



47<sup>th</sup> ANNUAL REPORT  
for FY 2021-22

**ADOR FONTECH LIMITED**

[www.adorfon.com](http://www.adorfon.com)

**LIFE ENHANCEMENT OF INDUSTRIAL COMPONENTS**

**RECLAIM, DO NOT REPLACE** THE WORLD HAS LIMITED SUPPLY OF MINERAL RESOURCES. HOWEVER, DEPLETION RATE RESULTING FROM CONTINUOUS INDUSTRIALISATION IS VERY HIGH. RECLAMATION AND RECYCLING OF VITAL MACHINERY COMPONENTS, THEREFORE, ASSUMES HIGH PRIORITY.

**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.



## CORPORATE INFORMATION

### THE BOARD OF DIRECTORS

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

### MANAGEMENT TEAM

|                     |                    |
|---------------------|--------------------|
| Mr. A T Malkani     | Mr. Rajesh V Joshi |
| Mr. H P Ledwani     | Mr. S S Mohiuddin  |
| Ms. Tanya H Advani  | Ms. Geetha D       |
| Mr. R Krishna Kumar | Mr. Palgun Vembar  |
| Mr. Melville Ferns  |                    |

### COMPANY SECRETARY & CFO

Ms. Geetha D

### 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 W: 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

Legend: CEO-Chief Executive Officer  
CFO-Chief Financial Officer

### WHOLLY OWNED SUBSIDIARY

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

### STATUTORY AUDITORS

M/s. Praveen & Madan  
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  
10 3rd Cross 4th Main Vinayaka Layout  
Bhattarahalli Near Domino's Pizza Bengaluru 560 049

### 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

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

### GST REGISTRATIONS

Bengaluru 29AABCA1724H1ZY  
Nagpur 27AABCA1724H1Z2

# BOARD OF DIRECTORS

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**MR. A T MALKANI**  
Chairman

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**MR. H P LEDWANI**  
Managing Director & CEO

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**MRS. N MALKANI NAGPAL**  
Promoter Director

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**MR. N S MARSHALL**  
Independent Director

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**MR. SANTOSH JANAKIRAM**  
Independent Director

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**MR. RAFIQUE MALIK**  
Independent Director

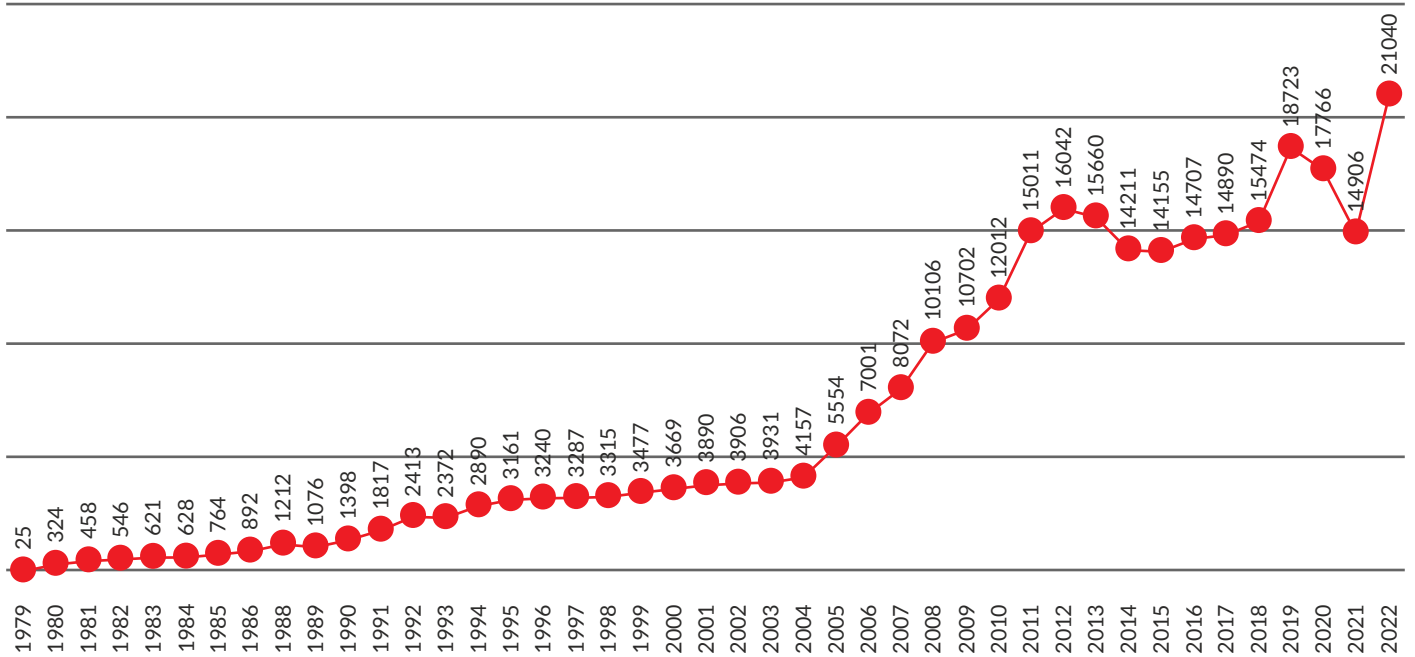
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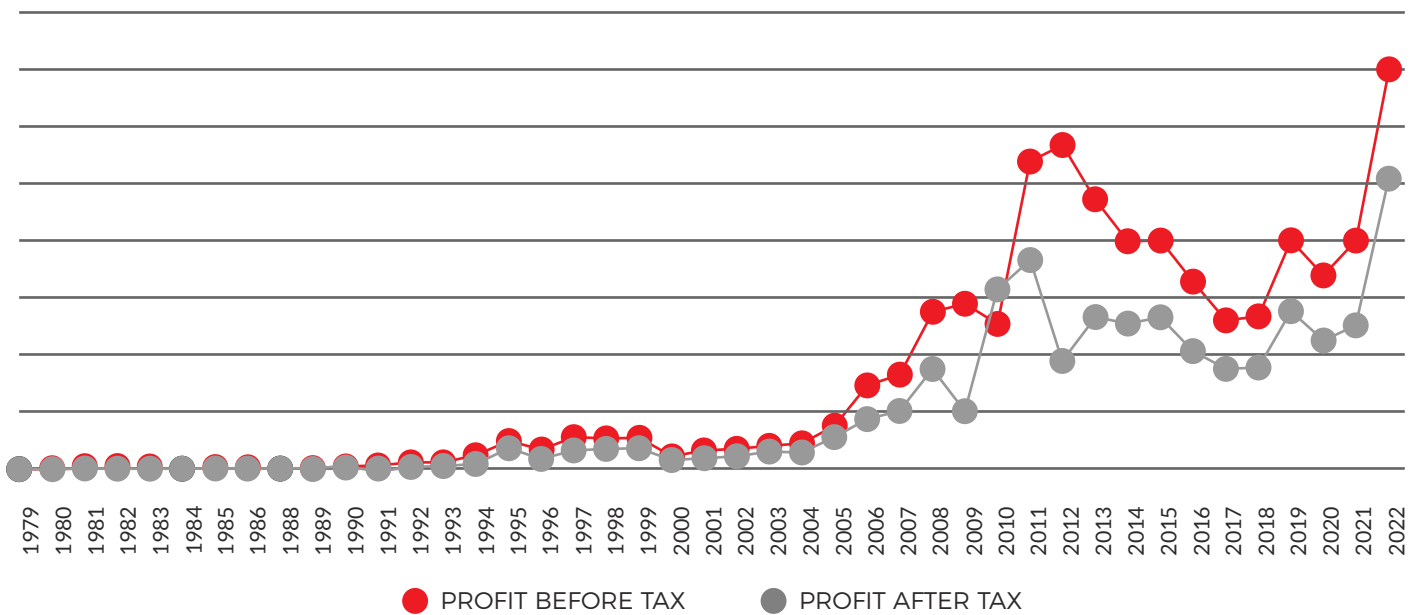
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# AN INSPIRING JOURNEY



