note: If dividend remains unclaimed for a period of seven years, both dividend and shares are liable to be transferred to the Investor Education and Protection Fund (IEPF).
2012-13	July 19, 2013	September 20, 2020	16,24,221	
2013-14	August 20, 2014	October 22, 2021	17,70,688	
2014-15	August 26, 2015	October 28, 2022	18,69,724	
2015-16	August 4, 2016	October 6, 2023	18,11,743	
2016-17	August 2, 2017	October 4, 2024	11,70,159	
2017-18	August 2, 2018	October 4, 2025	18,41,328	

GENERAL

Particulars	Details
Half-yearly/quarterly financial results sent to each Shareholders' residence	No
In which newspaper quarterly & half yearly results are normally published	**English**
	Business Standard
	Financial Express
	Kannada
	Sanjevani
	Eesanje
Website, where results or official news are displayed	www.adorfon.com

Disclosure of interest

Details of disclosure of interest by the Directors have been provided as part of the Notice to this Report.

Credit rating

The Company is a debt free entity and with no outstanding instruments, it has not specifically sourced any credit rating(s).

Non-mandatory-requirements

- The Company has an Executive Chairman.
- The positions of the Chairman and Managing Director are distinct.
- The Company has a separate team of Internal Auditors who conduct quarterly audits on the accounts of the Company.
- Necessary trainings are provided to the Board Members, as and when required.

CONTACT PERSON(S)

Secretarial Department

Mr. Gagandeep Singh
Assistant Company Secretary & Compliance Officer
Ador Fontech Limited Belview 7 Haudin Road
Bengaluru 560 042
T: (080) 25596045/25596073 E: gagans@adorfon.com

He will also be the Nodal officer in the facilitation of the Shareholder's requirements and the IEPF Authorities.

Registrar and Share Transfer Agent

Mr. Harish
Integrated Registry Management Services Private Limited
30 Ramana Residency 4th Cross Sampige Road
Malleswaram Bengaluru 560 003
T: (080) 23460815/818; E: irg@integratedindia.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
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, 2019 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations').

MANAGEMENT'S RESPONSIBILITY - The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of operating effectiveness of internal controls to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

AUDITOR'S RESPONSIBILITY - Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 1 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the 'ICAI'), and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that perform audits and reviews of historical financial information and other assurance and related services engagements.

OPINION - Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2019.

We 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 Srinivas & Subbalakshmi
Bengaluru	J H Madan Srinivas	Chartered Accountants
May 18, 2019	Partner [Membership No.021643]	Firm Registration No.011350S

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

ANNEXURE 3

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:

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

Meetings

During the year 2018-19, four CSR Committee Meetings were held on

May 29 2018 | Aug 02 2018 | Nov 02 2018 | Feb 06 2019

Composition and Attendance

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

The CSR Committee will be in charge and render the following functions

- Develop annual strategy and plan for CSR based on guidelines set by the Companies Act, 2013 and rules framed thereunder.
- 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.

Average profit of the Company for the last three financial years

As per Section 198 of the Companies Act, 2013:
Rs. 1,382 lakhs

Prescribed CSR spend for the financial year 2018-19

Two percent of the average profits of the last three years:
Rs. 28 lakhs

Details of CSR spent during the financial year 2018-19

- Amount spent: Rs. 31 lakhs (Rupees thirty one lakhs only).
- Amount unspent, if any: Nil

Note: The Company has spent more than the requisite amount during the financial year (2018-19) to clear unspent amount of the previous year(s), which it intends to do in tranches.

CSR activities -Financial year 2018-19

Name of the Company	CIN	Address of the Registered Office	Main business activity	Prescribed CSR budget	Allocated CSR budget	Actual CSR spent FY2018-19	Reason for underspending/ not spending (if any)
Ador Fontech Limited	L31909 KA1974P LC020010	Belview 7 Haudin Road Bengaluru 42	Life enhancement of industrial components/Repairs and refurbishment	Rs. 28 lakhs	Rs. 31 lakhs	Rs. 31 lakhs	-

(i) Through the aegis of CSR Implementation Agencies

Details of CSR programmes/ projects/ activities	Projects description	Sector (s) covered under Schedule (vii)	Geographical areas where projects were implemented	Expenditure on programmes/ projects	Details of implementing agencies
Programme/Project I					
Vyasa Vidyanikethan	Rebuilding of class rooms after devastating floods	Disaster relief	Perumbavur, Kerela	Rs. 3 lakhs	Vyasa Vidyanikethan Vyasa Nagar Koovappady Post Perumbavur 683544 PAN # AAAAB3269R
Programme/Project II					
Jan Kalyankari Samithi	Construction of Check dams for water conservation	Ensuring environmental sustainability	Nagpur, Maharashtra	Rs.2 lakhs	Jan Kalyankari Samithi A-1 2nd Floor Paage Apartments Trimurthy Nagar Nagpur 440022 PAN #AAATJ2534Q
Programme/Project III					
Maitri Bodh Parivaar Charitable Trust	'Tejaswini' - Women empowerment and health care	Empowerment of women	Mumbai, Maharahstra	Rs.2 lakhs	Maitri Bodh Parivaar Charitable Trust Plot no 219 Sector 21 Kamothe Navi Mumbai 410209 PAN # AAETM7552K
Programme/Project IV					
Central Government	General relief support	Prime Minister's National Relief Fund	All India	Rs.2 lakhs	Prime Minister's National Relief Fund Prime Minister's Office, South Block, New Delhi 110011 PAN # AACTP4637Q
Programme/Project V					
Go Sports Foundation	Training sports persons for international competitions- Olympics, Common Wealth Games & Paralympic	Promotion of sports	Bengaluru, Karnataka	Rs.2 lakhs	Go Sports Foundation #60 Oorve Munimarappa Road Off Nandi Durga Road Bengaluru-560 046 Reg # 143/200809 PAN # AABTG2334C

Details of CSR programmes/ projects/ activities	Project description	Sector (S) covered under Schedule (vii)	Geographical areas where projects were implemented	Expenditure on programe(s)/ projects	Details of implementing agencies
Programme/Project VI					
Peenya Industries Association	Skill development	Employment enhancing vocational skills	Bengaluru, Karnataka	Rs. 1 lakh	Peenya Industries Association #18/B 1st Cross 1st Stage Peenya Bengaluru 560058
Programme/Project VII					
The Jimmy S Billimoria Foundation	Palliative care- life limiting and debilitating conditions	Medical support	Mumbai, Maharahstra	Rs. 1 lakh	The Jimmy S Billimoria Foundation 7C Trust House Dr. E Borges Road 35 Hospital Avenue Parel Mumbai 400012 Reg # E-31101 PAN#AACTT5523F
Programme/Project VIII					
Jai Vakeel Foundation	Distribution of dairies	Social development support for the special children	All India	Rs. 2 lakhs	Jai Vakeel Foundation Abhyudaya Nagar Housing Colony Sewri Hill Mumbai 400033 Reg # INS/10391 Pan # AAATT3742J
Programme/Project IX					
Army Welfare Fund Battle Casualities	Education- widow and children	Livelihood and skill development	Delhi	Rs. 1 lakh	Army Welfare Fund Battle Casualties Directorate of Indian Army Veterans Cavalry Road Cantonment Delhi-100010

(ii) Direct participation in CSR programmes

Details of CSR programmes/ projects/ activities	Project description	Sector (S) covered under Schedule (vii)	Geographical areas where projects were implemented	Expenditure on programe(s)/ projects	Details of implementing agencies
Programme/Project X					
Ador Fontech Charitable Fund	Humanities	Health care, Education and Basic necessities of life	All India	Rs. 15 lakhs	Ador Fontech Charitable Fund Belview 7 Haudin Road Bengaluru 560 042 Reg#61/2003-04 PAN#AABTA6823A

Note: Contribution made vide Government of India, Ministry of Corporate Affairs, General Circular no. 21/2014 dated 05.01.2014

Activities of Ador Fontech Charitable Fund - Financial year 2018-19

Sectors covered under Schedule (vii)	Name of the organisation/individuals	Projects	Place	Amount (Rs.)
Medical relief	(i) Jain Surgical Hospital (ii) Columbia Asia Hospital (iii) Kalinga Medical Camp (iv) Manjushree Specialty Hospital	Health for all	(i) Bengaluru (ii) Pune	2,70,000
Eradication of hunger and poverty	Karunashraya, Chesire Homes, Sumahalli Leprosy Centre, Rakhum Blind School, Vidyarthi Nilaya etc.	Distribution of food grains	Bengaluru	1,75,000
Medical support	Bowring and Lady Curzon Hospital	Distribution of wheel chairs	Bengaluru	90,000
Old age home	Gandhi Old Age Home	Distribution of mattresses	Bengaluru	80,000
Reliefs and funds for welfare of women	(i) Srinivasan – Mrs. Radhammal (ii) Barikh- Mrs. Sasi Rekha Barikh (iii) Selvan-Mrs. Mamta Selvan	Vocational/livelihood programme for widows	Bengaluru	75,000
Education	Scholarships to students	Girl children-Beti bachao aur beti padao	Bengaluru	80,000
Social development	BVSN Murthy-Centre for Special Children and Karnataka Blind School	Awareness on disabilities and vocational training	Chennai	55,000

Notes:

- Ador Fontech Charitable Fund has a corpus of Rs. 66 lakhs including current year's contribution by Ador Fontech Limited amounting to Rs. 15 lakhs. Fund is being accumulated year on year to make it self-sustaining and in all probability to have a dispensary to support medical activities.
- The aim of the fund is to work on the poorest of the poor particularly, who get missed out from Governmental support, CSR programmes of other Corporates & NGOs.
- Willing employees voluntarily participate in the activities of the fund on holidays especially Sundays.
- Apart from payment of annual fees to facilitate completion of education, the Charitable Fund has a policy of not subscribing to the same organisation or institution or individual(s) year on year (exception: special children). Further, it also partakes to support welfare measures as part of organised /structured programme(s) predominantly through the aegis of the Charitable Fund.

Detailed 'CSR Policy' has been uploaded on the Company's website

http://adorfon.com/corporate-governance.html

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 May 17, 2019	H P LEDWANI Managing Director DIN: 00040629	N MALKANI NAGPAL Chairman of CSR Committee DIN: 00031985	A T MALKANI Chairman of the Board DIN: 01585637

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

ANNEXURE 4

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Please refer notes to the financial statements.

RESEARCH AND DEVELOPMENT (R & D)

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

CONTRACTS/ARRANGEMENTS ENTERED IN TO BY THE COMPANY WITH RELATED PARTIES

ANNEXURE 5

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS: Not applicable

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS

• 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
J B Advani & Company Pvt. Ltd.	U51900MH1925PTC004217	Associate
Ador Welding Ltd.	L70100MH1951PLC008647	Associate
Ador Welding Academy Pvt. Ltd.	U74900PN2012PTC144148	Associate
Ador Powertron Limited	U31103PN1995PLC084268	Associate
Ador Multiproducts Ltd.	L85110KA1948PLC000545	Associate
Ador Green Energy Pvt. Ltd.	U74999MH2008PTC186104	Associate
3D Future Technologies Pvt. Ltd.	U74999MH2015PTC261114	Wholly owned subsidiary

DURATION OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS

Purchase/sale of materials, provision of services, lease rental accommodation for office premises are in the ordinary course of business with no specific time frame, except inter-corporate-deposit(s) which are provided on an yearly basis.

NATURE OF CONTRACTS/SALIENT TERMS OF CONTRACTS

(i) Purchase & sale transactions are based on purchase/ sales invoices. Transactions are on arm's length basis, with pricing compatible to market quotes and transactions of similar nature of respective companies.
(ii) 3D Future Technologies Pvt. Ltd. was formed as a wholly owned subsidiary and registered in Mumbai. The Company has infused equity and provided guarantee/ lien marking.
(iii) The Company has lease rental agreements with Ador Welding Ltd. for sharing of office premises at Pune and Secunderabad.
(iv) Inter-Corporate-Deposits are provided to Ador Powertron Limited to leverage on better interest rates.
Details and values of transactions with related parties are depicted as part of 'Notes to the Financial Statements'.

DETAILS OF APPROVAL BY THE BOARD, IF ANY:

(i) Wholly owned subsidiary-3D Future Technologies Pvt. Ltd. was formed vide Board resolution dated November 11, 2014.
(ii) General purchases/sales, lease rentals and ICD (Inter-Corporate-Deposit) are approved and ratified by the Audit Committee and Board at annual/quarterly meetings (dated May 29, 2018; August 2, 2018; November 2, 2018 and February 6, 2019).
(iii) The Board of Directors decided to exit from the Joint Venture. The organisation M/s. Dualrank Fontech (M) Sdn. Bhd has to be closed as per Malaysian Laws.

(iv) AMOUNT PAID AS ADVANCES, IF ANY: As on date-Nil

DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT IN THE ORDINARY COURSE OF BUSINESS: Not applicable

PARTICULARS OF EMPLOYEES

ANNEXURE 6

Ratio of remuneration of each Director to the median remuneration of the employees of the Company, for the financial year 2018-19

Name of the Director	Designation	Ratio
Mr. A T Malkani	Chairman	8.3
Mr. H P Ledwani	Managing Director	14.3
Mrs. N Malkani Nagpal*	Promoter Director	0.06
Mr. Navroze S Marshall*	Independent Director	0.04
Mr. Santosh Janakiram*	Independent Director	0.04
Mr. Rafique Abdul Malik*	Independent Director	0.04

*Were paid sitting fees for Board and Committee Meetings.

The number of permanent employees on the rolls of Company as on March 31, 2019:

Two hundred and four employees.

Comparative remuneration

(i) Percentage increase in remuneration of the Directors and KMP's:
There were no changes in the amounts of sittings fees for each of the Board and Committee meetings, during the financial year 2018-19 in comparison to the previous financial year 2017-18. On an overall remuneration comparison viz-a-viz the previous year, the Chairman received an increase of two percent, the Managing Director twelve percent and the Company Secretary fifteen percent.
Note: CFO was appointed on May 17, 2019 and hence details of his salary will be furnished from FY 2019-20.

(ii) Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2018-19 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:
While the general increment to the staff members during 2018-19 was approximately six percentile, remuneration to the whole time Directors were subject to the provisions of the Companies Act, 2013 and as approved by the Shareholders at their meeting held on August 2, 2017 which was on an average eight and half percent (inclusive of performance incentive to the Managing Director on a graded scale of one percent of profit before tax).

Affirmation

The remuneration stated above is in accordance with the remuneration policy of the Company.

Details of the Whole time Directors and Employees/Consultants with annual remuneration of Rs. 102 lakhs or more who were employed throughout the year or monthly remuneration of Rs. 8.5 lakhs or more, even if employed for part of the year during the financial year 2018-19

Rupees In Lakhs

Name & shareholding	Designation	Age	Remuneration	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani 3.04 percent	Chairman (Promoter Group)	38 years	96 current year 94 previous year	BA-Economics MBA	14 years	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.34 percent	Managing Director (Professional)	65 years	188 current year 168 previous year	B.Sc (Hons) DAM, DTMM	45 years	01.12.1979	Group Leader	Ador Welding Ltd (Previously Advani Oerlikon Limited)
Mr. Deep A Lalvani 0.13 percent	General Manager (Promoter Gr.)	38 years	107 current year 101 previous year	B.Com MBA	12 years	01.05.2008	Manager Marketing	Ador Welding Limited

Details of top ten employees in terms of remuneration during the financial year 2018-19

Names	Designation	Age	Nature of duties/ Roles	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. P Viswanathan	COO	58	Sales, Marketing, Production & Purchase	BSc Chemistry AMP	35 years	01.10.1984	-	First employment in Ador Fontech Limited
Mr. P Gopa Kumar	CFO	63	Finance and Accounts	BA Corporate Secretaryship	41 years	05.03.1984	Statistical Assistant	Carter Wallace Limited
Mr. Melville Ferns	VP	58	Sales & Marketing (SBU-North, Central & West)	BA AMP	37 years	01.03.1982	-	First employment in Ador Fontech Limited
Mr. R Krishna Kumar	VP	52	Sales & Marketing (SBU-East, South I & South II)	MBA Marketing SMP-IIM (C)	32 years	07.06.2010	General Manager	Technical Parts Est.
Mr. Rajesh V Joshi	VP	55	Strategy, IT, New Business & Thermal Spray	BE Mechanical	32 years	29.10.1990	Senior Sales Executive	Lloyd Insulations Pvt. Ltd.
Mr. S S Mohiuddin	Sr. General Manager	58	Plant-in-charge	DME, DMM EMP-ISB and IIM	36 years	16.10.2008	Asst. General Manager	Ador Welding Limited
Mr. K Panneer Selvam	General Manager	55	Divisional-in-Charge	Bachelor of Technology Mechanical	36 years	16.06.1993	Supervisor Welding	Diffusion Engineers Limited
Mr. C V V Srinivas	Dy. General Manager	53	Divisional-in-Charge	BE Mechanical	29 years	01.04.1991	Engineer Sales	Circuit and Systems
Mr. Hari Kumar	Dy. General Manager	54	Divisional-in-Charge	Bachelor of Commerce	35 years	23.02.1984	-	First employment in Ador Fontech Limited
Mr. H Srinivasan	Dy. General Manager	52	Divisional-in-Charge	Diploma Mech. Eng. BBA	32 years	02.05.1997	Business Manager	Nucor Weld India Private Limited

Notes: There are no inter-se-relationship between the Employee(s) and Director(s) or between Directors.

- Details of salaries reckoned as per the provisions of the Companies Act, 2013.
- While the average/median remuneration of employees was Rs.30 lakhs, details on remuneration shall be made available to any Shareholder on a specific request made in writing before or after the date of AGM within three to seven days, respectively from the date of receipt of such request(s).

  Note: Request in writing duly signed to have the following enclosures (i) identity (Pan card) & (ii) address proof (Aadhaar) and should be addressed to the Corporate office-Secretarial Department.
- There has been no resignation or retirement from amongst the core group of employees.
- Legends: 3DFT-3D Future Technologies Pvt. Ltd.; LE-SERVICES - Life enhancement of industrial components; SBU - Strategic business units; AMP-Advanced Management Programme/SMP-Special Management Programme from IIM, DME-Diploma in Mechanical Engineering, DAM-Diploma in Administrative Management, DTMM Diploma in Textile Management and Marketing; MD-Managing Director, CEO-Chief Executive Officer, COO-Chief Operating Officer, CFO-Chief Financial Officer, VP-Vice President, BC-Business Consultant, GM-General Manager, DGM-Deputy General Manager.