REVENUE GROWTH 1979-2022



● PROFIT BEFORE TAX ● PROFIT AFTER TAX

NOTICE TO THE  
47TH ANNUAL  
GENERAL MEETING

Notice is hereby given that the **Forty Seventh Annual General Meeting (AGM)** of the Members of the Company will be held through **video conference on Thursday, July 28, 2022 at 11:00 a.m.** to transact the following business:

## **ORDINARY BUSINESS**

### **1. Adoption of Standalone Financial Statements**

To consider and adopt the Audited Standalone Financial Statements for the financial year ended March 31, 2022 together with the reports of the Auditors and Directors thereon.

### **2. Adoption of Consolidated Financial Statements**

To consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2022 together with the reports of the Auditors and Directors thereon.

### **3. Declaration of dividend**

To declare dividend of Rs. 4/- (Rupees four only) per equity share for the financial year ended March 31, 2022.

### **4. Appointment of Mr. A T Malkani as Non-Executive Director**

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 152 and other applicable provisions of the Companies Act, 2013, approval of the Members of the Company, be and is hereby accorded to re-appoint Mr. A T Malkani (DIN 01585637) as a Director, liable to retire by rotation.

### **5. Re-appointment of Statutory Auditors of the Company**

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

RESOLVED THAT pursuant to the recommendation of the Audit Committee, Approval of the Board, Sections 139, 141, 142 and other applicable provisions of the Companies Act, including Rules and Schedules thereunder; Regulations of the Securities and Exchange Board of India and in terms of the explanatory statement provided; M/s. Praveen & Madan, Chartered Accountants (Firm registration no. 011350S), be and are hereby appointed as the Statutory Auditors of the Company for a second term, to hold office for a period of five consecutive years commencing from the financial year 2022-23, till the conclusion of the Annual General Meeting to be held in the year 2027, on a remuneration that may be determined by the Board/Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis.

RESOLVED FURTHER THAT the Board of Directors of the Company, (including its Committees thereof), be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing requisite forms or submission of documents with any Authority or accepting any modifications to the clauses as required by such Authorities, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

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## SPECIAL BUSINESS

### 6. Re-Appointment of Mr. H P Ledwani as 'Managing Director & CEO'

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 and Remuneration Committee; Approval of the Board; Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 including Rules and Schedules there under; Securities and Exchange Board of India Regulations; Listing agreement with the Stock Exchange besides all other applicable legislations including statutory modification(s) or re-enactment(s) thereof as may become applicable from time to time and in terms of the Memorandum and Articles of Association of the Company; approval of Members be and is hereby accorded to the re-appointment of Mr. H P Ledwani (DIN 00040629) w.e.f. April 01, 2022 up to April 30, 2023, as a Whole time Director designated as 'Managing Director and Chief Executive Officer'.

RESOLVED FURTHER THAT the terms and conditions of appointment/re-appointment including payment of salary, perquisite, incentive/commission (hereinafter referred to as 'remuneration') be effected as per the provisions of the Companies Act, Rules and Schedules there under (including applicable specifications of earlier enactment, transition to the current and future requirements as may be modified from time to time) and in terms of explanatory statement(s), be and are hereby approved and ratified irrevocably, without further recourse to the Members, provided such amendment(s), if any, being taken cognizance by the Board for necessary implementation.

RESOLVED FURTHER THAT the Board be authorised to seek approval(s) from Statutory/Regulatory Authorities, if any, that may be required/ deemed to be required at any point in time during the tenure of employment and generally be empowered to do all acts, deeds and things, including execution of necessary documents, instruments, writings, affixation of common seal and make representations / compromise / arbitrate, as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director or to the Company Secretary or duly authorised and constituted Representative(s), who may do needful, to give effect to the aforesaid resolution.