FORM AOC-1

ANNEXURE 7

PART A : SUBSIDIARY

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 to 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: Rs.1,000 lakhs and
	Paid up capital: Rs.850 lakhs -As at 31.03.2019
Reserves and surplus/Other equity	(Rs.762 lakhs) - As at 31.03.2019
Total assets	Rs.586 lakhs - As at 31.03.2019
Total liabilities (external)	(Rs.498 lakhs) - As at 31.03.2019
Investments	Rs.6 lakhs - As at 31.03.2019
Turnover	Rs.211 lakhs - As at 31.03.2019
Profit/(loss) before tax	(Rs.378 lakhs) - As at 31.03.2019
Provision for tax/Defered tax credit	95 lakhs - As at 31.03.2019
Profit/(loss) after tax	(Rs.283 lakhs) - As at 31.03.2019
Proposed dividend	Nil
Percentage of shareholding	One hundred percent by Ador Fontech Limited

PART B : ASSOCIATES AND JOINT VENTURE

Rupees In Lakhs

Particulars	J B Advani and Company	Ador Welding	Ador Welding Academy	Ador Powertron	Ador Multiproducts	Ador Green Energy	Dualrank Fontech
Latest audited Balance Sheet date	31.03.19	31.03.19	31.03.19	31.03.19	31.03.19	31.03.19	31.12.18
Number of shares	-	-	-	-	-	-	4,80,000
Amount of investment in Associate/ joint venture	-	-	-	-	-	-	76
Extent of holding (percent)	-	-	-	-	-	-	48
Description of how there is significant influence	Promoter	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate	Associate
Net-worth, Balance Sheet and Profit/(loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reason why the associate/joint venture is not consolidated*	Related party	Related party	Related party	Related party	Related party	Related party	Exit in process
Considered in consolidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Not considered in consolidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

EXTRACT OF MGT-9 ANNEXURE 8

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
Consumables	241-242	63%
Equipment/Automation and ancillaries	271	23.5%
Services	331	13.5%

Category wise shareholding

Particulars	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percent Change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
Promoter	4606588	-	4606588	26.32	4606598	-	4606598	26.32	-
Promoter Group	1806050	-	1806050	10.32	1908841	-	1908841	10.91	0.59
Public Shareholding									
Alternative Investment Fund	440990	-	440990	2.52	435368	-	435368	2.49	(0.03)
Foreign Institutional Investors	894016	-	894016	5.11	885516	-	885516	5.06	(0.05)
Bodies Corporate	455175	24005	479180	2.74	318720	24000	342720	1.96	(0.78)
Individual shareholders holding nominal share capital up to 1 lakh	5199196	1228775	6427971	36.73	5312566	1064010	6376576	36.44	(0.29)
Individual shareholders holding nominal share capital in excess of 1 lakh	2208247	127700	2335947	13.35	2338480	127700	2466180	14.09	0.74
Clearing Members/Others	93897	-	93897	0.54	37041	-	37041	0.21	(0.33)
NRI	194703	-	194703	1.11	188834	-	188834	1.08	(0.03)
IEPF	218326	-	218326	1.25	252326	-	252326	1.44	0.19
Foreign Individuals	2332	-	2332	0.01	-	-	-	-	(0.01)
TOTAL	16119520	1380480	17500000	100.00	16284290	1215710	17500000	100.00	-

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. A T Malkani	5,15,113	2.94	5,31,468	3.04
Mrs. N Malkani Nagpal	27,350	0.16	27,350	0.16
Mr. H P Ledwani	50,885	0.29	59,116	0.34
Mr. N S Marshall	3,099	0.02	3,099	0.02
Mr. Santosh Janakiram	–	–	–	–
Mr. Rafique Abdul Malik	–	–	–	–
Ms. Geetha D	–	–	–	–

Shareholding 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	8,50,000	4.86	8,50,000	4.86
M/s. Malabar Value Fund	4,40,990	2.52	4,35,368	2.49
Mr. S Shyam	2,61,739	1.50	3,04,476	1.74
Mr. Anil Kumar Goel	2,65,607	1.52	2,65,607	1.52
Investor Education and Protection Fund	2,18,326	1.25	2,52,326	1.44
Ms. Sarla Chandna	1,75,000	1.00	1,75,370	1.00
Mr. Megh Ishwer Manseta	1,65,000	0.94	1,65,000	0.94
Mr. Madhu Bala Sood	-	-	1,52,893	0.87
Ms. Rajni Bahl	1,45,000	0.83	1,45,000	0.83
Mr. Kiyomi Anant Talaulicar	1,14,371	0.65	1,14,371	0.65

Shareholding of Promoters and Promoter group

Names	No. of shares held at the beginning of the year			No. of shares held at the end of the year			Percentage change
	No. of shares	Percent	Share pledged/ encumbered	No. of shares	Percent	Share pledged/ encumbered	
M/s. J B Advani & Company Pvt. Ltd.	46,06,588	26.32	-	46,06,598	26.32	-	-
Mr. Aditya Tarachand Malkani	5,15,113	2.94	-	5,31,468	3.04	-	0.10
Mr. Ajit T Mirchandani	73,730	0.42	-	73,730	0.42	-	-
Ms. Aruna B Advani	4,50,500	2.57	-	4,50,500	2.57	-	-
Mr. Deep Ashda Lalvani	22,050	0.13	-	22,061	0.13	-	-
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	1,37,357	0.78	-	2,06,818	1.18	-	0.40
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. Shirin Aditya Malkani	37,620	0.21	-	54,584	0.31	-	0.10
Ms. Tania A Mirchandani	84,775	0.48	–	84,775	0.48	–	–
Ms. Vimla A Lalvani	8,250	0.05	–	8,250	0.05	–	–

Remuneration of Key Managerial Personnel

Rupees In Lakhs

Particulars of remuneration as per the Income Tax Act	Chairman Mr. A T Malkani	Managing Director Mr. H P Ledwani	Company Secretary Ms. Geetha D	Total
Salary	83	87	27	197
Perquisites	13	43	2	58
TOTAL	96	130	29	255

SECRETARIAL AUDIT REPORT

ANNEXURE 9

To
The Members
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, 2019 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, 2019 made available to me and according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- 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.
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  (i) Registrar to Issue & Share Transfer Agents Regulations, 1993
  (ii) Issue of Capital & Disclosure Requirements Regulations, 2009
  (iii) Substantial Acquisition of Shares & Takeover Regulations, 2011
  (iv) Prohibition of Insider Trading Regulations, 2015
  (v) Listing Obligation and Disclosure Requirements (LODR) Regulations 2015.

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

(i) Buyback of Securities Regulations, 1998

(ii) Issue and Listing of Debt Securities Regulations, 2008

(iii) Delisting of Equity Shares Regulations, 2009

(iv) Share based employee benefits Regulations, 2014

- 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:
(i) Secretarial Standards issued by the Institute of Company Secretaries of India.
(ii) 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. There were no changes in the composition of the Board of Directors that took place during the period under review.

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 for a 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 the following:

- 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.
- 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, that I have followed, provide a reasonable basis for my opinion.
- Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, Regulations and the happening of events, etc.
- The compliance by the Company of applicable financial laws like direct & 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.
- 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
ACS No. 28374
COP No. 10150

Bengaluru
May 17, 2019

CEO AND CFO CERTIFICATION

ANNEXURE 10

To,
The Board of Directors
Ador Fontech Limited

Dear Sir/Madam,

CEO/CFO Certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

We the undersigned, in our respective capacities as Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Ador Fontech Limited ('the Company') to the best of our knowledge and belief certify that:

- We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2019 and to the best of our knowledge and belief:
  (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee
  (i) Significant changes, if any, in internal control over financial reporting during the year.
  (ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
  (iii) Instances of significant fraud which have surfaced and the involvement therein of any of the managerial personnel or employee(s) of the Company-Nil for the financial year (2018-19).

	For ADOR FONTECH LIMITED	For ADOR FONTECH LIMITED
Mumbai	P GOPA KUMAR	H P LEDWANI
May 17, 2019	Chief Financial Officer	Chief Executive Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

ANNEXURE 11

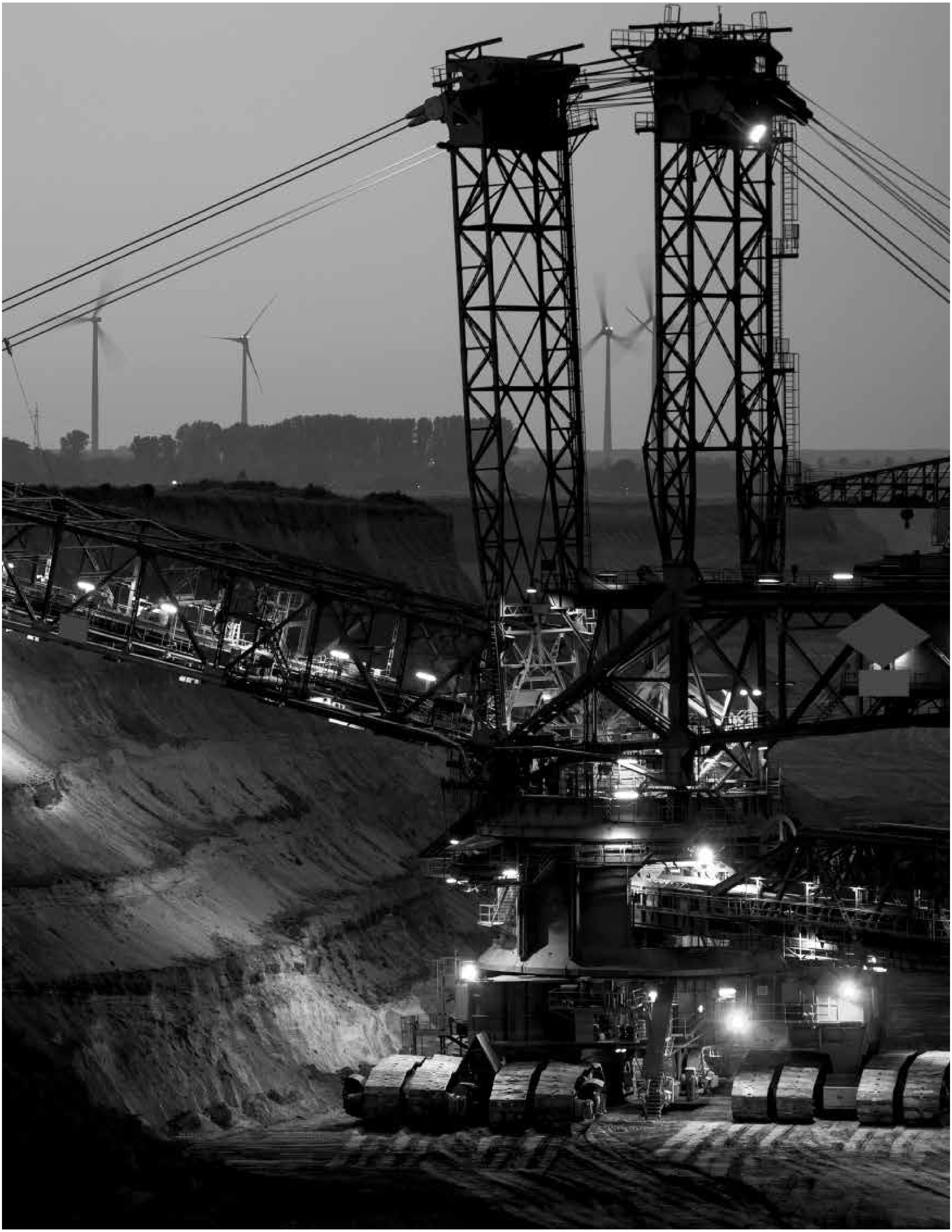
To
The Members
Ador Fontech Limited

- I have examined the status of debarring or disqualification from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such Statutory authority for the year ended on March 31, 2019, as stipulated in item 10(i) of clause C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations.
- It is neither an audit nor an expression of opinion regarding the legality of debarring or disqualification by the SEBI/Ministry of Corporate Affairs or any such Statutory authority.
- My examination was limited to a review of the relevant records of the Company and website of the Ministry of Corporate Affairs, Stock Exchange(s), SEBI and other relevant statutory authority(ies).
- In my opinion and to the best of information; besides examination of relevant records {including Directors Identification Number (DIN) status at the portal of www.mca.gov.in}, explanations provided to me and representations made by the Directors and Management, I certify that none of the Directors on the Board of Ador Fontech Limited have been debarred or disqualified from being appointed or continuing as Directors of companies specified by the SEBI/Ministry of Corporate Affairs or any such statutory authority during the year ended March 31, 2019.
- As on March 31, 2019, the Board of Directors of the Company was constituted by:

Name	Director Identification Number (DIN)	Date of appointment	Designation
Mr. A T Malkani	01585637	20.07.2007	Chairman and Whole Time Director
Mr. H P Ledwani	00040629	23.04.1998	Managing Director
Mrs.N Malkani Nagpal	00031985	20.07.2007	Non-Executive Director
Mr. N S Marshall	00085754	29.04.2009	Independent Director
Mr. Santosh Janakiram	06801226	25.07.2013	Independent Director
Mr. Rafique Abdul Malik	00521563	30.01.2015	Independent Director

MANJULA NARAYAN
ACS No. 28374
COP No. 10150

Bengaluru
May 17, 2019



AUDITORS' REPORT (STANDALONE)

INDEPENDENT AUDITORS' REPORT

To
The Members
Ador Fontech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Ador Fontech Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019; the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind-AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019; the profit (Standalone financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder. We have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

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

KEY AUDIT MATTERS	AUDITORS' RESPONSE
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 'Revenue from Contracts with Customers' (new revenue accounting standard).	**Principal Audit Procedures** We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing as also new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry, observation, re-performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing as well as new contracts and performed the following procedures: (i) Read, analysed and identified the distinct performance obligations in these contracts. (ii) Compared these performance obligations with that identified and recorded by the Company. (iii) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. (iv) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. (v) In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actuals and estimated efforts from the time of recording and budgeting systems. We also tested the access and change management controls relating to these systems. (vi) Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. (vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. (viii) We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.
Evaluation of uncertain tax positions The Company has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Corporate Governance and Shareholder's information, but does not include the Standalone Financial Statements and our Auditor's report thereon.

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes:

(i) maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/detecting frauds and other irregularities. (ii) selection and application of appropriate accounting policies.
(iii) making judgements and estimates that are reasonable & prudent and (iv) design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

We did not audit the financial statements of one branch located at Nagpur included in the Standalone Financial Statements of the Company, whose financial statements reflect total assets of Rs. 1,119 lakhs as at March 31, 2019 and total revenue of Rs. 3,736 lakhs for the year ended on that date, as considered in the Standalone Financial Statements/information of the branch audited by the Branch Auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such Branch Auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

(i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(iii) The reports on the accounts of branch office of the Company audited under Section 143(8) of the Companies Act by the Branch Auditors have been sent to us and have been properly dealt with by us in preparing this report.

(iv) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.

(v) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(vi) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

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

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

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

(b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on longterm contracts including derivative contracts.

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

(2) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

(3) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

		For SRINIVAS & SUBBALAKSHMI
Bengaluru	J H MADAN SRINIVAS	Chartered Accountants
May 18, 2019	Partner (Membership No. 021643)	Firm Registration No. 011350S

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2019 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 Board of Directors of the Company 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. 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, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance note require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established, maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 Auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019 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 SRINIVAS & SUBBALAKSHMI
Bengaluru	J H MADAN SRINIVAS	Chartered Accountants
May 18, 2019	Partner (Membership No. 021643)	Firm Registration No. 011350S

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ador Fontech Limited of even date)

We report that

- In respect of the Company's fixed assets:

  (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  (ii) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

  (iii) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds/registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.

- (i) 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.

  (ii) In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

  (iii) 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 accounts.

- According to the information and explanations given to us, the Company has granted loans/guarantee to bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013.

  Other than the Joint venture

  (i) The terms & conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

  (ii) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

  (iii) There is no overdue amount remaining outstanding as at the year end.

  Joint venture: With the Company deciding to exit from the joint venture, loan plus outstanding interest thereon has been provided for in full in the books of accounts.

- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

- We have broadly reviewed the records maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

- According to the information and explanations given to us, in respect of statutory dues:

- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

- There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

- Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of disputes are given below:

Rupees In Lakhs

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
Central Excise Act, 1944	Excise duty	CESTAT, Mumbai	2002-2006	71
Finance Act, 1994	Service tax	Joint Commissioner of Service Tax, Nagpur	2008-2009	32
Karnataka Value Added Tax, 2003	Value Added Tax	Joint Commissioner of Commercial Taxes (Appeals), Bengaluru	2006-2012	21
Karnataka Value Added Tax, 2003	Value Added Tax	High Court of Karnataka, Bengaluru	2013 to 2015	334
Income Tax Act, 1961	Income tax liability as per order passed U/s. 143(3) of the Income Tax Act, 1961	Commissioner of Income Tax (Appeals-I), Bengaluru	AY 2014-15	37
			AY 2013-14	283

Note: Amounts reflected as part of disputed liability pertains to the principal claim made by the respective Departments.

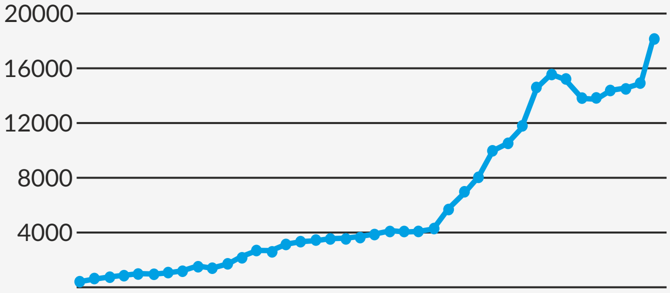
- The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, during the year the Company has not entered in to any non-cash-transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SRINIVAS & SUBBALAKSHMI
Chartered Accountants
Firm Registration No. 011350S

J H MADAN SRINIVAS
Partner (Membership No. 021643)

Bengaluru
May 18, 2019

FOUR DECADES OF AN INSPIRING JOURNEY



REVENUE GROWTH 1979-2019

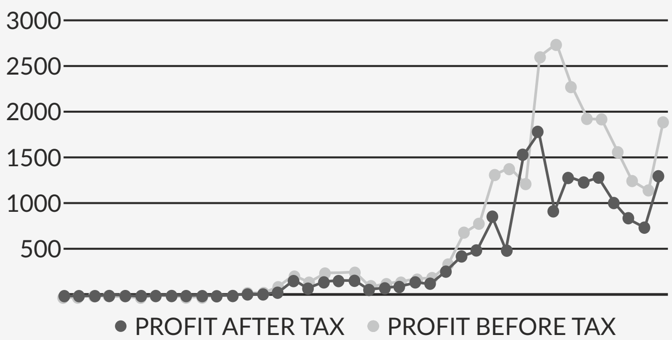
Rupees In Lakhs

Year ended	Revenue	PBT*	PAT*
31.12.1979	25	2	2
31.12.1980	324	15	5
31.12.1981	458	34	10
31.12.1982	546	32	10
31.12.1983	621	27	8
31.12.1984	628	10	2
31.12.1985	764	23	8
31.12.1986	892	23	7
31.03.1988	1212	10	7
31.03.1989	1076	13	5
31.03.1990	1398	26	16
31.03.1991	1817	35	9
31.03.1992	2413	63	23
31.03.1993	2372	63	31
31.03.1994	2890	125	51
31.03.1995	3161	251	184
31.03.1996	3240	177	95
31.03.1997	3287	286	166
31.03.1998	3315	274	182

*PBT: Profit before tax and PAT: Profit after tax
(from business operations)

Rupees In Lakhs

Year ended	Revenue	PBT*	PAT*
31.03.1999	3477	278	184
31.03.2000	3669	114	83
31.03.2001	3890	163	100
31.03.2002	3906	180	118
31.03.2003	3931	209	156
31.03.2004	4157	232	151
31.03.2005	5554	388	279
31.03.2006	7001	739	445
31.03.2007	8072	835	512
31.03.2008	10106	1381	882
31.03.2009	10702	1454	512
31.03.2010	12012	1274	1580
31.03.2011	15011	2703	1836
31.03.2012	16042	2836	953
31.03.2013	15660	2360	1334
31.03.2014	14211	2001	1277
31.03.2015	14155	2004	1334
31.03.2016	14707	1644	1037
31.03.2017	14888	1307	881
31.03.2018	15343	1211	767
31.03.2019	18689	1973	1348



FINANCIAL STATEMENTS (STANDALONE)

Rupees In Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 NON-CURRENT ASSETS			
Property, plant and equipment	2	1,674	1,865
Capital work-in-progress		115	55
Financial Assets			
(i) Investments	3	1,432	1,167
Deferred tax assets (net)	4	161	229
TOTAL		**3,382**	**3,316**
2 CURRENT ASSETS			
Inventories	5	2,129	2,180
Financial assets			
(i) Investments	6	1,332	992
(ii) Trade receivables	7	2,339	2,578
(iii) Cash and bank balances	8	269	365
(iv) Bank balances other than cash and cash equivalents	9	2,319	2,291
(v) Loans and advances	10	1,368	487
Other current assets	11	201	438
Current tax assets	12	618	550
TOTAL		**10,575**	**9,881**
TOTAL ASSETS		**13,957**	**13,197**
EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	13	350	350
Other equity	14	10,865	10,055
TOTAL		**11,215**	**10,405**
2 LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	15	361	373
TOTAL		**361**	**373**
CURRENT LIABILITIES			
Financial Liabilities			
(i) Trade payables	16	1,517	1,347
(ii) Other financial liabilities	17	274	281
Other current liabilities	18	100	327
Provisions	19	490	464
TOTAL		**2,381**	**2,419**
TOTAL EQUITY AND LIABILITIES		**13,957**	**13,197**
Significant accounting policies	1		
Notes to the financial statements	1-45		