### 7. To appoint Branch Auditors of the Company

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, 2023 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 plus applicable taxes thereon, be and is hereby approved and ratified for conduct of Cost Audit for the financial year 2022-23.



## NOTES

- In compliance with Regulatory mandates, the 47th AGM of the Company is being held through Video Conference (VC) through the aegis of the National Securities Depository Limited (NSDL).
- A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a Member of the Company. Since the AGM is being held through VC, facility for appointment of proxies by the Members will not be available. Further, attendance, proxy and location map being not applicable and hence not enclosed.
- The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representative(s) to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorisation letter to the Scrutiniser Mr. S Kannan at cs.skannan@gmail.com and/or kannans@kannancs.in.
- Pursuant to the provisions of Sections 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and circulars issued by the Ministry of Corporate Affairs, the Company is pleased to provide its Members, facility to exercise their votes during the course of the 47th AGM by electronic means and the business may also be transacted through remote e-Voting prior to the AGM. While detailed instructions have been provided as part of this Notice, schedule for remote e-Voting is as under:

|   |                                     |
|---|-------------------------------------|
| Date and time of commencement of remote voting through electronic means | Monday – July 25, 2022 at 9 A.M.    |
| Date and time of conclusion of remote voting through electronic means   | Wednesday – July 27, 2022 at 5 P.M. |

- Any person who acquires shares of the Company and becomes a Member after sending of the Notice and holding shares as on the cut-off date, may obtain login ID and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL/CDSL for remote e-Voting, then he/she can use his/her existing user ID and password for casting vote.
- Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently. The voting right of Members shall be in proportion to the shares in the paid-up capital of the Company, as on the cut-off date i.e., July 21, 2022.
- Members who have exercised their right to vote by remote e-Voting may attend the Annual General Meeting but shall not be allowed to cast vote again during the AGM.
- Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding); Promoters; Institutional Investors; Directors; Key Managerial Personnel; Chairpersons of the Audit Committee, Management Development Nomination and Remuneration Committee and Stakeholders Relationship Committee; Auditors etc. who are allowed to attend the AGM without restriction.
- Members present at the AGM through VC and who have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- In case of joint Shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

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- Resolutions assented to by requisite majority of the Members by means of remote e-Voting shall be deemed to have been duly passed at the Annual General Meeting.
  - The Board of Directors has appointed Mr. Kannan S (FCS Membership No. 6261 and COP 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 COP No. 10150) having office at #10, 3rd Cross, 4th Main, Vinayaka Layout, Bhattarahalli, Bengaluru 560 049 as Scrutiniser(s) to scrutinise the e-Voting process in a fair and transparent manner. The results of voting on the above resolutions shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report will be communicated to the Stock Exchange (BSE) and shall be made available on the Company's website and on the website of National Securities Depository Limited (NSDL).
  - The Register of Members and Share Transfer Books of the Company will remain closed from July 22, 2022 to July 28, 2022 (both days inclusive).
  - The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, will be available electronically for inspection to the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Member(s) from the date of circulation of this Notice up to the date of the AGM i.e., July 28, 2022. Members seeking to inspect such documents may send an email to [investorservice@adorfon.com](mailto:investorservice@adorfon.com) /[sanathkumar@adorfon.com](mailto:sanathkumar@adorfon.com).
  - Members whose shareholding is/are in electronic mode are requested to direct notifications about change of address and update of bank account details to their respective Depository Participants (DPs). Members whose shareholding is/are in physical mode are requested to opt for Electronic Clearing System (ECS) to receive dividends on time.
  - SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s) and those in physical form are required to submit to the Registrar and Share Transfer Agent (RTA).
  - As per the provisions of Section 72 of the Companies Act, facility for making nominations is available to the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form no. SH-13. This form can be downloaded from the Company's website at <https://www2.adorfon.com/investors-info/forms/>. Members are requested to submit these details to their Depository Participants in case shares are held in electronic form and to the RTA (Registrar and Share Transfer Agent) in case shares are held in physical form.
  - Pursuant to Section 124(6) of Companies Act, 2013, all shares in respect of which, dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed dividend warrants of previous year(s) are hereby requested to encash the same at the earliest. Further, in terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of unclaimed dividends on the website of the Company <https://www2.adorfon.com/investors-info/unclaimed-dividends/> which may be used by the Shareholders for referential check.
  - 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.
  - Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile and other details of Directors proposed to be appointed are annexed to this Notice.

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- The relevant statement pursuant to Section 102 of the Companies Act, 2013, in respect of special businesses set out above is annexed.
  - Members desiring any information about the annual accounts at the meeting are requested to write to the Company at least five (5) days in advance of the Annual General Meeting.
  - Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates under the Income Tax Act, 1961 ('IT Act').
  - For Resident Shareholders, taxes shall be deducted at source under Section 194 of the 'IT Act' which shall be as follows:
    - (i) Members having valid Permanent Account Number (PAN)-10%\*or as notified by the Government of India
    - (ii) Members not having PAN / valid PAN-20% or as notified by the Government of India

\* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein higher rate of tax (twice the specified rate) would be applicable on payment made to a Shareholder who is classified as a 'Specified Person' as defined under the provisions of the aforesaid Section.

However, no tax shall be deducted on the dividend payable to resident individual Shareholders if the total dividend to be received by them during financial year 2022-23 does not exceed Rs. 5,000 and also in cases where Members provide Form 15G / Form 15H (Form 15H is applicable to resident individual Shareholders aged 60 years or more), subject to conditions specified in the IT Act. Resident Shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. In all cases of requests for lower withholding of tax, submission of a copy of the PAN is mandatory.

- For Non-Resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%\*\* (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident Shareholders have the option to be governed by the provisions of Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the Shareholders, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA read with MLI, non-resident Shareholders will have to provide the following:
  - (i) Copy of the PAN card allotted by the Indian Income Tax Authorities duly attested by the Shareholder(s) or details as prescribed under Rule 37BC of the Income-tax Rules, 1962
  - (ii) Copy of the Tax Residency Certificate for the financial year 2022-23 obtained from the Revenue or Tax authorities of the country of tax residence, duly attested by the Shareholder(s)
  - (iii) Self-declaration in Form 10F
  - (iv) Self-declaration by the Shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
  - (v) Self-declaration of beneficial ownership by the non-resident Shareholder
  - (vi) Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Shareholder(s).

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act at the rate of 20%\*\* (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to submission of the above documents, if applicable. Further, in the case of a non-resident Shareholder or a non-resident Foreign Portfolio Investor (FPI) / Foreign Institutional Investor (FII), higher rate of tax as mentioned in Section 206AB shall not apply, if such non-resident does not have a permanent establishment in India.

- All requests for lower withholding of tax along with documents and declarations should be submitted by the Members on or before Thursday July 21, 2022- by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) and [sanathkumar@adorfon.com](mailto:sanathkumar@adorfon.com)
- The Annual Report 2021-22 and the Notice to the 47th AGM along with instructions for e-Voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company, Registrar and Share Transfer Agent and Depository Participant(s). Further, in line with the Ministry of Corporate Affairs (MCA), Notice calling the AGM along with the Annual Report have been uploaded on the website of the Company at [www.adorfon.com](http://www.adorfon.com). The Notice can also be accessed from the website of the Stock Exchange i.e., [www.bseindia.com](http://www.bseindia.com) as also from the NSDL portal i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

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

### Item No. 4

Mr. A T Malkani retires at the ensuing AGM as per the provisions of Section 152 of the Companies Act, 2013 and being eligible has offered himself for appointment/re-appointment. He has furnished his Director Identification Number as 01585637 and has made declaration that he is not disqualified to become a Director.

#### BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

As per Secretarial Standard-2 and Regulation 36 of the SEBI (Listing Obligation & Disclosure Requirements), Regulations, 2015

#### NAME

Mr. Aditya Tarachand Malkani

#### DIRECTOR IDENTIFICATION NUMBER (DIN)

01585637

#### DATE OF BIRTH AND AGE

August 26, 1980; 41 years

#### DATE OF FIRST APPOINTMENT ON THE BOARD

July 20, 2007

#### QUALIFICATIONS AND EXPERIENCE

Mr. A T Malkani is a graduate in Economics from the Oberlin college (Ohio) USA and has done his masters in Business Administration from the Indian School of Business (ISB). He started his career with J B Advani & Company and moved over to Ador Welding Limited as 'Manager' for international operations. He has been involved in various functions ranging from Corporate Marketing, Exports, Strategic Planning and New Business Initiatives across Ador Group of Companies.

Mr. A T Malkani has been associated as Director of Ador Fontech Limited for more than a decade. In his current term, he will in particular drive strategic initiatives in all spheres of business operations.

#### RECOGNITION AND AWARDS

Mr. A T Malkani heads Ador Fontech Limited, which has twice been the recipient of 'Forbes Asia Award' under the category of 'Best under a billion dollar Company -The Region's Top 200 Small and Mid-size Companies'.

#### AREA OF EXPERTISE

Strategy and Operational Management

#### TERMS AND CONDITIONS OF APPOINTMENT

Appointment as Non-Executive and Non-Independent Director designated as Chairman of the Board. The position is the same as currently being held by Mr. A T Malkani.

#### REMUNERATION DETAILS

Mr. A T Malkani will not be entitled for any remuneration. Payment of remuneration ceased on his cessation as whole time Director of the Company. He will however be entitled to actual reimbursement of expenses incurred in the discharge of official duties as Chairman of the Board and the Company.

#### SHAREHOLDING IN THE COMPANY

| Name                          | Category          | Number of Equity Shares |
|-------------------------------|-------------------|-------------------------|
| Mr. A T Malkani               | Director          | 15,86,452               |
| Mrs. Shirin A Malkani         | Relative (Spouse) | 1,81,918                |
| Mrs. Rajbir Tarachand Malkani | Relative (Mother) | 5,21,327                |
| TOTAL                         |                   | 22,89,697               |

NUMBER OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR

Four out of Four

RELATIONSHIP WITH OTHER DIRECTOR(S), MANAGER AND KEY MANAGERIAL PERSONNEL OF THE COMPANY

Not related to any other Director, Manager and Key Managerial Personnel of the Company.

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS

**Directorships held in other Companies (other than Ador Fontech Limited)**

- Public Limited Companies: Ador Welding Limited
- Private Limited Companies: J.B Advani & Co. Pvt. Ltd., Ador Green Energy Pvt. Ltd., 3D Future Technologies Pvt. Ltd. (in the capacity as Nominee Director), Greenline Industrial Systems Private Limited and NAP APPS Pvt. Ltd.
- Memberships / Chairmanships of Committees (other than Ador Fontech Limited): Nil
- Audit Committee: Ador Welding Limited-Member

**Listed entities from which Mr. A T Malkani has resigned in the past three years: NA**

Note: Details of Directorship and Attendance have also been provided as part of Corporate Governance Report.

The Board recommends the resolution set out at item no. 4 for approval.

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

- No Director of the Company is concerned or interested in the said resolution except Mr. A T Malkani, as it pertains to his appointment.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- Other than Mrs. Rajbir Tarachand Malkani and Mrs. Shirin A Malkani, relatives of Mr. A T Malkani and holding shares in Ador Fontech Limited, none of the KMPs or other Director(s) and their relatives is/are concerned in the resolution.

## Item No. 5

The current term of Statutory Auditors ceases at the conclusion of the ensuing AGM. Hence, it is proposed to re-appoint M/s. Praveen & Madan, Chartered Accountants, (Firm registration no.011350S) for a further term of 5 years beginning from the conclusion of the 47th AGM. Further, the Statutory Auditors have consented to take on the assignment and confirmed that if appointment is made, it will be within the limits specified under the Companies Act, 2013.