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary

As per our report of even date attached

P GOPA KUMAR
Chief Financial Officer
Mumbai, May 17, 2019

For SRINIVAS & SUBBALAKSHMI
Chartered Accountants
Firm Registration No.011350S

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 18, 2019

Rupees In Lakhs

Particulars		Note No.	Year ended 31.03.2019	Year ended 31.03.2018
1	**INCOME**			
	Revenue from operations	20	18,443	15,084
	Other income	21	280	390
	TOTAL		**18,723**	**15,474**
2	**EXPENSES**			
	Cost of materials consumed	22	4,482	3,274
	Purchase of stock-in-trade	23	6,009	4,984
	Changes in inventories of work-in-progress, finished goods and stock-in-trade	24	(166)	364
	Employee benefit expenses	25	2,527	2,381
	Depreciation and amortisation expenses		276	302
	Other expenses	26	3,588	2,743
	TOTAL		**16,716**	**14,048**
3	**OPERATING PROFIT**		2,007	1,426
	Write-off of old stock inventories		-	(84)
4	**PROFIT BEFORE TAXES**		**2,007**	**1,342**
5	**TAX EXPENSES**	27		
	Current tax		575	400
	Deferred tax		50	44
	TOTAL		**625**	**444**
6	**NET PROFIT AFTER TAX (4-5)**		**1,382**	**898**
7	**OTHER COMPREHENSIVE INCOME**	28		
	Items that will not be re-classified to profit and loss			
	Net (loss)/gain on fair market valuation of assets		75	35
	Actuarial gains/(losses) on retirement benefits		2	34
	Less: Income tax effect on the above		(19)	(24)
	TOTAL		**58**	**45**
8	**TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (6+7)**		**1,440**	**943**
9	**EARNINGS PER EQUITY SHARE**	29		
	Basic and diluted (in Rs.)		7.9	5.1
	Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies		1		
Notes to the financial statements		1-45		

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary

As per our report of even date attached

P GOPA KUMAR
Chief Financial Officer
Mumbai, May 17, 2019

For SRINIVAS & SUBBALAKSHMI
Chartered Accountants
Firm Registration No.011350S

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 18, 2019

EQUITY SHARE CAPITAL AS AT MARCH 31, 2019

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
As at April 1, 2018	13	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2019		1,75,00,000	350

OTHER EQUITY AS AT MARCH 31, 2019

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2018	172	6,789	3,049	45	10,055
Transactions during the year	-	-	-	58	58
Net profit/(loss) for the year	-	-	1,382	-	1,382
Proposed dividend and related tax	-	-	(630)	-	(630)
Transfer to general reserve	-	200	(200)	-	-
CLOSING BALANCE AS AT MARCH 31, 2019	172	6,989	3,601	103	10,865

EQUITY SHARE CAPITAL AS AT MARCH 31, 2018

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
As at April 1, 2017	13	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2018		1,75,00,000	350

OTHER EQUITY AS AT MARCH 31, 2018

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2017	172	6,689	2,251	-	9,112
Transactions during the year	-	-	-	45	45
Net profit/(loss) for the year	-	-	898	-	898
Transfer to general reserve	-	100	(100)	-	-
CLOSING BALANCE AS AT MARCH 31, 2018	172	6,789	3,049	45	10,055

Note: *OCI-Other comprehensive income

CASH FLOW STATEMENT (STANDALONE)

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT AND LOSS	2,007	1,342
Add/(Less):Depreciation, amortisation and impairment	276	302
Inventory written off	-	84
Non-operating income including interest income	(280)	(390)
Other non-cash-items	2	(16)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	2,005	1,322
Adjustments for:		
Trade receivables	239	469
Inventories	51	292
Current investments	(322)	(393)
Loans	(881)	29
Other current assets	237	(87)
Current tax assets	(68)	(117)
Trade payables	170	(639)
Other financial liabilities	(7)	6
Other current liabilities	(227)	35
Current provisions	26	(72)
GROSS CASH FROM OPERATING ACTIVITIES	1,223	845
Taxes paid	(575)	(400)
NET CASH FROM OPERATING ACTIVITIES	648	445
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(85)	(152)
Advance towards capital work-in-progress	(60)	(55)
Purchase and sale of investments (net)	(236)	(140)
Interest, dividend and other non-operating-income	280	390
NET CASH FROM INVESTING ACTIVITIES	(101)	43
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	(13)	(155)
Dividend paid including tax	(630)	-
NET CASH FROM FINANCING ACTIVITIES	(643)	(155)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(96)	333
Opening balance of cash and cash equivalents	365	32
Closing balance of cash and cash equivalents	269	365
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	268	364
Cash on hand	1	1

Notes: (i) Figures in brackets represent cash outflow. (ii) The above Standalone Cash Flow Statement has been prepared under indirect method as set out in Ind-AS 7-Cash Flow Statement notified under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary

As per our report of even date attached

P GOPA KUMAR
Chief Financial Officer
Mumbai, May 17, 2019

For SRINIVAS & SUBBALAKSHMI
Chartered Accountants
Firm Registration No.011350S

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 18, 2019

NOTES TO THE FINANCIAL STATEMENTS (STANDALONE)

Note 1

COMPANY OVERVIEW

Ador Fontech Limited ('the Company') was incorporated in India on August 22, 1974 under the provisions of the Companies Act applicable in India 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] domiciled in India and is listed on the Bombay Stock Exchange (BSE). The registered and corporate office of the Company is located at Belview 7 Haudin Road Bengaluru 560 042.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(i) Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The financial statements were authorised for issue in accordance with the resolution of the Board of Directors on May 17, 2019. The Chairman, Managing Director, Chief Financial Officer and Company Secretary have been authorised to execute their signatures in confirmation of the statements.

(ii) Use of estimates and critical accounting judgements

The preparation of Financial Statements is in conformity with Ind-AS which requires the Management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as on the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent, reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialises.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in and from the period in which the estimate gets revised.

This note provides an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(iii) Basis of measurement

The Ind-AS financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments, which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind-AS.

FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as, derivatives, at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing their asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on the above basis, except for (i) share based payment transactions that are within the scope of Ind-AS 102 (ii) leasing transactions that are within the scope of Ind-AS 17 and (iii) measurements that have some similarities to fair value, such as net realisable value in Ind-AS 2 or value in use in Ind-AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities. For example: Listed equity instruments that have quoted market price.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. The fair value of financial instruments that are not traded in an active market (for example: working capital instruments, traded bonds, over the counter derivatives).

Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This is the case for unlisted equity securities, contingent consideration and indemnification asset.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(iv) Functional and presentation currency

These Ind-AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

SIGNIFICANT ACCOUNTING POLICIES

The Company has applied the following accounting policies to all periods presented in the Ind-AS Financial Statements.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of, discounts, volume rebates, outgoing GST (Goods and Service Tax) and other indirect taxes.

It may be pertinent to note that Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Revenues from sale of by-products are included in revenue.

Export benefits are accounted on recognition of export sales. Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.

(ii) Property, plant and equipment

TANGIBLE ASSETS

The Company has elected to continue with the carrying value of all of its property, plant and equipment as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost, pursuant to the exemption under Ind-AS 101 'First-time Adoption of Indian Accounting Standards'.

The Company provides depreciation on all assets reckoned on written down value basis over its useful life, which is in line with Schedule II of the Companies Act, 2013 except (i) Leasehold lands which are amortised over the period of lease and/or (ii) Where the Management opines for a specific useful life based on technical evaluation.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant & equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in other income/other expenses in the statement of profit and loss.

An item of property, plant & equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

CAPITAL WORK-IN- PROGRESS

Assets in the course of construction are capitalised in the capital work-in-progress account. At the point when an asset is capable of operating in the manner intended by the Management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Cost associated with commissioning of an asset is capitalised when the asset is available for use, but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to the capital work-in-progress.

DEPRECIATION

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and provisions, if any, for impairment. Depreciation commences when the assets are ready for its intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset on a written down value basis over its expected useful life determined by the Management based on Regulations and Technical estimates, which are as follows:

Description	No. of years	Description	No. of years
Plant and equipment	15 years	Lease hold land	Over the period of lease
Furniture and fixtures	10 years	Management estimates	Based on requirements
Office equipment	5 years	Individual items	Cost of asset up to Rs. 5,000 are fully depreciated in the year of acquisition.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(iii) Intangible assets

The Company has elected to continue with the carrying value of all of its Intangible assets as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost as at the transition date pursuant to the exemption provided under Ind-AS 101 ‘First-time Adoption of Indian Accounting Standards’.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates.

The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(v) Financial instruments

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Subsequent measurement of financial assets is described below:

DEBT INSTRUMENTS AT AMORTISED COST

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

DEBT INSTRUMENT AT FVTOCI
(Fair value through other comprehensive income)

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and
- The asset’s contractual cash flows represent SPPI (Solely payments of principal and interest).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

DEBT INSTRUMENT AT FVTPL
(Fair value through profit and loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

FINANCIAL ASSETS - DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company’s continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The Balance Sheet presentation for various financial instruments are described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of profit and loss.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

FINANCIAL LIABILITIES - RECOGNITION AND MEASUREMENT

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through the statement of profit and loss.

  Financial liabilities at fair value through the statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through the statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered in to by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

- Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through the statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within the equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through the statement of profit and loss.

LOANS AND BORROWINGS

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in the statement of profit and loss, when the liabilities are de-recognised as well as through the EIR amortisation process.

FINANCIAL LIABILITIES – DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another, from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(vi) Cash and cash equivalents

CASH AND BANK BALANCES

Cash and cash equivalent in the Balance Sheet comprise cash at banks in current accounts, cash on hand and cheques pending deposits (if any) and fixed deposits maturing within a short period of three months.

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Fixed deposits with banks with maturity period exceeding three months and unclaimed dividend balances (including pending transfers to the Investor Education and Protection Fund) are reflected under bank balances other than cash and cash equivalents.

(vii) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses of continuing operations including impairment on inventories are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's (Cash generating unit's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in the prior years. Such reversal is recognised in the statement of profit and loss.

(viii) Government Grants

Government grants are recognised, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(ix) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- Finished goods, work in progress and traded goods: cost includes cost of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

(x) Taxation

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where ever it may be appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and/or unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MINIMUM ALTERNATE TAX

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(xi) Employee benefit schemes

SHORT TERM EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries, wages, allowances/perquisites, performance incentives, contribution to employees' state insurance corporation (ESIC) which are expected to occur in the next twelve months. The undiscounted amount of short term employee benefits to be paid in exchange for employee compensation is recognised as an expense in relation to the service rendered by the employees.

COMPENSATED ABSENCES

The Company contemplates employees to avail their eligible leave/holidays as an employee welfare measure and hence as a policy, restriction has been placed on the quantum of the number of days that can be accumulated, as also amount payable in lieu of the same. Provision for compensated absences are based on actuarial valuation and the charge is categorised under staff welfare expenses.

POST-EMPLOYMENT BENEFITS

Defined contribution plans- Provident fund and Superannuation Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund along with employee's contribution to the Government administered provident fund. Further, in respect of Managerial Staff Members (who are outside the ambit of Bonus), the Company contributes a fixed percentage to a Superannuation fund/trust called 'Cosmics Employees Superannuation Fund'. The Company's contribution is recognised as an expense in the statement of profit or loss during the period in which the employee renders service.

Defined benefit plan -Gratuity

The Company has a defined benefit plan (the 'Gratuity Plan'). The Gratuity plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Presently the Company's gratuity plan is funded through a trust called 'Cosmics Employees Gratuity Trust'.

The Company causes an actuarial valuation of amounts to be recognised towards gratuity payable to its employees. Broadly, the present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to the market yields at the end of the reporting period on government securities that have terms approximate to the terms of the related obligation. This cost is included as a part of the employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and not to be reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as a past service cost.

(xii) Provision for liabilities, charges, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind-AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognised, when the Company has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax-discount rate, that reflects current market assessments of the time value of money and where ever appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which the Management has concluded, based on all available facts and circumstances, that are not probable of payment or are very difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes, but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefits is probable.

(xiii) Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange difference on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

(xiv) Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(xv) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the 'Chief operating-decision-maker (CODM)', who is responsible for allocating resources and assessing performance of the operating segments.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment-revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

'Unallocated Corporate Income/Expenses' include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

(xvi) Leases

Leases are recognised as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a Lessee

Assets used under finance lease are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

Rentals payable under operating leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

The Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating lease. Payments received under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease.

Note 2 PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2019
	As at 01.04.2018	Additions	Deductions /Adj.	As at 31.03.2019	As at 01.04.2018	For the year	Deductions /Adj.	As at 31.03.2019	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land - Leasehold	2	-	-	2	-	-	-	-	2
Factory buildings	1,081	-	-	1,081	539	52	-	591	490
Office premises	581	-	6	575	150	21	4	167	408
Office premises- Land component	9	-	-	9	-	-	-	-	9
Plant and machinery	1,245	31	-	1,276	722	98	-	820	456
Electrical installation	88	4	-	92	66	6	-	72	20
Computers	52	25	1	76	35	19	1	53	23
Office equipment	38	6	-	44	26	7	-	33	11
Furniture and fixtures	83	1	-	84	56	7	-	63	21
Vehicles	479	41	40	480	275	66	19	322	158
TOTAL	3,734	108	47	3,795	1,869	276	24	2,121	1,674

Note: An amount of Rs. 115 lakhs is held under capital work-in-progress towards implementation of ERM (Enterprise Resource Management). The same will be appropriated on completion of the project.

PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions /Adj.	As at 31.03.2018	As at 01.04.2017	For the year	Deductions /Adj.	As at 31.03.2018	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land - Leasehold	2	-	-	2	-	-	-	-	2
Factory buildings	1,081	-	-	1,081	482	57	-	539	542
Office premises	610	-	20	590	140	23	13	150	440
Plant and machinery	1,382	76	213	1,245	821	108	207	722	523
Electrical installation	98	-	3	95	66	8	3	71	24
Computers	181	6	135	52	145	18	129	34	18
Office equipment	97	6	65	38	80	8	62	26	12
Furniture and fixtures	131	8	63	76	103	8	60	51	25
Vehicles	504	73	98	479	291	72	87	276	203
TOTAL	4,162	169	597	3,734	2,128	302	561	1,869	1,865

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions /Adj.	As at 31.03.2018	As at 01.04.2017	For the year	Deductions /Adj.	As at 31.03.2018	
Software	4	-	4	-	4	-	4	-	-
Product development	66	-	66	-	66	-	66	-	-
TOTAL	70	-	70	-	70	-	70	-	-

Note: An amount of Rs. 55 lakhs was held under capital work-in-progress towards implementation of ERM (Enterprise Resource Management) as at March 31, 2018.

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)				
3D Future Technologies Private Limited	85,00,000	850	65,00,000	650
SUB-TOTAL	-	850	-	650
IRFC Capital Gains Bond	500	50	500	50
SUB-TOTAL	-	50	-	50
TOTAL	-	900	-	700
INVESTMENT IN MUTUAL FUNDS (QUOTED)				
HDFC- FMP 1218D-December 2016*	10,00,000	117	10,00,000	110
HDFC - FMP 1177D-March 2018*	10,00,000	107	10,00,000	100
Aditya Birla Sun Life-Fixed Term Plan	5,00,000	54	5,00,000	50
Kotak Bond Fund*	1,47,750	75	1,47,750	70
SBI Dynamic Bond Fund*	3,40,120	78	3,40,120	72
Reliance Fixed Horizon Fund	-	-	5,00,000	65
SBI Magnum Low Duration Fund	4,161	101	-	-
SUB-TOTAL	-	532	-	467
TOTAL	-	1,432	-	1,167
Market value of quoted investments	-	532	-	467
Aggregate amount of unquoted investments	-	900	-	700

Notes:

- All mutual fund investments are in growth-oriented schemes.
- 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, term loan or overdraft facility) to 3D Future Technologies Private Limited (3DFT- Wholly owned subsidiary of Ador Fontech Limited).
- Lien marking on investments made in respect of Kotak Bond Fund and SBI Dynamic Bond Fund have been withdrawn in April 2019.
- Lien/charge on investments has been registered with the Ministry of Corporate Affairs/Registrar of Companies vide document number 100038046 dated October 29, 2015.
- Against the lien marked investments {both non-current and current (Kindly also refer note 6)}, the outstanding overdraft facility availed by 3DFT amounted to rupees three crore, one lakh, twenty seven thousand, eight hundred and thirty eight only as at March 31, 2019 (Previous year: rupees one crore, eighty eight lakhs, eighty four thousand and twenty five only).

Note 4 DEFERRED TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	(81)	(100)
Fair market value of increase in investments of mutual funds and actuarial gains	(19)	(24)
SUB-TOTAL	(100)	(124)
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	131	196
Provision for warranties	75	93
Diminution in the value of shares of the joint venture	26	26
Provision for doubtful debts	22	1
Provision for asset retirement obligation	37	37
Others	(30)	-
SUB-TOTAL	261	353
TOTAL	161	229

Note 5 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Raw materials	669	970
Less: FVTPL adjustments	-	84
Fair value of raw materials (A)	669	886
Work-in-progress (B)	161	118
Traded goods (C)	1,076	934
Finished goods (D)	223	242
TOTAL (A+B+C+D)	2,129	2,180

Note: FVTPL: Fair value through profit and loss account.

Note 6 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED)				
HDFC-FMP 1208D-March 2018*	13,73,803	146	13,73,803	138
HDFC Arbitrage Fund	-	-	1,92,515	25
HDFC Liquid Growth Fund	5,492	202	-	-
ICICI Liquid Growth Fund	-	-	16,176	42
ICICI Prudential Regular Savings Fund	5,65,032	112	5,65,032	105
ICICI Prudential Short Term Fund	-	-	3,66,171	138
ICICI Prudential Liquid Fund	72,956	202	-	-
ICICI Prudential Equity Arbitrage Fund	-	-	15,66,645	368
Franklin India Corporate Bond Opportunities Fund	2,77,125	54	2,77,125	50
Franklin India Low Duration Fund	3,82,769	101	2,56,560	51
LIC Savings Plus Fund	2,88,519	86	2,73,116	75
LIC Arbitrage Fund	9,97,317	101	-	-
LIC Banking and PSU Debt Fund	2,08,669	51	-	-
Aditya Birla Sun Life Corporate Bond*	7,72,815	106	-	-
Aditya Birla Sun Life Savings Fund	27,245	101	-	-
Reliance Fixed Horizon Fund	6,55,525	70	-	-
TOTAL	-	1,332	-	992
Aggregate market value of quoted investments	-	1,332	-	992

Note: Kindly also refer note no. 3 on Investments.

Note 7 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
SECURED		
Secured, considered good	-	-
UNSECURED		
Unsecured, considered good	2,339	2,578
Unsecured, considered doubtful	89	3
Less : Provision for doubtful debts	(89)	(3)
Unsecured and considered bad	18	91
Less: Bad debts written off	(18)	(91)
TOTAL	2,339	2,578

Note 8 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with banks in current accounts	268	364
Cash on hand	1	1
TOTAL	269	365

Note 9 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Fixed deposit with banks	2,206	2,178
Balance with banks in unclaimed dividend accounts	113	113
TOTAL	2,319	2,291

Notes:

- Bank balances other than cash and cash equivalents as at of March 31, 2019 and March 31, 2018 include restricted bank balances of rupees four hundred & thirty eight lakhs and rupees three hundred & sixty one lakhs, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends.
- Deposits maintained by the Company with banks comprise time/fixed deposits.

Note 10 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
UNSECURED, CONSIDERED GOOD		
SECURITY DEPOSITS		
Deposits-Government departments	1,032	242
Deposits-Premises	50	10
Deposits-Security	28	23
Deposits-Performance guarantees	25	26
Deposits-Earnest money deposits	228	178
OTHER ADVANCES		
Loans and advances to employees	5	8
TOTAL	1,368	487

Notes: Amount held in Government deposits includes amount paid to Karnataka Industrial Area Developmental Board (KIADB) for allotment of land at Avverahalli, Dabaspet Industrial Area, Nelamangala Taluk, Bengaluru. The value on allotment/purchase shall accordingly be appropriated towards fixed assets, in the forthcoming year.

Note 11 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
ADVANCES OTHER THAN CAPITAL ADVANCES		
Advance to suppliers	36	8
Prepaid expenses	81	81
Taxes, duties and input credit refund dues	84	349
TOTAL	201	438

Note 12 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance income tax (net of provision for tax)	618	550
TOTAL	618	550

Note 13 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
AUTHORISED		
2,50,00,000 equity shares of Rs. 2 each	500	500
TOTAL	500	500
ISSUED, SUBSCRIBED AND PAID-UP		
1,75,00,000 equity shares of Rs. 2 each	350	350
TOTAL	350	350

(i) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

Rupees In Lakhs

Particulars	FY 2018-19		FY 2017-18	
	(In Nos.)	Amount	(In Nos.)	Amount
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

(ii) Rights, preferences and restrictions

The Company has only one class of shares, referred to as equity shares having a par value of Rs.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.

(iii) Details of equity shares in the Company held by each shareholder holding more than 5% shares:

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares held	Percent of holding	Number of shares held	Percent of holding
J B Advani and Company Private Limited (JBA)	46,06,598	26.32%	46,06,588	26.32%

Notes:

- In view of J B Advani and Company Private Limited's shareholding being 26.32%, it will be treated as an Associate by Ador Fontech Limited in terms of the Companies Act, 2013 and amendments thereof.
- In view of Ind-AS Regulations, we have been informed that JBA will aggregate the accounts of Ador Fontech Limited as a subsidiary for the purpose of its Consolidated Financial Statements (CFS).

(iv) As on the date of the Balance Sheet:

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

(v) 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.

Note 14 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Securities premium	172	172
General reserve	6,989	6,789
Retained earnings	3,601	3,049
Other comprehensive income	103	45
TOTAL	10,865	10,055

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	172	172
Transactions during the year	-	-
CLOSING BALANCE	172	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	6,789	6,689
Transferred from surplus in the Statement of Profit and Loss	200	100
CLOSING BALANCE	6,989	6,789

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	3,049	2,251
Net profit/loss for the year	1,382	898
Equity dividend including distribution tax	(630)	-
Transfer to general reserve	(200)	(100)
CLOSING BALANCE	3,601	3,049

OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	45	-
Transactions during the year	58	45
CLOSING BALANCE	103	45

Note 15 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for compensated absences	361	373
TOTAL	361	373

Note 16 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	1,517	1,347
TOTAL	1,517	1,347

Note: Trade payables include creditors for capital goods, raw materials, consumables, traded goods and other materials as well as expenses, be it in the nature of capital or revenue.

Note 17 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Deposit from Dealers and Employees	161	168
Unclaimed dividends	113	113
TOTAL	274	281

Note 18 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance from customers	-	29
Statutory liabilities	100	298
TOTAL	100	327

Note 19 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
PROVISION FOR EMPLOYEE BENEFITS		
Provision for compensated absences	163	126
Due to gratuity trust	26	68
OTHERS	-	-
Warranties	301	270
TOTAL	490	464

Note 20 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
SALE OF PRODUCTS		
Manufactured goods (net of taxes)	7,814	6,750
Scrap sales	33	12
Traded goods	8,404	6,738
SALE OF SERVICES		
Job work income	2,166	1,564
Export services	26	20
TOTAL	18,443	15,084

Note 21 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest income	186	181
Dividend	-	1
Other non-operating-income	52	67
Profit on sale of assets	34	131
Profit on sale of investments	8	10
TOTAL	280	390

DETAILS OF INTEREST AND DIVIDEND INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
INTEREST INCOME		
Interest on bank deposits	141	147
Others	45	34
SUB-TOTAL	186	181
DIVIDEND INCOME		
Dividend from mutual funds	-	1
SUB-TOTAL	-	1

Note 22 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening stock	886	814
Add: Purchases	4,265	3,430
Less: Closing stock	(669)	(970)
TOTAL	4,482	3,274

Note 23 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Welding consumables, equipment and spares	6,009	4,984
TOTAL	6,009	4,984

Note 24 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

Rupees In Lakhs

Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
AT THE BEGINNING OF THE YEAR		
Work-in-progress	118	60
Finished goods	242	208
Stock-in-trade	934	1,390
SUB-TOTAL (A)	1,294	1,658
AT THE END OF THE YEAR		
Work-in-progress	161	118
Finished goods	223	242
Stock-in-trade	1,076	934
SUB-TOTAL (B)	1,460	1,294
TOTAL (A-B)	(166)	364

NOTE 25 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	**Year ended 31.03.2019**	**Year ended 31.03.2018**
Salaries, allowances and other benefits	2,127	1,959
Contribution to provident and other funds	247	285
Staff welfare	153	137
TOTAL	2,527	2,381

Note 26 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Rent, rates, insurance and taxes	185	148
Consumables and stores	149	152
Power, fuel and utilities	145	127
Subcontracting of job works	1,189	819
Stationery, printing and communication	99	79
Repairs to building	50	41
Repairs to machinery	38	19
Office maintenance	122	83
Professional fees	106	94
Travelling and conveyance	573	515
Freight and forwarding	302	279
Sales commission and promotional expenses	399	246
Provision for warranties	54	60
Payment to auditors	8	7
Bank and other charges	22	10
Corporate social responsibility	31	10
General expenses	9	19
Bad debts written off	107	33
Earnest money deposit written off	-	2
Provision for doubtful debts	-	-
TOTAL	3,588	2,743

AUDITORS' REMUNERATION

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
AUDIT FEES		
Statutory audit	5	4
Tax audit	2	2
IN ANY OTHER CAPACITY		
Certifications	1	1
TOTAL	8	7

Note 27 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current tax	575	400
Deferred tax	50	44
TOTAL	625	444

TAX RECONCILIATION

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax	2,007	1,343
Tax on business income	583	465
Tax on capital gains	9	2
Tax effect of amounts which are not deductible	-	-
(a) TDS not deducted	-	5
(b) Provision for retirement benefits	(23)	(76)
(c) Provision for bad debts	22	(7)
(d) Provision for warranties	8	(1)
(e) Others	(24)	12
Income tax expenses	575	400

NOTE 28 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Increase in the value of investments	75	35
Actuarial gains/(losses) on defined benefit obligation	2	34
Tax impact on the same	(19)	(24)
TOTAL	58	45

Note 29 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net Profit/(loss) after tax for the year	1,382	898
Weighted average number of equity shares outstanding	175	175
Basic and diluted earnings per share (Rs.)	7.9	5.1
Face value per share (Rs.)	2.0	2.0

Note: The Company does not have any outstanding dilutive potential equity shares as at March 31, 2019. Consequently, basic and diluted earnings per share of the Company remain the same.

Note 30 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 31 LEASE ARRANGEMENTS - OPERATING LEASE

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 Rs. 86,72,787/- (Previous year Rs. 74,44,934/-) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Lease payments for the year	86	74
Minimum lease payments	As at 31.03.2019	As at 31.03.2018
Not later than one year	93	75
Later than one year but not later than five years	-	-
Later than five years	-	-

Note 32 EMPLOYEE BENEFITS

As per Ind-AS 19 'Employee Benefits', the disclosure of employee benefits as defined in the Standard are given below:

(i) Brief description of the plans

The Company has various retiral benefit schemes for employees, broadly categorised in to (i) Defined contribution plans: Provident fund and Superannuation (ii) Defined benefit plan: Gratuity. While provident fund gets paid to the respective departments/authorities month on month; gratuity and superannuation are managed through trusts called 'Cosmics Employees Gratuity Fund' and 'Cosmics Employees Superannuation Fund'. The liability of the Company towards Gratuity and Superannuation funds are defrayed year on year based on actuarial valuation.

Employee welfare benefit: The Company provides for leave encashment facility subject to a maximum carry forward of leave to the extent of sixty days, of which an employee may encash thirty days in a calendar year (ceiling), while in service except for medical exigencies. Amount towards balance of unavailed leave reckoned on basic plus dearness allowance on the basis of last pay drawn, gets paid to the employee on cessation. From the financial year 2018-19 the Company has started to fund the scheme inclusive of the frozen leave {Balance as at December 31, 2018 less transfer to carry forward account (subject to a maximum of sixty days)} through the aegis of the Life Insurance Corporation of India.

(ii) Details of contribution made to provident and other funds

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Employer's contribution to provident fund	118	115
Employer's contribution to superannuation fund	95	93
Employer's contribution to gratuity fund	31	74
Employer's contribution to Employees State Insurance Corporation	3	3
TOTAL	247	285

Note: Value of gratuity charged to the statement of profit and loss was higher in the year 2017-18 in consonance with increase in the ceiling limit of gratuity under the Payment of Gratuity Act, 1972.

(iii) Details of actuarial valuation of Gratuity

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Actuarial assumptions		
Discount rate (per annum)	7.5%	8.1%
Salary escalation rate	6.0%	6.0%
Computation of Gratuity		
15/26 reckoned for actual no. of years of service subject to ceiling as per Income Tax Act.		
Attrition rate		
21-44 years	3.0%	2.0%
45-57 years	2.0%	1.0%
Normal retirement age	58 years	58 years
Major categories of plan assets		
Government of India securities	4%	5%
State Government securities	63%	63%
High quality corporate bonds	25%	17%
Equity shares of listed companies	4%	2%
Special deposit scheme	3%	4%
Other investments	1%	9%
Total	100%	100%
Movement in benefit obligations		
Present value of obligation at the beginning of the year	407	346
Interest cost	30	26
Service cost	25	18
Past service cost	-	80
Actuarial (gain) /loss	26	(33)
Benefits paid	(25)	(30)
Present value of obligation at the end of the year	463	407
Movement in plan assets		
Fair value of plan assets at the beginning of the year	315	320
Expected return on plan assets	27	25
Employer's contribution	15	-
Actuarial (gain)/loss	(4)	-
Benefits paid	(26)	(30)
Fair value of plan assets at the end of the year	327	315
Assets and liabilities recognised in the Balance Sheet		
Present value of defined benefit obligation at the end of the year	463	407
Less: Fair value of plan assets at the end of the year	(327)	(315)
Net liability recognised	136	92
Expenses recognised in the statement of profit and loss		
Current service cost	25	18
Past service cost	-	80
Interest cost	3	2
Net gratuity cost to be recognised as per actuarial valuation	28	100
Gratuity recognised in the Statement of profit & loss subject to carry forward adjustments	31	74
Amount payable to the Gratuity fund as at end of the year	26	68
Expenses recognised in the statement of other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(33)	-
Re-measurements during the period	35	34
Closing amount recognised in OCI outside profit and loss account	2	34

SENSITIVITY ANALYSIS

Significant actuarial assumptions for the determination of defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

Particulars	Discount rate		Salary escalation rate	
	Decrease	Increase	Decrease	Increase
Impact of increase/decrease in 100 bps on defined benefit obligation (DBO)				
As at 31.03.2019	(5.3%)	5.9%	5.5%	(5.1%)
As at 31.03.2018	(6.5%)	7.4%	7.5%	(6.7%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another, as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

RISK ANALYSIS

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and the Management's estimation of the impact of these risks are as follows:

The amount of defined benefit obligation, plan assets, deficit thereof and the experience adjustments on plan assets and plan liabilities for the current and previous years are as follows:

SALARY GROWTH RISKS

The present value of the defined benefit plan liability is calculated with reference to the future salaries of the participants in the scheme. Salary increase is considered at 6%. As such, an increase in the salary of the plan participants will increase the plan's liability.

LIFE EXPECTANCY/LONGEVITY RISKS

The present value of the defined benefit plan liability is calculated with reference to the best estimates of the mortality of plan participants, both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2012-2014) is used for during the employment and post retirement respectively. An increase in the life expectancy of the plan participants will increase the plan's liability. Since the benefits are lump sum in nature, the plan is not subject to longevity risks.

INTEREST RATE RISKS

A decrease in the bond interest rate will increase the plan liability.

(iv) Details of actuarial valuation of compensated absences

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Long term	361	373
Short term	163	126
TOTAL	524	499

FROZEN LEAVE

Rupees In Lakhs

Particulars	As at 31.03.2019
Current liability	129
Non-current liability	256
Net liability	385

PRIVILEGE LEAVE

Rupees In Lakhs

Particulars	As at 31.03.2019
Current liability	34
Non-current liability	105
Net liability	139

EXPENSES CHARGED TO THE PROFIT AND LOSS ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2019
Closing net defined benefit liability as at March 31, 2019	524
Less: Opening defined benefit liability as at March 31, 2018	(499)
Add: Benefit paid during the period April 1, 2018 to March 31, 2019	64
Expenses charged to the Statement of Profit and Loss	89

RATES USED IN THE CALCULATION OF ACTUARIAL VALUATION OF COMPENSATED ABSENCES

Particulars	As at 31.03.2019
Discount rate	7.5%
Salary escalation rate	6.0%
Attrition rate	
21-44	3%
45-57	2%

Note 33 CONTINGENT LIABILITIES & COMMITMENTS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Guarantees (Bank and Corporate)	576	411
Disputed excise duty demand under appeal	71	71
Disputed service tax demands under appeal	32	421
Disputed income tax demands under appeal	320	320
Disputed VAT under appeal	355	51
Investments lien marked for facilitating working capital loan to 3DFT*	637	300
*Market value of lien marked investments	629	356

Note: Amount reflected as part of disputed liability pertains to the principal claim by the respective Departments.

Note 34 SEGMENT REPORTING

As per para 12 of Ind-AS 108, two or more operating segments may be aggregated in to a single operating system, if aggregation is consistent with the core principle of Ind-AS, with the segments having similar economic characteristics and are similar in each of the following respects:

- The nature of products and services
- The nature of production process
- The type or class of customers for the products and services
- The methods used to distribute products or provide services
- The nature of their regulatory environment, as applicable

Based on the same, the Company views its business operations in a holistic manner and not as segments. Hence segment reporting being not applicable has not been presented. Further, it would suffice to state that in terms of geographical operations, the Company's operations are concentrated in India with only a minor portion of revenue coming in as part of commission on export services.

Note 35 RELATED PARTY DISCLOSURE

As per Ind-AS 24 'Related party Disclosures', transactions with related parties as defined in the Accounting Standard are given below:

(i) Names of related parties and description of relationship with the Company

Particulars	Related parties
Associate companies	J B Advani and Company Private Limited
	Ador Welding Limited
	Ador Welding Academy Private Limited
	Ador Powertron Limited
	Ador Multiproducts Limited
	Ador Green Energy Private Limited
Related personnel: (by virtue of shareholding in associate companies)	Mr. Deep A Lalvani
Joint venture reduced to an investment proposition	Dualrank Fontech (M) Sdn. Bhd. (Decision to exit vide Board meeting dated January 30, 2017. Process is on to close the entity as per Malaysian Laws)
Wholly owned subsidiary	3D Future Technologies Private Limited
Key management personnel	Mr. A T Malkani-Chairman
	Mr. H P Ledwani-Managing Director
	Ms. Geetha D-Company Secretary
Relatives of key management personnel	Mrs. Sunila H Ledwani

(ii) Transactions with related parties during the year

Rupees In Lakhs

Relationship/name of the related party	Description of the nature of transactions	Value of the transactions	
		Year ended 31.03.2019	Year ended 31.03.2018
(i) Associate companies			
J B Advani & Co. Private Limited	Purchase of traded goods	3	4
	Availment of services	8	3
	Reimbursement of professional fees-Group Ind-AS	2	-
Ador Welding Limited	Purchase of traded goods	60	39
	Purchase of manufactured goods	102	68
	Purchase of fixed assets	14	-
	Sale of manufactured goods	6	-
	Sale of traded goods	34	-
	Rent paid	2	3
Ador Welding Academy Private Limited	Sale of traded goods	-	2
Ador Powertron Limited	Sale of manufactured goods	-	50
	Inter corporate deposit	500	300
	Interest on Inter corporate deposit	45	32
(ii) Key Managerial Personnel (KMPs)	Aggregate of salaries as per Income Tax Act	255	254
(iii) Related Personnel	Remuneration	107	101
(iv) Relatives of KMPs	Rent	26	24

(iii) Balances of related parties

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Ador Welding Limited – Advance payment for supply of materials	-	5

(iv) Maximum balance during the year (reckoned as at end of each month)

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Dr.	Cr.	Dr.	Cr.
Ador Welding Academy Private Limited (Dr.)	-	-	5	-

Notes:

- Remuneration has been reckoned as per the provisions of the Income tax.
- Provision for gratuity and leave encashment are determined for the Company as a whole and with liability not crystalising on the individuals, it is not possible to identify the amounts of KMPs separately.

(v) Transactions with wholly owned subsidiary

Rupees In Lakhs

Particulars	Value of the transactions	
	As at 31.03.2019	As at 31.03.2018
Contribution to equity share capital by Ador Fontech Limited	200	250
Security/lien mark provided by Ador Fontech Limited	637	300
Market value of lien marked investments	629	356
Deposit made by 3DFT	-	1
Lease rentals paid by 3DFT	6	5

Note 36 **FINANCIAL INSTRUMENTS**

(i) Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2019				As at 31.03.2018			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	850	532	50	1,432	650	467	50	1,167
FINANCIAL ASSETS-CURRENT								
Investments	-	1,332	-	1,332	-	992	-	992
Trade receivables	-	-	2,339	2,339	-	-	2,578	2,578
Cash and cash equivalents	-	-	269	269	-	-	365	365
Bank balances other than cash & cash equivalents	-	-	2,319	2,319	-	-	2,291	2,291
Loans and advances	-	-	1,368	1,368	-	-	487	487
TOTAL	850	1,864	6,345	9,059	650	1,459	5,771	7,880
FINANCIAL LIABILITIES-CURRENT								
Trade payables	-	-	1,517	1,517	-	-	1,347	1,347
Other financial liabilities	-	-	274	274	-	-	281	281
TOTAL	-	-	1,791	1,791	-	-	1,628	1,628

(ii) Hierarchy of financial assets and liabilities measured at fair value:

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS-NON-CURRENT				
Investments	532	850	467	650
FINANCIAL ASSETS-CURRENT				
Investments	1,332	-	992	-

(iii)Fair value of financial assets & liabilities measured at amortised cost:

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2019		As at 31.03.2018	
		Fair value	Carrying amount	Fair value	Carrying amount
Non-current-investment	Level 2	50	50	50	50
Current assets and current liabilities	Level 2	The carrying amounts of trade receivables, cash and bank balances, current loans and advances, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.			

Note: During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Note 37 FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include current loans, trade and other receivables, cash and cash equivalents that derive directly from its operations. The Company also holds, FVTPL/FVOCI investments in mutual funds.

The Company is exposed to risk from its new venture besides credit risk, market risk and liquidity risk. The Company's Senior Management oversees the management of these risks and devices ways to mitigate the same.

(i) New business venture

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that the chances of break-even-point may happen in the foreseeable future (span of three to five years) considering the new product line and expansion of business segments in different locations/states. As such, the Company is carrying the equity investment at fair value which is equivalent to the cost of investment.

(ii) Credit risk

The Company is exposed to credit risk from its operating activities (primarily in respect of trade receivables) and from its financing activities (deposits with banks and other financial instruments).

CREDIT RISK MANAGEMENT

To manage credit risk, the Company follows a policy of providing 30-180 days credit to its domestic customers based on the nature of the customers. The credit limit policy is established considering the current economic trends of the industry in which the Company is operating.

However, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provisions are created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed with Governmental agencies/public sector undertakings/well known private business entities.

AGE OF RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Upto 30 days	1,170	953
30-60 days	585	485
60-90 days	398	187
More than 90 days	186	953
TOTAL	2,339	2,578

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities – trade payables and other financial liabilities.

LIQUIDITY RISK MANAGEMENT

The Company's Management is responsible for liquidity and funding as well as settlement. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of reporting period: Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Fund & non-fund based facilities available with the HDFC Bank (Renewable year on year)	400	400
Amount utilised towards bank guarantees and letters of credit	391	300
Balance available at the end of the reporting period	9	100

Maturities of non-derivative financial liabilities

(i) As at March 31, 2019 Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	TOTAL
FINANCIAL LIABILITIES – CURRENT			
Trade payables	1,517	-	1,517
Other financial liabilities	206	68	274
TOTAL	1,723	68	1,791

(ii) As at March 31, 2018 Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	TOTAL
FINANCIAL LIABILITIES - CURRENT			
Trade payables	1,347	-	1,347
Other financial liabilities	211	70	281
TOTAL	1,558	70	1,628

(iv) Commodity risks

The Company procures raw materials like nickel, steel etc. for manufacturing and hence exposed to commodity risks. In an effort to mitigate the risks, the Company has multiple source of suppliers both in India and from abroad.