**Remuneration to the Statutory Auditors:** The proposed remuneration to be paid to M/s. Praveen & Madan is rupees seven lakhs and fifty thousand plus applicable taxes. Besides audit services, the Company would also obtain certifications from Auditors as may be required by Statutory/Regulatory Authorities, Clients, Banks besides other related authentications, for which they will be remunerated separately on mutually agreed terms. The Board of Directors and Audit Committee shall approve revisions to the remuneration as also fees for certifications from time to time and/or for the remaining part of the tenure. Further, the Board in consultation with the Audit Committee, may also alter and vary the terms and conditions of appointment in such manner and to such extent as may be mutually agreed upon with the Statutory Auditors.

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

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

- No Director of the Company is concerned or interested in the said resolution.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- None of the relative(s) of the persons mentioned in sub-clauses above is concerned or interested in the resolution.

## Item No.6

The term of appointment of Mr. H P Ledwani ceased w.e.f. March 31, 2022. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on November 11, 2021 approved his re-appointment, for a term beginning from April 01, 2022 up to April 30, 2023 subject to the consent of the Members.

### BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

As per Secretarial Standard-2 and Regulation 36 of the SEBI (Listing Obligation & Disclosure Requirements), Regulations, 2015

#### NAME

Mr. Harish Phatandas Ledwani

#### DIRECTOR IDENTIFICATION NUMBER (DIN)

00040629

#### DATE OF BIRTH AND AGE

October 29,1953; 68 years

#### DATE OF FIRST APPOINTMENT ON THE BOARD

April 23, 1998

#### QUALIFICATIONS AND EXPERIENCE

Mr. H P Ledwani is a science graduate and qualified in administrative management from the Jamnalal Bajaj Institute, Mumbai. He has attended several management studies and programmes of premier institutions like Indian School of Business (ISB), Indian Institute of Management (IIM) and Stanford University (USA).

Mr. H P Ledwani has been associated with welding industry for over four decades and has been instrumental in the growth of the organisation right from its inception. In his current role, he will facilitate the organisation's growth and development.

#### RECOGNITION AND AWARDS

In recognition of both 'Leadership and Individual abilities', Mr. H P Ledwani has been bestowed with the following awards:

- (i) Udyog Rattan Award by the Institute of Economics Studies.
- (ii) Global Achievers Award for CEO by the Economics Development Forum.

#### AREA OF EXPERTISE

Organisational sustenance and growth

#### TERMS AND CONDITIONS OF APPOINTMENT

Appointment as Managing Director and Chief Executive Officer of the Company.

#### REMUNERATION DETAILS

Details of remuneration subject to the terms of appointment has been appended as Annexure -1. Further, details of remuneration last drawn has been provided in the Corporate Governance Report.

#### NUMBER OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR

Four out of Four

#### SHAREHOLDING IN THE COMPANY

| Name                   | Category           | Number of Equity Shares |
|------------------------|--------------------|-------------------------|
| Mr. H P Ledwani        | Director           | 1,26,298                |
| Mrs. Sunila H Ledwani  | Relative (Spouse)  | 71,700                  |
| Mr. Niranjan P Ledwani | Relative (Brother) | 27,500                  |
| <b>TOTAL</b>           |                    | <b>2,25,498</b>         |

RELATIONSHIP WITH OTHER DIRECTOR(S), MANAGER AND KEY MANAGERIAL PERSONNEL OF THE COMPANY  
Not related to any other Director, Manager and Key Managerial Personnel of the Company

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS

**Directorships held in other Companies (other than Ador Fontech Limited)**

- Private Limited Companies: 3D Future Technologies Pvt. Ltd. (in the capacity as Nominee Director).
- Memberships / Chairmanships of Committees (other than Ador Fontech Limited): Nil

**Listed entities from which Mr. H P Ledwani has resigned in the past three years: NA**

Note: Details of Directorship and Attendance have also been provided as part of Corporate Governance Report.

The Board recommends the resolution set out at item no. 6 for approval.

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

- No Director of the Company is concerned or interested in the said resolution except Mr. H P Ledwani as it pertains to his appointment.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- Other than Mrs. Sunila H Ledwani and Mr. Niranjana P Ledwani, relatives of Mr. H P Ledwani and holding shares in Ador Fontech Limited, none of the KMPs or other Director(s) and their relatives is/are concerned in the resolution.

## Item No. 7

The Company's manufacturing plants are situated at diverse locations and it is not possible for the Statutory Auditor of the Company to visit and verify all the manufacturing units individually. 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, 2023 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:

- No Director of the Company is concerned or interested in the said resolution.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- None of the Directors or KMPs or their relatives are in any way concerned or interested in the resolution.

## Item No. 8

The Board has appointed M/s. Rao Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2022-23 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:

- No Director of the Company is concerned or interested in the said resolution.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- None of the Directors or KMPs or their relatives are in any way concerned or interested in the resolution.

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## ADDITIONAL INFORMATION

### General

#### NATURE OF INDUSTRY

Life enhancement of industrial components.

#### DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION

Job works/Manufacturing operations started at Nagpur on January 1, 1992 and October 15, 2003 at Bengaluru.

#### EXPECTED DATE OF COMMENCEMENT OF PROJECT AS APPROVED BY THE FINANCIAL INSTITUTIONS

Not Applicable

#### FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS

Detailed financial statements (including notes to the accounts) and comparative analysis (for last five years) forms part of the Annual Report. As per the Companies Act, 2013 read with Rules and Schedules there under, details as at March 31, 2022 are as follows: (i) Profit reckoned as per Section 198 for the purpose of managerial remuneration is Rs. 3,707 lakhs (ii) Net worth is Rs. 13,970 lakhs (iii) Effective capital is Rs. 8,138 lakhs (iv) The Company has been paying dividend from its inception and has not defaulted in payments to any of its Stakeholders and is debt-free.

### Others

#### COMPARATIVE REMUNERATION PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND PERSON

Mr. H P Ledwani has been serving in the welding sector for more than four decades. The Board considering his experience, expertise, performance of the Company under his able leadership and normal industry standards has proposed his remuneration to the Members for approval.