(v) Market risk

FOREIGN CURRENCY RISK

The Company is exposed to foreign exchange risk on its receivables, payables which are held in USD and EURO. The fluctuation in the exchange rate of INR relative to USD and EURO may have a material impact on the Company's assets and liabilities.

FOREIGN CURRENCY RISK MANAGEMENT

In respect of the foreign currency transactions, the Company does not hedge the exposures since the Management believes that the same is insignificant in nature and also that it will offset to some extent, the corresponding receivables and payables.

The Company's exposure to foreign currency risk at the end of reporting period is as under:

Amount In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	USD	EURO	USD	EURO
FINANCIAL LIABILITIES				
Trade payables	400	102	291	30
Net exposure to foreign currency risk	400	102	291	30

SENSITIVITY TO FOREIGN CURRENCY RISK

The following table demonstrates the sensitivity to USD and EURO with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities as at the date of the Balance Sheet.

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
CURRENCIES				
USD	(20)	20	(15)	15
EURO	(5)	5	(2)	2

(vi) Price Risk

The Company is exposed to price risk from its investment in mutual funds classified in the Balance Sheet at fair value through profit and loss.

To manage its price risk, the Company has invested in mutual funds after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual funds which indicate that the debt has been given to credit worthy banks and other institutional parties and equity investment is made after considering the performance of the stock. However, the entity being risk averse has opted to invest its substantial funds in debt oriented mutual funds.

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
SENSITIVITY		
Impact on profit after tax for 5% increase in NAV	93	73
Impact on profit after tax for 5% decrease in NAV	(93)	(73)

Note 38 CAPITAL MANAGEMENT

(i) The Company’s objectives in managing capital includes:

- To safeguard its ability to continue as a going concern, so that it can continue to provide returns to its Shareholders and also benefit other Stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

Apart from trade payables and other current liabilities, there is no debt on the Company. Therefore, the Company manages its capital and return to Shareholders by adequately investing in mutual funds and adjusting the amount of dividend paid to the Shareholders.

(ii) Dividends

Rupees In Lakhs

Particulars	Appropriation subject to approval of the Shareholders	Appropriated in the accounts during the financial year 2018-19
EQUITY DIVIDEND		
Final dividend for the year ended March 31, 2018 of Rs. 3/- per fully paid share (Rounded off/Adj. in the Standalone Financial Statements).		630 (including dividend tax of Rs.106 lakhs)
DIVIDENDS NOT RECOGNISED AT THE END OF THE REPORTING PERIOD		
The Directors have recommended a final dividend of Rs. 3.50/- per equity share for the year ended March 31, 2019. This proposed dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting (AGM). On approval necessary entries will be passed in the books of accounts. To the extent of appropriation of dividend and dividend tax for 2018-19, the other equity may not be fully comparable.	739 (including dividend tax Rs. 126 lakhs)	

Note 39 GENERAL RESERVE

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board has elected to transfer an amount of rupees two crores to the General reserve for the financial year 2018-19 (previous year being rupees one crore only).

Note 40 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Subsidiary/ Associate/ Joint venture	Name of the Subsidiary/ Associate/Joint venture	Principal place of business and country of incorporation	Proportion of ownership/investment interest as at 31.03.2019	Proportion of ownership/investment interest as at 31.03.2018	Method of accounting	Remarks
Associate	Dualrank Fontech (M) Sdn. Bhd.	India	48%	48%	Fair value	Amount written off in full
Subsidiary	3D Future Technologies Private Limited	India	100%	100%	Fair value	-

Note 41 INFORMATION ON JOINT VENTURE AND WHOLLY OWNED SUBSIDIARY

Investment in Dualrank Fontech (M) Sdn.Bhd.: In view of significant business performance and consistent year on year losses, the Board on the basis of commercial viability has decided to exit from Dualrank Fontech (M) Sdn.Bhd. vide meeting of the Board of Directors dated January 30, 2017. Further, the nominee Directors representing the Company also exited from the Board. Consequently, Ador Fontech Limited does not have any representation in the management of the said company. With only an investment proposition in terms of accounting standard, aggregation of accounts of Dualrank Fontech (M) Sdn.Bhd. has not been facilitated. Further, as at December 31, 2018; the Balance Sheet of M/s. Dualrank Fontech reflects only the share capital of the company with no other assets or liabilities. The Company has requested the venture partner to support in the closure of M/s. Dualrank Fontech (M) Sdn. Bhd. as per Malaysian Laws.

(i) Details of financials of Dualrank Fontech (M) Sdn.Bhd. as per the Malaysian audited accounts are as under

BALANCE SHEET

Amount In Lakhs

Particulars	As at 31.12.2018		As at 31.12.2017	
	MYR	INR	MYR	INR
Assets	-	-	5	84
External liabilities*	-	-	(25)	(421)
Net assets	-	-	-	-
Share capital	10	170	(10)	(169)
Accumulated losses	-	-	(30)	(506)
Conversion rate	-	16.99	-	16.85

STATEMENT OF PROFIT AND LOSS

Amount In Lakhs

Particulars	For the year ended 31.12.2018		For the year ended 31.12.2017	
	MYR	INR	MYR	INR
Revenue	25	428	16	248
Cost of sales	-	-	(17)	(263)
Expenses	(5)	(86)	(4)	(62)
Profit/Losses	20	342	(5)	(77)
Average exchange conversion rate	-	17.14	-	15.48

Notes:

- *External liabilities are liabilities payable to other than the venture companies.
- MYR-Malaysian Ringgits
- INR-Indian National Rupee

(ii) Summary of assets, liabilities, income and expenditure of the wholly owned subsidiary

Amount In Lakhs

Particulars	Country of incorporation	Percentage of holding	Year ended 31.03.2019				Year ended 31.03.2019		
			Assets	Liabilities (external)	Contingent liabilities	Capital commitments	Income	Expenditure	Profit before tax
3D Future Technologies Private Limited	India	100%	586	(498)	-	Please refer note below	211	(589)	(378)
Previous year data	India	100%	471	(299)	-		128	(381)	(253)

Note: Commitment by 3D Future Technologies Private Limited (Subsidiary) to Ador Fontech Limited(Holding company) -Monthly rental payments for usage of leased equipment for the period 09.06.2017 to 08.06.2022 - Rs. 50,726 (Rupees fifty thousand, seven hundred and twenty six) plus applicable GST.

Note 42 CONTRACTUAL LIABILITIES

All contractual liabilities connected with business operations of the Company have been appropriately provided for.

Note 43 REALISATION

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.

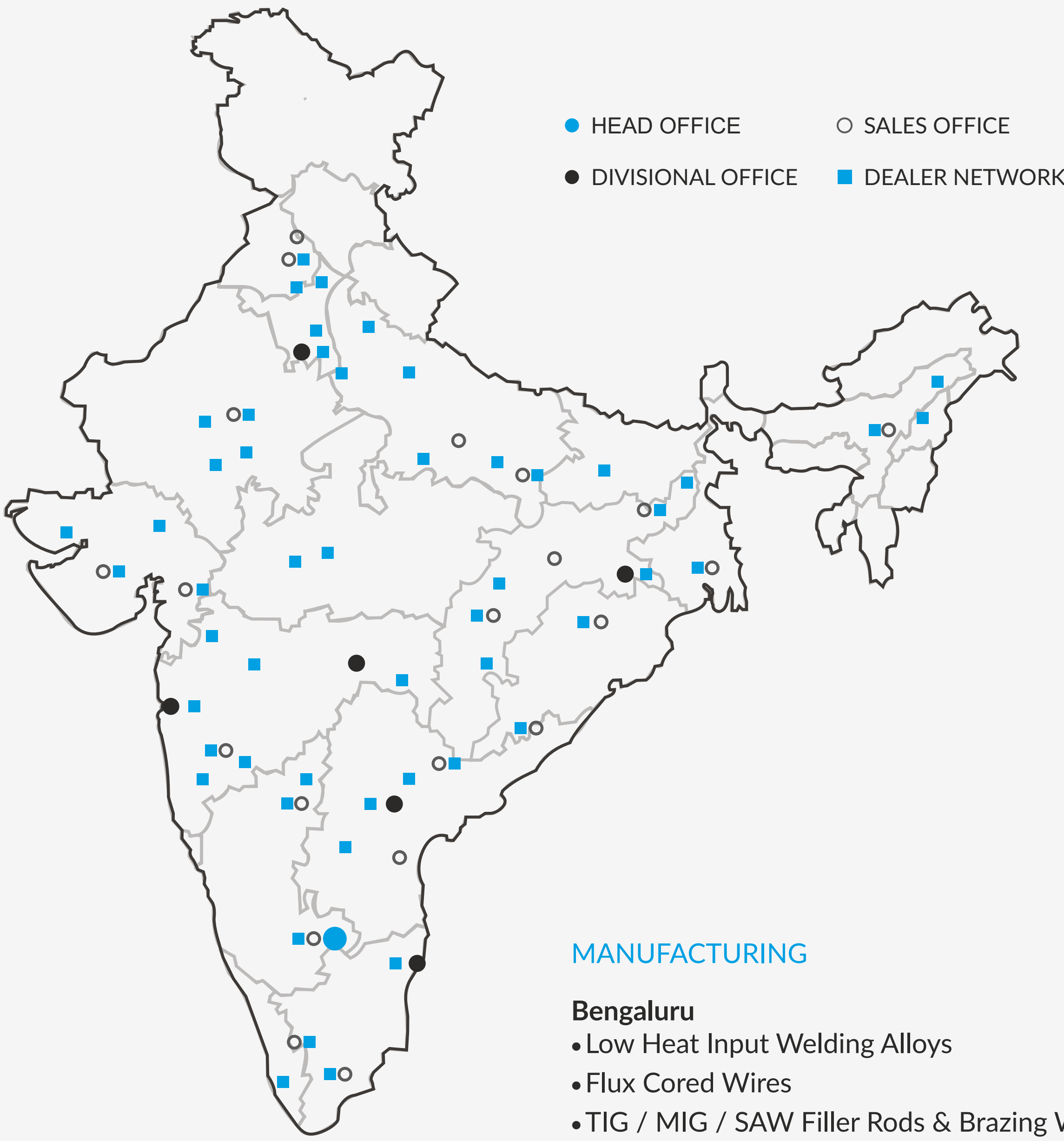
Note 44 TRANSFER PRICING

The Management is of the opinion that its transactions are at 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.

Note 45 AMOUNTS IN FINANCIAL STATEMENTS

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

SALES AND SERVICE NETWORK



MANUFACTURING

Bengaluru

- Low Heat Input Welding Alloys
- Flux Cored Wires
- TIG / MIG / SAW Filler Rods & Brazing Wires
- Ceramic Lined Pipes, Bends & Pulley Lagging
- Welding Equipment

Nagpur

- Life Enhancement Services
- Wear Plates

AUDITORS' REPORT (CONSOLIDATED)

INDEPENDENT AUDITORS' REPORT

To The Members
ADOR FONTECH LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Ador Fontech Limited** ('the Company') and its subsidiary-**3D Future Technologies Private Limited** (the Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind-AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, (consolidated financial performance including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

KEY AUDIT MATTERS	AUDITORS' RESPONSE
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 'Revenue from Contracts with Customers' (new revenue accounting standard).	**Principal Audit Procedures** We assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. • Selected a sample of continuing as also new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • Tested the relevant information technology system's access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. • Selected a sample of continuing as also new contracts and performed the following procedures: (i) Read, analysed and identified the distinct performance obligations in these contracts. (ii) Compared these performance obligations with that identified and recorded by the Group. (iii) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. (iv) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. (v) In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time of recording and budgeting systems. We also tested the access and change management controls relating to these systems. (vi) Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. (vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. (viii) We reviewed the collation of information and the logic of report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.
Evaluation of uncertain tax positions The Group has material uncertain tax positions including matters under dispute which involves significant judgement to determine the possible outcome of these disputes.	**Principal Audit Procedures** Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions.

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

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

Rs. In lakhs

Particulars	**3D Future Technologies Private Limited (3DFT)**	
	2018-19	2017-18
Net worth	88	172
Revenue	211	128
Profit/(loss) after tax	(282)	(203)

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

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

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of our reliance on the work done by and the reports of the other Auditors.

Report on Other Legal and Regulatory Requirements

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

  (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

  (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

  (iii) The reports on the accounts of the Subsidiary and the Branch office of the Holding Company audited by Other Auditors have been sent to us and have been properly dealt with by us in preparing this report.

  (iv) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

  (v) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(vi) On the basis of the written representations received from the Directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the subsidiary incorporated in India and the reports of the Statutory Auditors of the subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

(vii) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of that company, for reasons stated therein.

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

(a) The Consolidated Financial Statements disclose impact of pending litigations on the consolidated financial position of the Group.

(b)Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

(c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India.

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group to its Directors during the year is in accordance with the provisions of Section 197 of the Companies Act, 2013.

		For SRINIVAS & SUBBALAKSHMI
Bengaluru	J H MADAN SRINIVAS	Chartered Accountants
May 18, 2019	Partner (Membership No. 021643)	Firm Registration No. 011350S

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as 'Company') and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the 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 respective company's policies, safeguarding of its assets, prevention/detection of frauds & errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established & maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial 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 Auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures which (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of the Management and Directors of the company and (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 control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

		For SRINIVAS & SUBBALAKSHMI
Bengaluru	J H MADAN SRINIVAS	Chartered Accountants
May 18, 2019	Partner (Membership No. 021643)	Firm Registration No. 011350S

AWARDS

- **Forbes Asia** has twice conferred 'Best Under a Billion Dollar award in the category of The Region's Top 200 Small and Mid Size Companies'.
- 'Udyog Rattan Award' from **The Institute of Economic Studies.**
- 'Global Achiever's award' from **Economic Development Forum.**
- 'Best Vendor Award' from **BHEL.**

MAJOR CLIENTS

CEMENT
ACC, Ambuja, Century, India Cements, Shree Cements, Ultratech and other Cement Groups.

STEEL
Jindal Steel and Power Limited (JSPL), JSW Steel Limited (JSW), Steel Authority of India Limited (SAIL), Tata Steel.

POWER
JSW Energy Limited, National Thermal Power Corporation Limited (NTPC), State Electricity Boards.

MINING
Hindustan Aluminium Corporation Limited (Hindalco), National Aluminium Company Limited (NALCO), Singareni Collieries Corporation Limited, Sesa Sterlite Limited.

DEFENCE
Hindustan Aeronautics Limited (HAL), Indian Air Force, Naval Dockyard, Ordnance Factories.

OTHERS
Bharat Earth Movers Limited (BEML), Bharat Heavy Electricals Limited (BHEL), Godrej, Indian Space Research Organisation (ISRO), Larsen & Toubro Limited (L&T), Walchandnagar Industries Limited (WIL).

FINANCIAL STATEMENTS (CONSOLIDATED)

BALANCE SHEET (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 NON-CURRENT ASSETS			
Property, plant and equipment	2	1,866	2,040
Capital work-in-progress		115	55
Intangible assets		8	11
Financial assets			
(i) Investments	3	582	567
(ii) Loans and advances	4	7	3
Deferred tax assets (net)	5	421	394
TOTAL NON-CURRENT ASSETS		**2,999**	**3,070**
2 CURRENT ASSETS			
Inventories	6	2,155	2,191
Financial assets			
(i) Investments	7	1,338	997
(ii) Trade receivables	8	2,360	2,592
(iii) Cash and bank balances	9	273	371
(iv) Bank balances other than cash and cash equivalents	10	2,326	2,295
(v) Loans and advances	11	1,368	487
Other current assets	12	256	465
Current tax assets	13	618	550
TOTAL CURRENT ASSETS		**10,694**	**9,948**
TOTAL ASSETS		**13,693**	**13,018**
EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	14	350	350
Other equity	15	10,103	9,577
TOTAL EQUITY		**10,453**	**9,927**
2 LIABILITIES			
Non-current liabilities			
Other financial liabilities	16	-	25
Provisions	17	373	380
TOTAL NON-CURRENT LIABILITIES		**373**	**405**
Current liabilities			
Financial liabilities			
(i) Borrowings	18	301	188
(ii) Trade payables	19	1,541	1,354
(iii) Other financial liabilities	20	395	328
Other current liabilities	21	138	352
Provisions	22	492	464
TOTAL CURRENT LIABILITIES		**2,867**	**2,686**
TOTAL EQUITY AND LIABILITIES		**13,693**	**13,018**
Significant accounting policies	1		
Notes to the financial statements	1-47		

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary

As per our report of even date attached

P GOPA KUMAR
Chief Financial Officer
Mumbai, May 17, 2019

For SRINIVAS & SUBBALAKSHMI
Chartered Accountants
Firm Registration No.011350S

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 18, 2019

STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2019	Year ended 31.03.2018
1 **INCOME**			
Revenue from operations	23	18,643	15,204
Other income	24	291	398
TOTAL		**18,934**	**15,602**
2 **EXPENSES**			
Cost of materials consumed	25	4,553	3,319
Purchase of stock-in-trade	26	6,012	4,987
Changes in inventories of work-in-progress, finished goods and stock-in-trade	27	(166)	364
Employee benefit expenses	28	2,684	2,503
Finance cost	29	15	15
Depreciation and amortisation expenses		328	346
Other expenses	30	3,879	2,895
TOTAL		17,305	14,429
3 **OPERATING PROFIT**		**1,629**	**1,173**
Write-off of old stock inventories		-	(84)
4 **PROFIT BEFORE TAXES**		**1,629**	**1,089**
5 **TAX EXPENSES**	31		
Current tax		575	400
Deferred tax		(45)	(6)
TOTAL		**530**	**394**
6 **NET PROFIT AFTER TAX (4-5)**		**1,099**	**695**
7 **OTHER COMPREHENSIVE INCOME**	32		
Items that will not be reclassified to Profit or loss		-	-
Net (loss)/gain on fair market valuation of assets		75	35
Actuarial gains/(losses) on retirement benefits		3	34
Less: Income tax effect on the above		(19)	(24)
TOTAL		**59**	**45**
8 **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (6+7)**		**1,158**	**740**
9 **EARNINGS PER EQUITY SHARE**	33		
Basic and diluted (in Rs.)		6.3	4.0
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the financial statements	1-47		

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Partner (Membership No. 021643)
Bengaluru, May 18, 2019

EQUITY SHARE CAPITAL AS AT MARCH 31, 2019

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
As at April 01, 2018	14	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2019		1,75,00,000	350

OTHER EQUITY AS AT MARCH 31, 2019

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2018	172	6,789	2,571	45	9,577
Transactions during the year	-	-	-	59	59
Net profit/(loss) for the year	-	-	1,099	-	1,099
Proposed dividend and related tax	-	-	(632)	-	(632)
Transfer to General reserve	-	200	(200)	-	-
CLOSING BALANCE AS AT MARCH 31, 2019	172	6,989	2,838	104	10,103

EQUITY SHARE CAPITAL AS AT MARCH 31, 2018

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
As at April 1, 2017	14	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2018		1,75,00,000	350

OTHER EQUITY AS AT MARCH 31, 2018

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2017	172	6,689	1,976	-	8,837
Transactions during the year	-	-	-	45	45
Net profit/(loss) for the year	-	-	695	-	695
Transfer to General reserve	-	100	(100)	-	-
CLOSING BALANCE AS AT MARCH 31, 2018	172	6,789	2,571	45	9,577

Note: *OCI-Other comprehensive income

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT AND LOSS	1,629	1,089
Add/(Less):		
Depreciation, amortisation and impairment	328	346
Inventory written off	-	84
Finance cost	15	15
Non-operating income including interest income	(291)	(398)
Other non-cash-items	(2)	(15)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	1,679	1,121
Adjustments for:		
Trade receivables	232	459
Inventories	36	294
Current investments	(326)	(376)
Loans	(888)	28
Other current assets	209	(107)
Current tax assets	(68)	(117)
Trade payables	187	(635)
Other financial liabilities	42	69
Other current liabilities	(214)	61
Current provisions	28	(74)
GROSS CASH FROM OPERATING ACTIVITIES	917	723
Taxes paid	(575)	(400)
NET CASH FROM OPERATING ACTIVITIES	342	323
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(151)	(237)
Advance towards capital work-in-progress	(60)	(55)
Purchase and sale of investments	14	110
Loans and advances	-	(1)
Interest, dividend and other non-operating income	291	398
NET CASH FROM INVESTING ACTIVITIES	94	215
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	113	(189)
Interest paid	(15)	(15)
Dividend paid including tax	(632)	-
NET CASH FROM FINANCING ACTIVITIES	(534)	(204)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(98)	334
Opening balance of cash and cash equivalents	371	37
Closing balance of cash and cash equivalents	273	371
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	270	370
Cash on hand	3	1

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 Ind-AS-7-Cash Flow Statement notified under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors

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DIN 01585637

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Partner (Membership No. 021643)
Bengaluru, May 18, 2019

NOTES TO THE FINANCIAL STATEMENTS (CONSOLIDATED)

Note 1
COMPANY INFORMATION

(i) Holding company

The world has limited supply of mineral resources and depletion rate resulting from continuously improving economic growth is very high. Reclamation and recycling of vital machinery components, therefore assumes high priority. Ador Fontech Limited (referred to as 'ADFL') is dedicated to the supply of products, services and solutions that help in the conservation of mineral resources as well as in reducing down-time and inventory costs. For more details about the Company kindly log on to www.adorfon.com.

(ii) Subsidiary company

3D Future Technologies Private Limited (referred to as '3DFT') is an experiential Indian Company promoted by Ador Fontech Limited, which is registered under the provisions of the Companies Act, 2013 to explore business opportunites in three dimensional printing, to support dental health care segment. Currently, the Company provides aligners and services related to Orthodontic treatment. For more details about the Company kindly log on to www.3dfuturetechnologies.com.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(i) Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016
- The financial results of the subsidiary company was approved at the meeting of the Board of Directors of 3DFT on May 15, 2019 and the consolidated results at the meeting of the Board of Directors of ADFL on May 17, 2019. The Chairman, Managing Director, Chief Financial Officer and Company Secretary have been authorised to execute their signatures in confirmation of the statements.

(ii) Use of estimates and critical accounting judgements

The preparation of Financial Statements is in conformity with Ind-AS which requires the Management to make estimates, assumptions and exercise judgement in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as on the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent, reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in and from the period in which the estimate gets revised.

This note provides an overview of the areas that involve a higher degree of judgement or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

(iii) Basis of measurement

The Ind-AS financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments, which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind-AS.

FAIR VALUE MEASUREMENT

- The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing their asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value of measurement for disclosure purpose in these financial statements is determined on the above basis, except for (i) share based payment transactions that are within the scope of Ind-AS 102 (ii) leasing transactions that are within the scope of Ind-AS 17 and (iii) measurements that have some similarities to fair value, such as net realisable value in Ind-AS 2 or value in use in Ind-AS 36.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities. For example: Listed equity instruments that have quoted market price.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable. The fair value of financial instruments that are not traded in an active market (for example: working capital instruments, traded bonds, over the counter derivatives).

Level 3-Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. This is the case for unlisted equity securities, contingent consideration and indemnification asset.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and level of fair value hierarchy as explained above.

(iv) Functional and presentation currency

These Ind-AS Financial Statements are prepared in Indian Rupee which is the Group's functional currency.

SIGNIFICANT ACCOUNTING POLICIES

The Group has applied the following accounting policies to all periods presented in the Ind-AS Financial Statements.

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of, discounts, volume rebates, outgoing GST (Goods and Service Tax) and other indirect taxes.

It may be pertinent to note that Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from the revenue.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer which generally coincides with delivery. Realisations from sale of by-products are included in revenue.

Export benefits are accounted on recognition of export sales. Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.

(ii) Property, plant and equipment

INTANGIBLE ASSETS

The Group has elected to continue with the carrying value of all of its property, plant and equipment as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost, pursuant to the exemption under Ind-AS 101 'First-time Adoption of Indian Accounting Standards'.

The Group provides depreciation on all assets reckoned on written down value basis over its useful life, which is in line with Schedule II of Companies Act, 2013 except (i) Leasehold land which is amortised over the period of lease and/or (ii) Where the Management opines for a specific useful life based on technical evaluation.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant & equipment and are recognised in other income/other expenses in the statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is de-recognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

CAPITAL WORK-IN- PROGRESS

Assets in the course of construction are capitalised in the capital work-in-progress account. At the point when an asset is capable of operating in the manner intended by the Management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Cost associated with the commissioning of an asset is capitalised when the asset is available for use, but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to the capital work-in-progress.

DEPRECIATION

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and provisions, if any, for impairment. Depreciation commences when the asset is ready for its intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost less estimated residual value, of each asset on a written down value basis over its expected useful life determined by the Management based on Regulations and Technical estimates, which are as follows:

Description	Holding company	Subsidiary company
Plant and equipment	15 years	02-15 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	04-05 years
Electrical installations	10 years	10 years
Individual items	Cost of asset up to Rs. 5,000 are fully depreciated in the year of acquisition	Cost of asset up to Rs. 5,000 are fully depreciated in the year of acquisition
Lease hold land	Over the period of lease	Over the period of lease
Management estimates	Based on requirements	Useful life of 3D dental printer machine is estimated to be eight years.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(iii) Intangible assets

The Group has elected to continue with the carrying value of all of its Intangible assets as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost as at the transition date pursuant to the exemption provided under Ind-AS 101 'First -time Adoption of Indian Accounting Standards'.

The useful lives of intangible assets are assessed as either finite or indefinite. The Group currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets are recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(v) Financial instruments

All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the companies in the group commits to purchase or sell the asset.

Subsequent measurement of financial assets is described below:

DEBT INSTRUMENTS AT AMORTISED COST

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold the assets for collecting contractual cash flows and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

DEBT INSTRUMENT AT FVTOCI
(Fair value through other comprehensive income)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets and
- The asset's contractual cash flows represent SPPI (solely payments of principal and interest).

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Companies in the group recognise interest income, impairment losses, reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

DEBT INSTRUMENT AT FVTPL (Fair value through profit and loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as at FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

FINANCIAL ASSETS - DERECOGNITION

A financial asset (or where applicable, a part of the financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired or
- The respective company's in the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

  When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 115.

Each of the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, each of the Company in the group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, a 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the respective Company reverts to recognising impairment loss allowance based on a 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The Balance Sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTPL: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. The change in fair value is taken to the statement of profit and loss.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

FINANCIAL LIABILITIES - RECOGNITION AND MEASUREMENT

All financial liabilities are recognised initially at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

Each Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through the statement of profit and loss.

  Financial liabilities at fair value through the statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through the statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered in to by each of the Company in the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
- Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

  Financial liabilities designated upon initial recognition at fair value through the statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as at FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Companies in the group have not designated any financial liability as at fair value through the statement of profit and loss.

LOANS AND BORROWINGS

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in the statement of profit and loss, when the liabilities are de-recognised as well as through the EIR amortisation process.

FINANCIAL LIABILITIES – DE-RECOGNITION

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(vi) Cash and cash equivalents

CASH AND BANK BALANCES

Cash and cash equivalent in the Balance Sheet comprise cash at banks in current accounts, cash on hand and cheques pending deposits (if any) and fixed deposits maturing within a short period of three months.

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Fixed deposits with banks with maturity period exceeding three months and unclaimed dividend balances (including pending transfers subject to Investor Education Protection Fund Regulations) are reflected under bank balances other than cash and cash equivalents.

(vii) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. They are prepared separately for each of the Company to which individual assets are allocated.

Impairment losses of continuing operations including impairment on inventories are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's (Cash generating unit's) recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in the prior years. Such reversal is recognised in the statement of profit and loss.

(viii) Government Grants

Government grants are recognised, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(ix) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value.

Costs incurred in bringing the inventory to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

- Finished goods, work in progress and traded goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Cost of traded goods includes cost of purchase and other costs incurred in bringing the inventories to the present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

(x) Taxation

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where ever it may be appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MINIMUM ALTERNATE TAX

Minimum Alternate Tax (MAT)paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

(xi) Employee benefit schemes

SHORT TERM EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short term employee benefits. These benefits include salaries, wages, allowances/perquisites, performance incentives, contribution to employees' state insurance corporation (ESIC) which are expected to occur in the next twelve months. The undiscounted amount of short term employee benefits to be paid in exchange for employee compensation is recognised as an expense in relation to the service rendered by the employees.

COMPENSATED ABSENCES

Liability on account of compensated absences are based on actuarial valuation and recognised in the Statement of profit and loss.

POST-EMPLOYMENT BENEFITS

Defined contribution plans-Provident fund and Superannuation fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to the Government administered provident fund. The Holding Company also provides for Superannuation to its select employees (who are outside the ambit of Bonus Act). The Group’s contribution is recognised as an expense in the Statement of profit or loss during the period in which the employee renders service.

Defined benefit plan-Gratuity

The Group has a defined benefit plan (the ‘Gratuity Plan’). The Gratuity plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee’s last drawn salary and the number of years of employment with the respective company in the Group.

The Group cause an actuarial valuation of amount to be recognised towards gratuity payable to its employees. Broadly, the present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government securities that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded scheme, the liability is defrayed year on year to the fund and in the case of unfunded scheme, the liability or asset recognised in the Balance Sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and not to be reclassified to profit or loss. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit and loss as past service cost.

(xii) Provision for liabilities, charges, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind-AS.

Provisions represent liabilities to the Group for which the amount or timing is uncertain. Provisions are recognised, when the Company in the Group has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate, that reflects current market assessments of the time value of money and where ever appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also provided in the normal course of business. There are certain obligations which the Management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in the notes, but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefits is probable.

(xiii) Foreign currency transactions

In the financial statements of the Group, transactions in currencies other than the functional currency are translated in to the functional currency at the exchange rates ruling on the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange difference on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

(xiv) Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(xv) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the 'Chief operating decision-maker (CODM)', who is responsible for allocating resources and assessing performance of the operating segments.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment-revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

'Unallocated Corporate Income/Expenses' include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

(xvi) Leases

Leases are recognised as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a Lessee

Assets used under finance lease are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability, so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss.

Rentals payable under operating leases are charged to the statement of profit and loss on a straight-line basis over the term of the relevant lease, unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increases.

The Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating lease. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Note 2 PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2019
	As at 01.04.2018	Additions	Deductions /Adj.	As at 31.03.2019	As at 01.04.2018	For the year	Deductions /Adj.	As at 31.03.2019	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land - Leasehold	2	-	-	2	-	-	-	-	2
Factory building	1,081	-	-	1,081	540	51	-	591	490
Office premises	581	-	6	575	150	21	4	167	408
Office premises-Land component	9	-	-	9	-	-	-	-	9
Plant & machinery	1,469	81	-	1,550	793	135	-	928	622
Electrical installation	89	4	-	93	67	6	-	73	20
Computers	52	25	1	76	35	19	1	53	23
Office equipment	63	21	-	84	39	15	-	54	30
Furniture & fixtures	100	1	-	101	64	10	-	74	27
Vehicles	479	41	40	480	275	67	21	321	159
TOTAL	4,001	173	47	4,127	1,963	324	26	2,261	1,866

Note: An amount of Rs. 115 lakhs is held under capital work-in-progress towards implementation of ERM (Enterprise Resource Management). The same will be appropriated on completion of the project.

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2019
	As at 01.04.2018	Additions	Deductions /Adj.	As at 31.03.2019	As at 01.04.2018	For the year	Deductions /Adj.	As at 31.03.2019	
Software	17	-	-	17	6	4	(1)	9	8
Website	-	2	-	2	-	-	2	2	-
Product development	66	-	66	-	66	-	66	-	-
TOTAL	83	2	66	19	72	4	67	11	8

PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions /Adj.	As at 31.03.2018	As at 01.04.2017	For the year	Deductions /Adj.	As at 31.03.2018	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land - Leasehold	2	-	-	2	-	-	-	-	2
Factory buildings	1,081	-	-	1,081	482	58	-	540	541
Office premises	610	-	20	590	140	23	13	150	440
Plant & machinery	1,533	149	213	1,469	861	139	207	793	676
Electrical installation	98	-	3	95	66	9	4	71	24
Computers	181	6	135	52	146	19	129	36	16
Office equipment	111	17	65	63	87	14	61	40	23
Furniture & fixtures	148	9	63	94	107	12	62	57	37
Vehicles	504	73	98	479	290	72	88	274	205
TOTAL	4,344	254	597	4,001	2,179	346	564	1,961	2,040

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions /Adj.	As at 31.03.2018	As at 01.04.2017	For the year	Deductions /Adj.	As at 31.03.2018	
Software	21	-	4	17	6	-	-	6	11
Product development	66	-	66	-	66	-	66	-	-
TOTAL	87	-	70	17	72	-	66	6	11

Note: An amount of Rs. 55 lakhs was held under capital work-in-progress towards implementation of ERM (Enterprise Resource Management) as at March 31, 2018.

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN UNQUOTED SHARES & BONDS - FULLY PAID				
IRFC Capital Gains Bond	500	50	500	50
SUB-TOTAL	-	50	-	50
INVESTMENT IN MUTUAL FUNDS (QUOTED)				
HDFC- FMP 1218D-December 2016*	10,00,000	117	10,00,000	110
HDFC - FMP 1177D-March 2018*	10,00,000	107	10,00,000	100
Aditya Birla Sun Life-Fixed Term Plan	5,00,000	54	5,00,000	50
Kotak Bond Fund*	1,47,750	75	1,47,750	70
SBI Dynamic Bond Fund*	3,40,120	78	3,40,120	72
Reliance Fixed Horizon Fund	-	-	5,00,000	65
SBI Magnum Low Duration Fund	4,161	101	-	-
Equity shares of Centre for Technology Assisted Reconstructive Surgery Pvt. Ltd. (CTARS)	-	-	2,345	50
SUB TOTAL	-	532	-	517
TOTAL	-	582	-	567
Market value of quoted investments	-	532	-	517
Aggregate amount of unquoted investments	-	50	-	50

Notes:

- All mutual fund investments are in growth-oriented schemes.
- 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, term loan or overdraft facility) to 3D Future Technologies Private Limited (3DFT- Wholly owned subsidiary of Ador Fontech Limited).
- Lien marking on investments made in respect of Kotak Bond Fund and SBI Dynamic Bond Fund have been withdrawn in April 2019.
- Lien/charge on investments have been registered with the Ministry of Corporate Affairs/Registrar of Companies vide document number 100038046 dated October 29, 2015.
- Against the lien marked investments {both non-current and current (Kindly also refer note 7)}, the outstanding overdraft facility availed by 3DFT amounted to rupees three crore, one lakh, twenty seven thousand, eight hundred and thirty eight only as at March 31, 2019 (Previous year: rupees one crore, eighty eight lakhs, eighty four thousand and twenty five only).
- 3DFT had made investments in the equity shares of 'Centre for Technology Assisted Reconstructive Surgery Private Limited (CTARS)'. During the year, it decided to exit and had sought for repayment of the contribution. Nonetheless, CTARS could not effect the payment. Hence, 3DFT has filed a suit for claim and considering the risk associated with equity investment, provision has been made in the books of account to the fullest extent.

Note 4 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
UNSECURED, CONSIDERED GOOD		
Security deposit with Statutory Authorities	6	-
Others	1	3
TOTAL	7	3

Note 5 DEFERRED TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	(71)	(96)
Fair market value of increase in investments of mutual funds and actuarial gains	(19)	(24)
Tax losses	249	158
SUB-TOTAL	159	38
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	131	196
Provision for warranties	75	93
Diminution in the value of shares of the joint venture	26	26
Provision for doubtful debts	22	1
Service tax disallowance U/S 43B	37	37
Others	(29)	3
SUB-TOTAL	262	356
TOTAL	421	394

Note 6 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Raw materials	694	981
Less: FVTPL adjustments	-	84
Fair value of raw materials (A)	694	897
Work-in-progress (B)	161	118
Traded goods (C)	1,077	934
Finished goods (D)	223	242
TOTAL (A+B+C+D)	2,155	2,191

Note: FVTPL-Fair value through profit and loss account.

Note 7 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED)				
HDFC-FMP 1208D -March 2018*	13,73,803	146	13,73,803	138
HDFC Arbitrage Fund	-	-	1,92,515	25
HDFC Liquid Growth Fund	5,492	202	-	-
ICICI Liquid Growth Fund	-	-	16,176	42
ICICI Prudential Regular Savings Fund	5,65,032	112	5,65,032	105
ICICI Prudential Short Term Fund	-	-	3,66,171	138
ICICI Prudential Liquid Fund	72,956	202	-	-
ICICI Prudential Equity Arbitrage Fund	-	-	15,66,645	368
Franklin India Corporate Bond Opportunities Fund	2,77,125	54	2,77,125	50
Franklin India Low Duration Fund	3,82,769	101	2,56,560	51
LIC Savings Plus Fund	2,88,519	86	2,73,116	75
LIC Arbitrage Fund	9,97,317	101	-	-
LIC Banking and PSU Debt Fund	2,08,669	51	-	-
Aditya Birla Sun Life Corporate Bond Fund*	7,72,815	106	-	-
Aditya Birla Sun Life Savings Fund	27,245	101	-	-
Reliance Fixed Horizon Fund	6,55,525	70	-	-
HDFC Liquid Fund (Investment by 3DFT)	155	6	155	5
TOTAL	-	1,338	-	997
Aggregate book value and market value of quoted investments	-	1,338	-	997

Note: Kindly refer note no. 3 on Investments.

Note 8 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
SECURED		
Secured, considered good	-	-
UNSECURED		
Unsecured, considered good	2,360	2,592
Unsecured, considered doubtful	89	3
Less: Provision for doubtful debts	(89)	(3)
Unsecured and considered bad	18	91
Less: Bad debts written off	(18)	(91)
TOTAL	2,360	2,592

Note 9 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Balances with banks in current accounts	270	370
Cash on hand	3	1
TOTAL	273	371

Note 10 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Fixed deposit with banks	2,213	2,182
Balance with banks in unclaimed dividend accounts	113	113
TOTAL	2,326	2,295

Notes:

- Bank balances other than cash and cash equivalents as of March 31, 2019 and March 31, 2018 include restricted bank balances of rupees four hundred & thirty eight lakhs and rupees three hundred & sixty one lakhs, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends.
- Deposits maintained by the Group with banks comprise time/fixed deposits.

Note 11 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
UNSECURED, CONSIDERED GOOD		
SECURITY DEPOSITS		
Deposits-Government departments	1,032	242
Deposits-Premises	50	10
Deposits-Security	28	23
Deposits-Performance guarantees	25	26
Deposits-Earnest money deposits	228	178
OTHER ADVANCES		
Loans and advances to employees and others	5	8
TOTAL	1,368	487

Note 12 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
ADVANCES OTHER THAN CAPITAL ADVANCES		
Advance to suppliers	37	13
Prepaid expenses	85	82
Taxes, duties and input credit refund dues	134	370
TOTAL	256	465

Note 13 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance income tax (net of provision for tax)	618	550
TOTAL	618	550

Note 14 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
AUTHORISED		
2,50,00,000 equity shares of Rs. 2 each	500	500
TOTAL	500	500
ISSUED, SUBSCRIBED AND PAID-UP		
1,75,00,000 equity shares of Rs. 2 each	350	350
TOTAL	350	350

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Rupees In Lakhs

Particulars	FY 2018-19		FY 2017-18	
	(In Nos.)	Amount	(In Nos.)	Amount
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

(ii) Rights, preferences and restrictions

The Company has only one class of shares, referred to as equity shares having a par value of Rs.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.

(iii) Details of equity shares in the Company held by each shareholder holding more than 5% shares:

Particulars	As at 31.03.2019		As at 31.03.2018	
	Number of shares held	Percent of holding	Number of shares held	Percent of holding
J B Advani & Co. Private Limited in ADFL	46,06,598	26.32%	46,06,588	26.32%
ADFL in 3D Future Technologies Pvt. Ltd.	85,00,000	100%	85,00,000	100%

Notes:

- In view of J B Advani and Company Private Limited's shareholding being 26.32%, it will be treated as an Associate by Ador Fontech Limited, in terms of the Companies Act, 2013 and amendments thereof.
- However, in view of Ind-AS Regulations, we have been informed that JBA will aggregate the accounts of Ador Fontech Limited as a subsidiary for the purpose of its Consolidated Financial Statements.
- ADFL – Ador Fontech Limited

(iv) As on the date of the Balance Sheet:

- The Group has not issued any equity share as fully paid pursuant to contracts without payment being received in cash.
- The Group has not issued any fully paid bonus share.
- The Group also did not buy back any equity share.