#### STEPS TAKEN OR PROPOSED TO BE TAKEN FOR IMPROVEMENT

Focus on Revenue and Cost Control.

#### REASONS FOR LOSS OR INADEQUATE PROFITS

Given that the pandemic is still ongoing with successive waves, it has been thought best to remain cautious.

#### EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS

Management has adopted focused business strategies in all spheres of business functions to improve sales and profitability.



## ANNEXURE-1

### Terms and conditions of appointment of Managing Director & CEO

#### APPOINTMENT AND TERM

The Board vide its meeting dated November 11, 2021 appointed/ re-appointed Mr. H P Ledwani as a whole time Director designated as 'Managing Director and Chief Executive Officer' subject to the approval of Members at the Annual General Meeting and in compliance of Statutory regulations. The current term shall be for a period starting from April 01, 2022 up to April 30, 2023, in consonance with the Companies Act, 2013 read with Schedule 'V' including updated notifications/regulations, as may become applicable.

The Managing Director and Chief Executive Officer shall unless prevented by ill health, throughout the said term continue to devote his full time, attention and abilities to the business of the Company & shall well and faithfully serve the Organisation.

#### REMUNERATION

The terms of remuneration proposed/payable to Mr. H P Ledwani during his tenure as Managing Director and Chief Executive Officer shall be as under:

- **SALARY:** Rupees eight lakh and five thousand per month with increment as may be decided by the Board.
- **HOUSING:** The Company shall provide furnished residential accommodation along with all amenities & facilities or in case no accommodation is provided, the Company shall pay house rent allowance equivalent to sixty percent of the basic salary.
- **EDUCATIONAL ALLOWANCE:** The Company shall pay an amount equivalent to Rs. 10,000 (rupees ten thousand only) per month.
- **PERFORMANCE BONUS/ INCENTIVES:**

| Criteria based on profits         | Percent             |
|-----------------------------------|---------------------|
| For profits up to Rs. 20 crores   | 0.75% of the profit |
| Rs. 20.01 crores to Rs. 35 crores | 1.00% of the profit |
| Rs. 35.01 crores and above        | 1.25% of the profit |

Note: Profits implies profits before tax.

- **MEDICAL:** The Company shall reimburse all expenses incurred in India and/or abroad including payment of mediclaim premium for self and family. (Note: Family means 'spouse, dependent children and parents').
- **LEAVE TRAVEL CONCESSION:** The Company shall pay leave travel concession for self and family, once a year to any destination in India/abroad, as per the rules of the Company, not exceeding an amount equivalent to one and half month's basic salary.
- **CLUB FEES:** The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.
- **PERSONAL ACCIDENT INSURANCE:** The Company shall pay premium for personal accident insurance policy of a suitable amount.
- **USE OF VEHICLE:** The Company shall provide vehicle for official purpose, the expenditure on which will not be considered as perquisite.
- **COMMUNICATION FACILITY AT RESIDENCE:** The Company shall reimburse telephone and other communication facilities, the expenditure on which will not be considered as perquisite.

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- ENTERTAINMENT: Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
  - CONTRIBUTION TO LIFE INSURANCE POLICIES: The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company from time to time.
  - PROVIDENT FUND: The Company shall contribute to provident fund as per the rules of the Company not exceeding 12% of the salary and be subject to the provisions of the Income tax Act and Rules thereunder (as may be amended by the Govt. from time to time).
  - SUPERANNUATION FUND: The Company shall contribute to superannuation fund as per the rules of the Company subject to the condition that such contribution together with provident fund shall not exceed 27% of the salary as prescribed under the Income tax Act and Rules there under (as may be amended by the Government from time to time).
  - GRATUITY: Payable as per rules applicable to the Executives of the Company (subject to such modifications as may be notified by the Govt. from time to time) on cessation of employment.
  - EARNED/PRIVILEGE LEAVE: Eligible for leave as per the rules of the Company. Encashment of unavailed leave if any, shall be subject to Rules, as are applicable to the employees of the Company in general.
  - MINIMUM REMUNERATION: Mr. H P Ledwani's shareholding is less than 0.5% of the paid-up share capital of the Company and he functions in a professional capacity. He is not related to any of the Director(s) or Promoter(s). In case of no profits or inadequate profits, the Company may pay remuneration by way of salary, allowances, performance bonus/commission and other benefits subject to specifications and approvals under the Companies Act, 2013 and schedules thereunder and in the alternate seek approval from Regulatory Authorities as may be required.
  - SITTING FEES: No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.
  - PAST REMUNERATION UNDERTAKING: Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 46th Annual General Meeting held on August 06, 2021 and in terms of the Companies Act, 2013 read with Schedule V.
  - STOCK OPTION: No stock option or ESOP during the current tenure of employment.
  - LOSS OF OFFICE/TERMINATION: The Managing Director and Chief Executive Officer shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.
  - UNDERTAKING: The Managing Director and Chief Executive Officer shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
  - SUPERSESSION: This agreement supersedes all previous agreements entered in to between the Company and Mr. H P Ledwani.

By order of the Board  
For Ador Fontech Limited

GEETHA D  
Company Secretary

Bengaluru  
May 19, 2022

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

The remote e-voting period begins on Monday – July 25, 2022 at 09:00 A.M. and ends on Wednesday- July 27, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. July 21, 2022 may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 21, 2022.





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

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

#### STEP 1: ACCESS TO NSDL E-VOTING SYSTEM

- Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.  
In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided for Listed Companies, individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

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

| Type of Shareholders   | Login Method   |
|--|--|
| <p>Individual Shareholders holding securities in demat mode with NSDL</p> <p>NSDL MOBILE APP IS AVAILABLE ON</p> <p> </p> <div style="display: flex; justify-content: space-around;">   </div> | <ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a Mobile. Once the home page of e-services is launched, click on the ‘Beneficial Owner icon under Login which is available under IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on ‘Access to e-Voting’ under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>.<br/>Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a Mobile. Once the home page of e-Voting system is launched, click on the icon ‘Login’ which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul> |

| Type of Shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL                                     | <ul style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi /Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E-Voting menu. The menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ul> |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once you login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on options available against Company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.   |

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

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

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue to login can contact NSDL helpdesk by sending a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call toll free no.: 1800 1020 990 and 1800 22 44 30                 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 |

- Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.