(v) Issue/conversion of equity shares:

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

Note 15 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Securities premium	172	172
General reserve	6,989	6,789
Retained earnings	2,838	2,571
Other comprehensive income	104	45
TOTAL	10,103	9,577

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	172	172
Transactions during the year	-	-
CLOSING BALANCE	172	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	6,789	6,689
Transferred from surplus in the Statement of Profit and Loss	200	100
CLOSING BALANCE	6,989	6,789

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	2,571	1,976
Net profit /loss for the year	1,099	695
Equity dividend and distribution tax thereon	(632)	-
Transfer to general reserve	(200)	(100)
CLOSING BALANCE	2,838	2,571

OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	45	-
Transactions during the year	59	45
NET PROFIT/LOSS FOR THE YEAR	104	45

Notice 16 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Creditors for capital goods	-	25
TOTAL	-	25

Note 17 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for compensated absences	370	378
Provision for gratuity	3	2
TOTAL	373	380

Note 18 BORROWINGS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Bank overdraft	301	188
TOTAL	301	188

Note 19 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	1,541	1,354
TOTAL	1,541	1,354

Note: Trade payables include creditors for capital goods.

Note 20 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Deposit from Dealers and Employees	161	169
Unclaimed dividends	113	113
Short term borrowings	78	30
Employee related dues	4	3
Outstanding expenses	4	9
Creditors for capital goods	35	4
TOTAL	395	328

Note 21 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Advance from customers	34	54
Statutory liabilities	104	298
TOTAL	138	352

Note 22 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
PROVISION FOR EMPLOYEE BENEFITS		
Provision for compensated absences	166	126
Due to gratuity trust	26	68
OTHERS		
Warranties	300	270
TOTAL	492	464

Note 23 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
SALE OF PRODUCTS		
Manufactured goods	8,008	6,750
Scrap sales	33	13
Traded goods	8,404	6,857
SALE OF SERVICES		
Job work income	2,166	1,564
Commission on export services	26	20
Other operating revenue	6	-
TOTAL	18,643	15,204

Note 24 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest income	187	181
Dividend	-	1
Other non-operating-income	62	74
Profit on sale of assets	34	131
Profit on sale of investments	8	11
TOTAL	291	398

DETAILS OF INTEREST AND DIVIDEND INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
INTEREST INCOME		
Interest on bank deposits	142	147
Others	45	34
SUB-TOTAL	187	181
DIVIDEND INCOME		
Dividend from mutual funds	-	1
SUB-TOTAL	-	1

Note 25 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening stock	897	826
Add: Purchases	4,350	3,473
Less: Closing stock	(694)	(980)
TOTAL	4,553	3,319

Note 26 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Welding consumables, equipment and spares	6,012	4,987
TOTAL	6,012	4,987

Note 27 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS FINISHED GOODS AND STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
AT THE BEGINNING OF THE YEAR		
Work-in-progress	118	60
Finished goods	242	208
Stock-in-trade	934	1,390
SUB-TOTAL (A)	1,294	1,658
AT THE END OF THE YEAR		
Work-in-progress	161	118
Finished goods	223	242
Stock-in-trade	1,076	934
SUB-TOTAL (B)	1,460	1,294
TOTAL (A-B)	(166)	364

NOTE 28 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries, allowances and other benefits	2,271	2,070
Contribution to provident and other funds	254	287
Staff welfare	159	146
TOTAL	2,684	2,503

NOTE 29 FINANCE COST

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest costs	15	15
TOTAL	15	15

Note 30 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Rent, rates, insurance and taxes	192	158
Consumables and stores	157	157
Power, fuel and utilities	148	129
Sub-contracting of job works	1,189	824
Stationery, printing and communication	105	88
Repairs to building	50	42
Repairs to machinery	74	19
Office maintenance	130	88
License fees	18	16
Professional fees	178	151
Travelling and conveyance	610	532
Freight and forwarding	308	279
Sales commission and promotional expenses	425	253
Software and website management	9	11
Provision for warranties	54	60
Payment to auditors	9	7
Bank and other charges	22	10
Corporate social responsibility	31	10
General expenses	13	25
Bad debts written off	107	34
Earnest money deposit written off	-	2
Provision for dimunition in the value of investment	50	-
TOTAL	3,879	2,895

AUDITORS' REMUNERATION

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
AUDIT FEES		
Statutory audit	6	4
Tax audit	2	2
IN ANY OTHER CAPACITY		
Certifications	1	1
TOTAL	9	7

Note 31 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current tax	575	400
Deferred tax	(45)	(6)
TOTAL	530	394

TAX RECONCILIATION

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit before tax	2,007	1,343
Tax on business income	583	465
Tax on capital gains	9	2
Tax effect of amounts which are not deductible		
(a) TDS not deducted	-	5
(b) Provision for retirement benefits	(23)	(76)
(c) Provision for bad debts	22	(7)
(d) Provision for warranties	8	(1)
(e) Others	(24)	12
Income tax expenses	575	400

Note 32 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Increase in the value of investments	75	35
Actuarial gains/(losses) on defined benefit obligations	3	34
Tax impact on the same	(19)	(24)
TOTAL	59	45

Note 33 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Net Profit/(loss) after tax for the year	1,099	695
Weighted average number of equity shares outstanding	175	175
Basic and diluted earnings per share (Rs.)	6.3	4.0
Face value per share (Rs.)	2.0	2.0

Note: The Group does not have any outstanding dilutive potential equity shares as at March 31, 2019. Consequently, basic and diluted earnings per share of the Group remains the same.

NOTE 34 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 35 LEASE ARRANGEMENTS - OPERATING LEASE

The Group 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 Rs. 92,89,588/- (Previous year Rs. 79,45,205/-) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Lease payments for the year	92	79
MINIMUM LEASE PAYMENTS		
Not later than one year	99	81
Later than one year but not later than five years	13	19
Later than five years	-	-
TOTAL	112	100

Note 36 EMPLOYEE BENEFITS

As per Indian Accounting Standard-19 ‘Employee Benefits’, the disclosure of employee benefits as defined in the Standard are given below:

(i) Brief description of the plans

The Group has various schemes for employee benefits such as provident fund, gratuity, superannuation besides leave encashment.

DEFINED CONTRIBUTION PLANS

Under the defined contribution plan the Group contributes towards:

- Provident fund
- Superannuation and
- Employers' State Insurance Corporation.

While the holding company has all three schemes, the subsidiary as of present does not extend superannuation benefit to its employees.

DEFINED BENEFIT PLANS

Under the defined benefit plan, the group contributes towards employees' gratuity. While the amount is funded to a trust by the Holding company, in respect of the Subsidiary, for the present it remains unfunded.

EMPLOYEE WELFARE BENEFIT

Both companies provide for liability on account of compensated absences.

Details of payments made towards provident and other funds

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Employer's contribution to provident fund	123	116
Employer's contribution to superannuation fund	95	93
Employer's contribution to gratuity fund	33	75
Employer's contribution to employees state insurance corporation	3	3
TOTAL	254	287

Notes:

- Value of gratuity charged to the statement of profit and loss was higher in the year 2017-18 in consonance with increase in the ceiling limit of gratuity as per the Payment of Gratuity Act, 1972.
- The Group causes an actuarial valuation of both Gratuity and Leave encashment facilities.

(iii) Details of actuarial valuation of Gratuity

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Actuarial assumptions		
Discount rate (per annum)-Holding/Subsidiary	7.5%/7.6%	8.1%/7.9%
Salary escalation rate-Holding/Subsidiary	6.0%/7.5%	6.0%/7.5%
Computation of Gratuity		
15/26 reckoned for actual no. of years of service subject to ceiling as per Income Tax Act.		
Mortality table	Indian assured lives mortality (2012-2014)	
Movement in benefit obligations		
Present value of obligation at the beginning of the year	409	347
Interest cost	30	26
Service cost	26	20
Actuarial (gain) /loss	25	46
Benefits paid	(25)	(30)
Present value of obligation at the end of the year	465	409
Movement in plan assets		
Fair value of plan assets at the beginning of the year	315	320
Expected return on plan assets	27	25
Employer's contribution	15	-
Actuarial (gain)/loss	(4)	-
Benefits paid	(26)	(30)
Fair value of plan assets at the end of the year	327	315
Assets and liabilities recognised in the Balance Sheet		
Present value of defined benefit obligation at the end of the year	465	409
Less: Fair value of plan assets at the end of the year	(327)	(315)
Net liability recognised	138	94
Expenses recognised in the Statement of Profit and Loss		
Current service cost	27	20
Past service cost	-	80
Interest cost	3	2
Net gratuity cost to be recognised as per actuarial valuation	30	102
Gratuity recognised in the Statement of Profit & Loss subject to carry forward adjustments	33	75
Amount payable to the Gratuity fund as at end of the year by the Holding Company	26	68
Carry forward of liability in respect of the Subsidiary	3	2
Expenses recognised in the Statement of Other Comprehensive Income		
Opening amount recognised in OCI outside profit and loss account	(33)	-
Re-measurements during the year	36	34
Closing amount recognised in OCI outside profit and loss account	3	34

SENSITIVITY ANALYSIS

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonable possible changes of the assumptions occuring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis are given below:

Particulars	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
DISCOUNT RATE (Percent change compared to base due to sensitivity)				
Holding Company: Impact of increase/decrease of 100 bps on defined benefit obligation (DBO)	(5.3%)	5.9%	(6.5%)	7.4%
Subsidiary company: Impact of increase/decrease of 50 bps on DBO	(7.7%)	8.5%	(8.3%)	9.3%
SALARY GROWTH RATE (Percent change compared to base due to sensitivity)				
Holding Company: Impact of increase/decrease of 100 bps on DBO	5.5%	(5.1%)	7.5%	(6.7%)
Subsidiary company: Impact of increase/decrease of 50 bps on DBO	8.5%	(7.8%)	9.3%	(8.4%)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There is no change in the method of valuation for the prior period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the Balance Sheet.

RISK ANALYSIS

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and the Management's estimation of the impact of these risks are as follows:

SALARY GROWTH RISKS

The present value of the defined benefit plan liability is calculated by reference to the future salaries of the participants in the scheme. Salary increase considered for holding company is at 6% and 7.5% for the subsidiary. As such, an increase in the salary of the plan participants will increase the plan's liability.

LIFE EXPECTANCY / LONGEVITY RISKS

The present value of the defined benefit plan liability is calculated with reference to the best estimates of the mortality, of the plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2012-2014) is used for, during the employment and post retirement respectively. An increase in the life expectancy of the plan participants will increase the plan's liability. Since the benefits are lump sum in nature the plan is not subject to longevity risks.

INTEREST RATE RISKS

A decrease in the bond interest rate will increase the plan liability.

COMPENSATED ABSENCES

The Group has provided for the liability on the basis of actuarial valuation using the projected accrued benefit method which is the same as the projected unit credit method in respect of past services.

Rupees In Lakhs

Particulars	Year ended 31.03.2019
Ador Fontech Limited	89
3D Future Technologies Private Limited	6
TOTAL	95

Note: The increased contribution during the current year is as per actuarial valuation and takes cognizance of the freezed leave of the holding company.

Note 37 CONTINGENT LIABILITIES & COMMITMENTS

Rupees In Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Guarantees (Bank and Corporate)	576	411
Disputed excise duty demand under appeal	71	71
Disputed service tax demands under appeal	32	421
Disputed income tax demands under appeal	320	320
Disputed VAT under appeal	355	51
Investments lien marked for facilitating working capital loan to 3DFT*	637	300
*Market value of lien marked investments	629	356

Notes:

- Amount reflected as part of disputed liability pertains to the principal claim by the respective Departments.
- There are no contingent liabilities in respect of 3DFT.
- As a group there are no commitments except lease payment for rental of equipment payable by 3DFT to Ador Fontech Limited. Kindly refer lease arrangements – Note no. 35 of the Consolidated Financial Statements.

Note 38 SEGMENT RESULTS

The group has two segments: Life enhancement of industrial components and 3D medical printing.

(i) Details of segmental revenue, results & capital are as under:

Rupees In Lakhs

Particulars	FY 2018-19			FY 2017-18		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
SEGMENT REVENUE						
Operations	18,443	200	18,643	15,084	120	15,204
Other income	280	11	291	390	8	398
TOTAL	18,723	211	18,934	15,474	128	15,602
SEGMENT RESULTS						
Profit before tax	1,727	(389)	1,338	952	(261)	691
Other income	280	11	291	390	8	398
Tax expenses	(625)	95	(530)	(444)	50	(394)
Profit after tax	1,382	(283)	1,099	898	(203)	695

Rupees In Lakhs

Particulars	FY 2018-19			FY 2017-18		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
SEGMENT CAPITAL EMPLOYED						
Segment assets	13,957	586	14,543	13,197	471	13,668
Segment liabilities	(2,742)	(1,348)	(4,090)	(2,792)	(949)	(3,741)
Net capital employed	11,215	(762)	10,453	10,405	(478)	9,927

(ii) Details of segmental revenue, results and capital are as under:

Rupees In Lakhs

Particulars	FY 2018-19			FY 2017-18		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
India	18,697	210	18,907	15,454	127	15,581
Outside India	26	1	27	20	1	21
TOTAL	18,723	211	18,934	15,474	128	15,602

Note 39 RELATED PARTY DISCLOSURE

(i) Names of related parties and description of relation

Particulars	Related parties
Holding Company	Ador Fontech Limited (Holding 100% equity shares in 3DFT)
	J B Advani & Company Pvt. Ltd. (Ultimate Holding Company)
Subsidiary Company	3D Future Technologies Private Limited
Related parties other than Holding companies with whom transactions have taken place during the year	Ador Welding Limited
	Ador Welding Academy Private Limited
	Ador Powertron Limited
	Ador Multiproducts Limited
	1908 E-Ventures Private Limited
Key management personnel (KMP)	Mr. A T Malkani - Chairman of Ador Fontech Limited and 3DFT Private Limited
	Mr. H P Ledwani - Managing Director of Ador Fontech Limited
	Mr. Harsh Pramod Joshi, Company Secretary of 3DFT (up to December 16, 2018)
	Ms. Nidhi Khandelwal , Company Secretary of 3DFT (w.e.f. April 22, 2019)
	Ms. Geetha D, Company Secretary of Ador Fontech Limited
Related personnel	Mr. Deep A Lalvani
Relatives of Key Management Personnel where transactions have taken place	Mrs. Sunila H Ledwani - W/o. Mr. H P Ledwani

Rupees In Lakhs

Particulars	Holding, Subsidiary and Associate		Key Management Personnel		Other Related Parties	
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018
(i) Companies						
J B Advani & Company Private Limited (JBA)						
Purchase of traded goods from JBA	3	4	-	-	-	-
Expenses reimbursed to JBA	10	6	-	-	-	-
License fees and common area maintenance charges paid to JBA	12	18	-	-	-	-
Business support charges paid to JBA	4	2	-	-	-	-
Security deposit repaid by JBA to 3DFT	(3)	-	-	-	-	-
Purchase of fixed assets from JBA	8	-	-	-	-	-
Ador Fontech Limited (ADFL)			-	-	-	-
Deposit by 3DFT to ADFL	-	1	-	-	-	-
Lease rent paid by 3DFT to ADFL	6	5	-	-	-	-
Equity capital paid by ADFL to 3DFT	200	250	-	-	-	-
Lien provided by ADFL to 3DFT	637	300	-	-	-	-
Ador Welding Limited (AWL)						
Purchase of traded goods from AWL	-	-	-	-	60	39
Purchase of manufactured goods from AWL	-	-	-	-	102	68
Purchase of fixed assets from AWL	-	-	-	-	14	-
Sale of manufactured goods to AWL	-	-	-	-	6	-
Sale of traded goods to AWL	-	-	-	-	34	-
Rent paid to AWL	-	-	-	-	2	3
Ador Welding Academy Pvt. Ltd. (AWA)						
Sale of traded goods to AWA	-	-	-	-	-	2
Ador Powertron Limited (APL)						
Purchase of fixed assets from APL	-	-	-	-	4	-
License fees and common area maintenance charges paid by 3DFT to APL	-	-	-	-	3	-
Reimbursement of expenses by 3DFT to APL	-	-	-	-	3	-
Sale of manufactured goods to APL	-	-	-	-	-	50
Inter Corporate Deposit (ICD) by ADFL to APL	-	-	-	-	500	300
Interest on ICD paid by APL to ADFL	-	-	-	-	45	32
Ador Multiproducts Limited (AMPL)						
Purchase of materials from AMPL	-	-	-	-	2	2
Reimbursement of expenses to AMPL	-	-	-	-	-	-
1908 E Ventures Pvt. Ltd. (1908-E)						
Purchase of materials from 1908-E	-	-	-	-	-	1
(ii) Related Personnel						
Remuneration	-	-	107	101	-	-
(iii) Key Management Personnel						
Aggregate of salaries as per Income Tax Act	-	-	258	256	-	-
(iv) Relatives of Key management personnel	-	-	26	24	-	-

(iii) Balances at the end of the year

Rupees In Lakhs

Particulars	Holding, Subsidiary and Associate		Key Management Personnel		Other Related Parties	
	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018	Year ended 31.03.2019	Year ended 31.03.2018
OTHER FINANCIAL LIABILITIES						
J B Advani and Company Private Limited	6	-	-	-	-	-
Ador Powertron Limited	-	-	-	-	7	-
SECURITY DEPOSIT						
Ador Fontech Limited	-	1	-	-	-	-
J B Advani and Company Private Limited	-	3	-	-	-	-

Note 40 FINANCIAL INSTRUMENTS

(i) Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2019				As at 31.03.2018			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	-	532	50	582	50	467	50	567
Loans and advances	-	-	7	7	-	-	3	3
FINANCIAL ASSETS-CURRENT								
Investments	-	1,338	-	1,338	-	997	-	997
Cash and cash equivalents	-	-	273	273	-	-	371	371
Other bank balances	-	-	2,326	2,326	-	-	2,295	2,295
Trade receivables	-	-	2,360	2,360	-	-	2,592	2,592
Loans and advances	-	-	1,368	1,368	-	-	487	487
TOTAL	-	1,870	6,384	8,254	50	1,464	5,798	7,312
FINANCIAL LIABILITIES NON-CURRENT								
Other financial liabilities	-	-	-		-	-	25	25
FINANCIAL LIABILITIES-CURRENT								
Bank borrowings	-	-	301	301	-	-	188	188
Trade payables	-	-	1,541	1,541	-	-	1,354	1,354
Other current financial liabilities	-	-	395	395	-	-	328	328
TOTAL	-	-	2,237	2,237	-	-	1,895	1,895

(ii) Financial assets and liabilities measured at fair value hierarchy - recurring fair value measurement:

Rupees In Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS - NON-CURRENT				
Investments	532	-	467	50
FINANCIAL ASSETS – CURRENT				
Investments	1,338	-	997	-

(iii)Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed:

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2019		As at 31.03.2018	
		Fair value	Carrying amount	Fair value	Carrying amount
NON-CURRENT					
Investments	Level 2	50	50	50	50
Loans and advances	Level 3	7	7	3	3
Other financial liabilities	Level 3	-	-	25	25
Current assets and liabilities	The carrying amounts of trade receivables, cash and bank balances, current loans and advances, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.				

Note: There have been no transfers between the levels during the above periods.

Note 41 FINANCIAL RISK MANAGEMENT

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables. The Group's Senior Management oversees the management of these risks.

(i) New business venture

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that the chances of break-even-point may happen in the foreseeable future (span of three to five years) considering the new product line and expansion of business segments in different locations/states. As such the Group is carrying the equity investment at fair value which is equivalent to the cost of the investment. Further, in consonance it may be pertinent to note that the Company has recognised deferred tax asset for all deductible temporary differences and accumulated unused tax losses as per applicable provisions of the Income Tax Act for the period under review.

(ii) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Group.

CREDIT RISK MANAGEMENT

To manage credit risk, the Group follows a policy of providing credit to domestic customers on the basis of the nature of the customers. The credit limit policy is established considering the current economic trends of the industry in which the companies in the Group is operating. However, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provisions are created accordingly. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets. Consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking in to account the age of the dues, specific credit circumstances, track record of the counterparty etc.

Bank balances are held with only high rated banks and majority of other security deposits are placed with Government agencies/public sector undertakings/well known private business entities.

AGE OF RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Up to 180 days	1,920	2,114
180 to 365 days	261	287
More than 365 days	179	191
TOTAL	2,360	2,592

(iii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. For the Group, liquidity risk arises from obligations on account of financial liabilities - trade payables and other financial liabilities.

LIQUIDITY RISK MANAGEMENT

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages liquidity risk by maintaining adequate funds in cash, cash equivalents and investments. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

- Financing arrangements

  The Group had access to the following undrawn borrowing facilities at the end of reporting period:

Rs. In lakhs

Particulars	As at March 31, 2019			As at March 31, 2018		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
Expiring within one year	199	9	208	107	100	207
Expiring beyond one year	-	-	-	-	-	-

• The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Rupees In Lakhs

Particulars	Less than one year	Between one year to five years	Over five years	Total	Carrying value
AS AT MARCH 31, 2019					
Borrowings	301	-	-	301	301
Trade payables	1,541			1,541	1,541
Other financial liabilities	395	-	-	395	395
AS AT MARCH 31, 2018					
Borrowings	188	-	-	188	188
Trade payables	1,354	-	-	1,354	1,354
Other financial liabilities	328	25	-	353	353

(iv) Commodity risks

The Group procures materials/commodities for manufacturing/3D printing and hence exposed to commodity risks. In an effort to mitigate the risks, the Group has multiple source of suppliers both in India and from abroad.

(v) Market risk

FOREIGN CURRENCY RISK

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD and EURO. The fluctuation in the exchange rate of INR relative to USD and EURO may not have a material impact on the Group's assets and liabilities.

FOREIGN CURRENCY RISK MANAGEMENT

In respect of foreign currency transactions, the Group does not hedge the exposures since the Management believes that (i) there will be some offsets between receivables and payables. (ii) Hedging comes with a cost - premium (iii) Market volatility in the short term is generally not high and most purchase transactions are settled within a period of 30-60 days. (iv) Governmental/Reserve Bank intervention generally stabilises the exchange rates.

• The Group's exposure to foreign currency risk at the end of reporting period are as under:

Rs. In lakhs

Particulars	Liabilities		Assets	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
USD	464	297	-	2
EURO	104	30	-	-

- The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. Five percent represents the Management's assessment of a reasonable possible change in foreign exchange rate.

Rs. In lakhs

Particulars	Effect on profit after tax		Effect on total equity	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
US Dollar +5%	(23)	(15)	(23)	(15)
US Dollar -5%	23	15	23	15
Euro +5%	(5)	(1)	(5)	(1)
Euro -5%	5	1	5	1

(vi) Price Risk

The Group is exposed to price risk from its investment in mutual fund classified in the Balance Sheet at fair value through profit and loss.

PRICE RISK MANAGEMENT

To manage its price risk arising from the investment, the Group has invested in mutual funds after considering risk and return profile of the funds i.e. the debt profile of the mutual funds indicate that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock. However, the entity being risk averse has opted to invest its substantial funds in debt oriented mutual funds. The below table demonstrates the sensitivity to a 5% increase or decrease in the NAV, with all other variables held constant.

Rupees In Lakhs

Sensitivity	As at 31.03.2019	As at 31.03.2018
Impact on profit after tax for 5% increase in NAV	93	73
Impact on profit after tax for 5% decrease in NAV	(93)	(73)

(vii) Cash flow and fair value interest rate risk

The Holding company has no borrowings. The subsidiary company sources its working capital funds and interest rate risk is mainly due to the borrowings acquired at floating rate.

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Variable rate borrowings	301	188
Fixed rate borrowings	-	-
Total	301	188

Rupees In Lakhs

SENSITIVITY	As at 31.03.2019	As at 31.03.2018
Increase by 50 basis points	2	1
Decrease by 50 basis points	(2)	(1)

Note 42 CAPITAL MANAGEMENT

(i) The Group's objectives in managing capital includes:

- To safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for Shareholders and benefits for other Stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

(ii) Capital risk management

The holding company has no debt, but the subsidiary is utilising overdraft facility accorded by the HDFC Bank. The net debt to total equity for the group is as under:

Rupees In Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Net debt	292	177
Total equity	350	350
Net debt to total equity	1	1

Note 43 GENERAL RESERVE

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board of the Holding Company has elected to transfer an amount of rupees two crores to the General reserve for the financial year 2018-19 (previous year being rupees one crore only).

Note 44 CONTRACTUAL LIABILITIES

All contractual liabilities connected with business operations of the Group have been appropriately provided for.

Note 45 REALISATION

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.

Note 46 TRANSFER PRICING

The Management is of the opinion that its transactions are at 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.

Note 47 AMOUNTS IN FINANCIAL STATEMENTS

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

Note 48 COMPANY AND ITS SUBSIDIARY

Unless otherwise specified, Ador Fontech Limited is referred to in this Annual Report as the 'Company/Holding Company/ADFL' and 3D Future Technologies Private Limited is referred to as the 'Subsidiary/3DFT'. Both Ador Fontech Limited and 3D Future Technologies Private Limited are together referred to as the 'Group'.

SNAPSHOT OF THE FINANCIAL STATEMENTS OF ADOR FONTECH LIMITED AND ITS WHOLLY OWNED SUBSIDIARY

Rupees In Lakhs

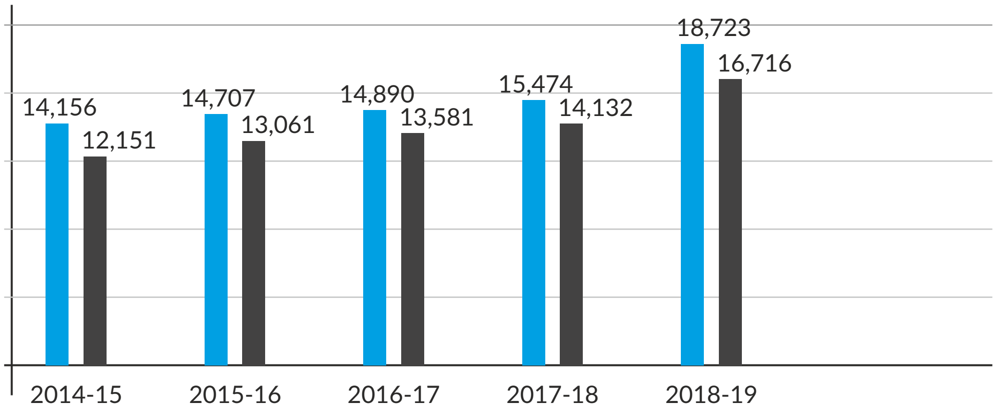
Particulars	Ador Fontech Limited		3DFT		Consolidated	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
ASSETS						
Property, plant & equipment	1,674	1,865	192	175	1,866	2,040
Capital work-in-progress	115	55	-	-	115	55
Intangible assets	-	-	8	11	8	11
Investments	1,432	1,167	(850)	(600)	582	567
Loans and advances	-	-	7	3	7	3
Deferred tax assets (net)	161	229	260	165	421	394
Inventories	2,129	2,180	26	11	2,155	2,191
Investments	1,332	992	6	5	1,338	997
Trade receivables	2,339	2,578	21	14	2,360	2,592
Cash and bank balances	269	365	4	6	273	371
Other bank balances	2,319	2,291	7	4	2,326	2,295
Loans and advances	1,368	487	-	-	1,368	487
Other current assets	201	438	55	27	256	465
Current tax assets	618	550	-	-	618	550
TOTAL ASSETS	**13,957**	**13,197**	**(264)**	**(179)**	**13,693**	**13,018**
EQUITY AND LIABILITIES						
Equity share capital	350	350	-	-	350	350
Other equity	10,865	10,055	(762)	(478)	10,103	9,577
Other financial liabilities	-	-	-	25	-	25
Provisions	361	373	12	7	373	380
Borrowings	-	-	301	188	301	188
Trade payables	1,517	1,347	24	7	1,541	1,354
Other financial liabilities	274	281	121	47	395	328
Other current liabilities	100	327	38	25	138	352
Provisions	490	464	2	-	492	464
TOTAL EQUITY AND LIABILITIES	**13,957**	**13,197**	**(264)**	**(179)**	**13,693**	**13,018**

INCOME STATEMENT

Rupees In Lakhs

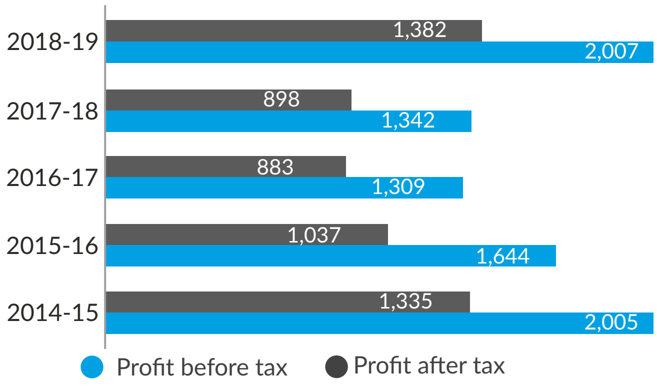
Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Revenue	18,723	15,474	211	128	18,934	15,602
Cost of sales & operating expenses	(16,716)	(14,132)	(589)	(381)	(17,305)	(14,513)
Profit before tax	2,007	1,342	(378)	(253)	1,629	1,089

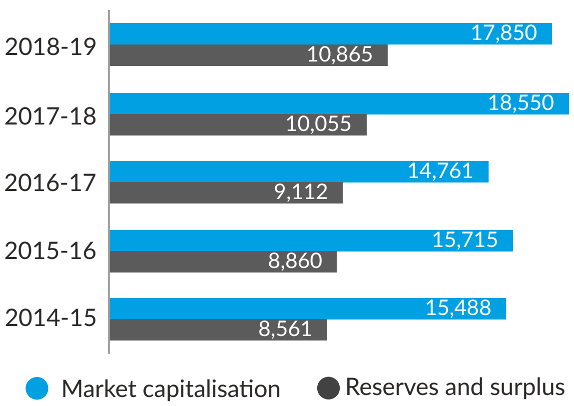
FIVE YEARS AT A GLANCE



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Income	14,156	14,707	14,890	15,474	18,723
Expenditure	12,151	13,061	13,581	14,132	16,716

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
PBT	2,005	1,644	1,309	1,342	2,007
Tax	670	607	426	444	625
PAT	1,335	1,037	883	898	1,382





Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Share capital	350	350	350	350	350
Reserves and surplus	8,561	8,860	9,112	10,055	10,865
Market capitalisation	15,488	15,715	14,761	18,550	17,850
Number of employees	231	236	208	200	204

ADOR FONTECH LIMITED
CIN: L31909KA1974PLC020010
Registered Office: Belview 7 Haudin Road Bengaluru 560 042
T +91 80 2559 6045/73 F (080) 2559 7085
E investorservice@adorfon.com www.adorfon.com

ATTENDANCE SLIP

44TH ANNUAL GENERAL MEETING

Date: Thursday, August 01, 2019 Time: 3:00 p.m.

Place: Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001

I/We hereby record my/our presence at the 44th Annual General Meeting (AGM) of the Members of the Company on Thursday, August 01, 2019 at 3:00 p.m. at Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001.

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

Bengaluru
August 01, 2019

Notes:
- Sign this attendance slip and hand it over at the entrance of the meeting hall.
- 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.
- In case shares are 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

E-VOTING FACILITY IS AVAILABLE DURING THE FOLLOWING VOTING PERIOD

Commencement of e-Voting	End of e-Voting
July 29,2019 (Monday) at 9:00 a.m.	July 31, 2019 (Wednesday) at 5:00 p.m.

ADOR FONTECH LIMITED
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Registered Office: Belview 7 Haudin Road Bengaluru 560 042
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PROXY FORM-MGT-11

44TH ANNUAL GENERAL MEETING

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

Name .... Email ....

Address...

.... Signature ....or failing him/her

Name .... Email ....

Address...

.... Signature ....or failing him/her

Name .... Email ....

Address...

.... Signature ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Thursday, August 01, 2019 at 3:00 p.m. at Hotel Ajantha, 22-A Mahatma Gandhi Road Bengaluru 560 001 and at any adjournment thereof in respect of the following resolutions:

Sl. No.	Resolutions	For	Against
1	Adoption of Standalone Financial Statements		
2	Adoption of Consolidated Financial Statements		
3	Declaration of Dividend		
4	Re-appointment of Mrs. N Malkani Nagpal (DIN 00031985) as a Director		
5	Re-appointment of Mr. N S Marshall (DIN 00085754) as Non-Executive-Independent Director		
6	Re-appointment of Mr. Santosh Janakiram (DIN 06801226) as Non-Executive-Independent Director		
7	Appointment of Branch Auditors		
8	Cost Auditors and their remuneration		

Signed this . . . . day of 2019

. . . .
Signature of the Shareholder

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

Notes:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office: Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042, not less than 48 hours before the commencement of the Meeting.

A person can act as proxy on behalf of Members up to & not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, 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 person or Member.

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 44th Annual General Meeting (AGM) by electronic means and the business to be transacted through e-Voting services provided by the National Securities Depository Limited (NSDL).

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:
- STEP 1 Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
- STEP 2 Cast your vote electronically on NSDL e-Voting system

Details on Step 1 are mentioned below:

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on personal computer or on mobile.
- Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under the 'Shareholders' section.
- A new screen will open. You will have to enter your User Id and Password. A verification code will be displayed on the screen. Kindly validate.

Alternatively, if you are registered for NSDL eServices i.e. IDEAS, you can log-in at: https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eServices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

Your User ID details will be as given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is**
For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
For Members who hold shares in demat account with CDSL	16 digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
For Members holding shares in Physical Form	EVEN number followed by Folio number registered with the Company. For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Your password details are given below:

  (i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

  (ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

  (iii) Method to retrieve 'initial password':

  (a) If your email ID is registered in your demat account or with the Company, your 'initial password' is as communicated to you on your email. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e., .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or Folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

  (b) If your email ID is not registered, your 'initial password' is as communicated to you on your postal address.

- If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

  (i) Click on 'Forgot User Details/Password' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

  (ii) Physical User Reset Password (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

  (iii) If you are still unable to get the password by aforesaid two options, you can send a request to evoting@nsdl.co.in by mentioning your Demat account number/Folio number, PAN, Name and Registered address.

- After entering your password, tick on 'Agree' to the 'Terms and Conditions' by selecting on the check box.
- Now, you will have to click on 'Login' button.
- After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are given below:

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- Select 'EVEN' of the company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail: 'cs.skannan@gmail.com' with a copy marked to 'evoting@nsdl.co.in'.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need, to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.

- The e-Voting period commences from July 29, 2019 (9:00 a.m.) and ends on July 31, 2019 (5:00 p.m.). During this period, the Shareholders' of the Company, holding shares either in physical or in dematerialised form, as on the cut-off date - July 25, 2019, 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.

- 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 25, 2019. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 25, 2019 may obtain 'Login Id and Password' by sending a request to NSDL-evoting@nsdl.co.in'.

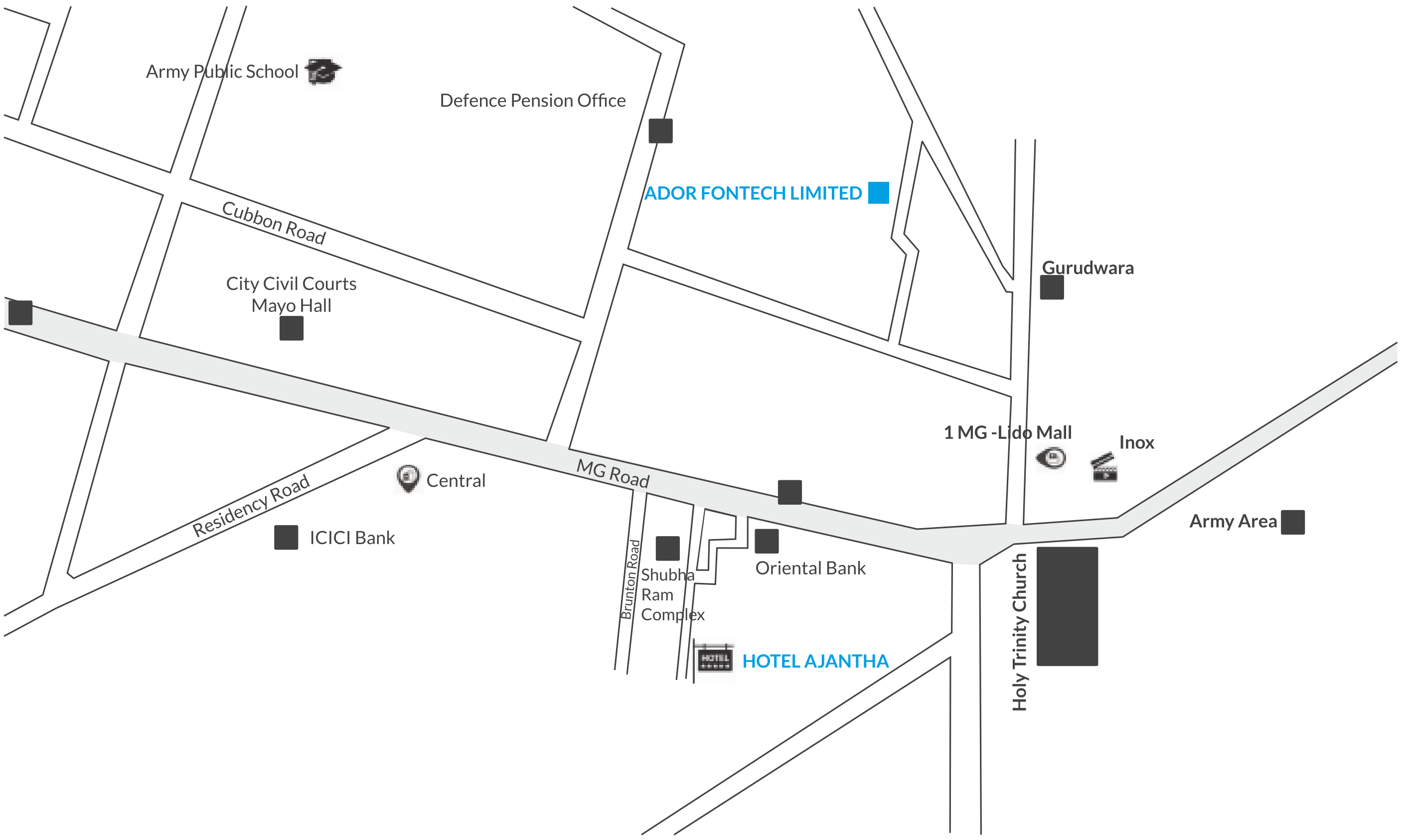
- Mr. Kannan S, Company Secretary (FCS Membership No. 6261 and CP No. 13016) of M/s. S Kannan and Associates (Firm registration no.S2017KR473100) having office at No. 13, Ground Floor, 1st Main Road, Venkateshwara Layout, Off BCC Layout, Attiguppe, Vijayanagar, Bengaluru 560 040 and failing him, Ms. Manjula Narayan (ACS Membership No. 28374 and CP No. 10150), having office at No. 22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036; Company Secretary (ies) in practice have been appointed as Scrutiniser(s) by the Board to scrutinise the remote e-Voting and Voting process at the Annual General Meeting in a fair and transparent manner.

- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no: 1800-222-990/(022) 24994600 or send a request to evoting@nsdl.co.in.

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', on the website of the e-Voting agency 'www.evoting.nsdl.com' and also communicated to the BSE (Stock Exchange) within 48 hours as per SEBI (LODR) Regulations, 2015.

ROUTE MAP TO THE AGM VENUE



ADOR FONTECH LIMITED

CEMENT / STEEL / POWER / ENGINEERING / RAILWAYS

CONTACT US

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