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

(i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a Mobile.

(ii) Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member's section.

(iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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.

(iv) Your User ID details are 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\*\*\*
- Password details for Shareholders other than Individual Shareholders 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) How to retrieve your 'initial password'?
      - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.
  - If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
    - (i) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (ii) 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (iii) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - (iv) Members can also use the OTP (One Time Password) based login for casting votes on the e-Voting system of NSDL.

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- After entering your password, tick on Agree to '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.

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

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

- After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select 'EVEN' of the Company to cast your vote during the remote e-Voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- You can also take a 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 to cs.skannan@gmail.com and/or kannans@kannancs.in 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](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD

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

## INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM

- The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
- Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-Voting.

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## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM

- Member will be provided with facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of 'VC/OAVM link' placed under 'Join General meeting' menu against the name of Company. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in the Shareholder/Member's login where the EVEN of the Company will be displayed. Please note that Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Members will be required to allow Camera and use internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/raise questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to Mr. Sanath Kumar D Rao, Asst. Company Secretary at [sanathkumar@adorfon.com](mailto:sanathkumar@adorfon.com).
- Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Speakers are requested to submit their questions at the time of registration to enable the Company to respond appropriately.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure smooth conduct of the AGM.



**DECLARATION PURSUANT TO SEBI (LODR) REGULATIONS, 2015  
REGULATION 34(3) READ WITH SCHEDULE V (D)**

As the Managing Director and Chief Executive Officer 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 2021-22.

**COMPLIANCE CERTIFICATE PURSUANT TO SEBI (LODR) REGULATIONS, 2015  
REGULATIONS 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.

**DECLARATION PURSUANT TO SEBI (LODR) REGULATIONS, 2015  
REGULATIONS 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

Bengaluru  
May 19, 2022

H P LEDWANI  
Managing Director & CEO  
DIN: 00040629

GEETHA D  
Company Secretary  
& Compliance Officer

# DIRECTORS' REPORT

To the Members,

Greetings and we trust that this Report finds you and your family in the best of health and well-being.

We are delighted to present the 47th Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

Rupees In Lakhs

| Particulars                                    | Standalone |         | Consolidated |         |
|--|------------|---------|--------------|---------|
|  | 2021-22    | 2020-21 | 2021-22      | 2020-21 |
| Revenue  | 21,040     | 14,906  | 21,405       | 15,197  |
| Earnings before interest, tax and depreciation | 3,776      | 2,256   | 3,320        | 1,967   |
| Finance/Interest cost                          | -          | -       | (13)         | (25)    |
| Depreciation                                   | (271)      | (247)   | (341)        | (297)   |
| Profit before tax                              | 3,505      | 2,009   | 2,966        | 1,645   |
| Tax  | (961)      | (738)   | (827)        | (641)   |
| Profit after tax                               | 2,544      | 1,271   | 2,139        | 1,004   |
| Opening balance of retained earnings           | 3,829      | 2,858   | 2,549        | 1,845   |
| Net profit for the year                        | 2,544      | 1,271   | 2,139        | 1,004   |
| Transfer to general reserve                    | (400)      | (300)   | (400)        | (300)   |
| Dividend including distribution tax            | (770)      | -       | (770)        | -       |
| Closing balance of retained earnings           | 5,203      | 3,829   | 3,518        | 2,549   |

## DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors have recommended dividend of Rs. 4 (Rupees four only) being 200% on the face value of Rs. 2 (Rupees two) per equity share, which inter-alia/includes special dividend of Rs. 1 (Rupee one only) per equity share being 50% percent to commemorate achievement of rupees two hundred crores in revenue. The entailed outflow will be Rs. 14 crores (Rupees fourteen crores).

The payment will be subject to the approval of Members at the ensuing Annual General Meeting. Members who hold shares on the record date i.e., July 21, 2022 will be eligible for dividend. The payout will be made after deducting applicable income tax.

Further, the Board has recommended for transfer of rupees four crores of profit to the General Reserve, as against rupees three crores transferred during the previous year.

## REVIEW OF BUSINESS OPERATIONS

### Standalone

It is a sense of great pride that the Company has surpassed yet another milestone of Rs. 200 crores in revenue in the history of the Company, besides registering significant growth in profits. The accelerated revenue growth was a phenomenal 41% year on year. During the entire year, key focus were on: (i) Optimal blend of product mix (ii) Expansion of customer base with application development and transplant (iii) Deeper focus on management of business partners (iv) Higher price realisation to offset inflation etc.

Further, it may be pertinent to note that when there was significant shortage of oxygen supply in the country due to Covid-19, the Company supplemented industrial requirement with plasma cutting systems replacing oxy-fuel and thereby ensuring more supply of oxygen for medical requirements, which in effect may have contributed to saving of lives at the most important critical juncture.

Going forward, the areas of challenges include: (i) Managing input material prices (ii) Managing supply-chain-constraints (iii) De-risk/ Import substitutions (iv) Possibility of another Covid wave. However, the Company will continue to do its best in subserving the interests of all stakeholders including the Members, Government, Industry, Employees and all its Associates.

## Consolidated

The subsidiary 3D Future Technologies Private Limited's revenue increased to Rs. 485 lakhs from Rs. 302 lakhs, signifying a growth of 61%. During the year, the Company had focused on:

- Creating a dashboard for marketing and lead generation programmes by involving a dedicated IT (Information Technology) team.
- Employee development by re-defining KRA's (Key Result Areas) and thrust on training.
- Focus was on exploring new geographical locations and enhancing lead generation through digital platform.
- Continuously upgrading its quality of products. Incidentally it is working on ISO certifications.

## FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2022 has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of 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 to reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2022.

## SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2022 was Rs. 700 lakhs divided in to 350 lakhs equity shares of Rs. 2/- each. There was no change in the capital structure of the Company during the year under review.

## BOARD OF DIRECTORS

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors with distinctiveness in functions of governance and management. At the end of the financial year 2021-22, the composition of Board was as under:

| Name                  | Designation                                   |
|-----------------------|---|
| Mr. A T Malkani       | Non-Executive; Promoter Director and Chairman |
| Mr. H P Ledwani       | Managing Director and Chief Executive Officer |
| Mrs. N Malkani Nagpal | Non-Executive; Promoter Director              |
| Mr. N S Marshall      | Independent Director                          |
| Mr. Santosh Janakiram | Independent Director                          |
| Mr. Rafique Malik     | Independent Director                          |

The Board met four times during the year, details of which are given in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings were within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligation 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. The policy is also hosted on the website of the Company at [www.adorfon.com](http://www.adorfon.com).

## DIRECTORS

### Director seeking re-appointment as liable to retire by rotation

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, Mr. A T Malkani, Non-Executive Director is liable to retire by rotation and being eligible has offered his candidature for appointment/re-appointment.

### Directors seeking re-appointment at the AGM

The term of the Managing Director & CEO was up to March 31, 2022. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on November 11, 2021 approved the re-appointment of Mr. H P Ledwani for a period commencing from April 01, 2022 up to April 30, 2023, subject to the consent of Members at the ensuing Annual General Meeting.

### Details of changes in Directors and/or Key Managerial Personnel

During the year, Mr. P Gopa Kumar ceased to be 'Chief Financial Officer' of the Company due to his untimely demise on September 27, 2021. The organisation wishes to place on record his yeomen service to the Company.

Thereafter, w.e.f. November 11, 2021 Ms. Geetha D took additional charge as 'Chief Financial Officer'.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Sections 134(3) (c) and 134(5) of the 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, 2022; the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- The Directors have selected such accounting policies and applied them consistently and 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, 2022 and of the profits of the Company 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 and detecting fraud 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 and that such internal financial controls are adequate and are operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 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

### Board members

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 & 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 for such 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 09, 2022 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 drawn.

### Staff members

Performance management systems are in place and timely reviews were facilitated to provide feedback to the employees on their performance.

## INTERNAL CONTROL SYSTEMS

As part of internal controls, the ERP environment has been plugged with standard operating procedures (SOPs) including checks & balances besides approval matrix to ensure accuracy of financial and non-financial transactions. Further, there are Internal and Branch audits conducted both on quarterly and on an annual basis respectively, by external Chartered Accountant Firms to ensure correctness of data.

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 2021-22, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) specified in the audit reports. Hence explanations or comments on the same do not become applicable.

### Secretarial Audit

The Company has complied with all applicable provisions of the Secretarial Standards and Secretarial Audit Report for the financial year 2021-22, details of which forms part of the Annual Report.

## Cost Audit

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

## AUDITORS

### Statutory Audit

M/s. Praveen & Madan, Chartered Accountants (Firm Registration No. 011350S), having office at No. 237, 2nd cross, Cambridge Layout, Halasuru, Bengaluru 560 008 were appointed for a term of five years which will conclude at the end of the 47th Annual General Meeting. The Company has received confirmation from the Auditors to the effect that their appointment remains in accordance with the provisions of Section 141 of the Companies Act, 2013 and they are eligible for re-appointment. The Board has placed their candidature for approval of the Members at the ensuing Annual General Meeting.

### Secretarial Audit

The Board has appointed Ms. Manjula Narayan, Company Secretary in Practice (ACS Membership No. 28374 & COP No. 10150), having office at #10, 3rd Cross, 4th Main, Vinayaka Layout, Bhattarahalli, Near Domino's Pizza, Bengaluru - 560 049 as the Secretarial Auditor of the Company for the financial year 2022-23.

## Cost Audit

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 2021-22 in form MGT-7 in respect of the previous year have been uploaded on the website at <https://www2.adorfon.com/investors-info/mgt9/>.

## INVESTOR EDUCATION AND PROTECTION FUND

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, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investor Education & Protection Fund, after completion of seven years.

Further, according to the rules, shares on which dividend has not been claimed by the Shareholder(s) for seven consecutive years or more will have to be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred Rs.15,99,876 (Rupees fifteen lakhs, ninety nine thousand, eight hundred and seventy six only) and 27,070 equity shares of Rs.2/- each to the IEPF Authority. Details of unclaimed dividend and equity shares transferred have been hosted on the website of the Company.

## SUBSIDIARY

During the financial year 2021-22 the Company contributed by way of inter corporate deposit an amount of approximately rupees six crores and forty one lakhs. Given the proposition that (i) Covid-19 pandemic is ongoing (ii) Subsidiary was holding external debt (iii) The Company has been maintaining treasury (iv) Significant volatility in market could prove detrimental; the Company over a period of two years repaid the borrowings of the subsidiary and substituted the same with Inter-Corporate-Deposit. Interest rate was pegged at nine percent, significantly higher than the Reserve Bank of India's bank rate.

## PRODUCTS AND SERVICES

The Company during the financial year 2021-22 laid thrust on online systems and solutions to create a niche digital platform. The website of the Company was revamped, greater presence was made in social media like Facebook, LinkedIn and Youtube. This is expected to have far reaching transitional effect on the method of managing business.

## 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 and during the year 2021-22, the Company has applied for registration 'Ador-peace of mind' under classes 1,2,6,7,9,17,19,20,37 & 40 of the Trade Marks Act, 1999.

## PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

During the financial year 2021-22, Inter-corporate-deposit (ICD) to 3D Future Technologies Private Limited (3DFT) and Ador Powertron Limited were facilitated, of which principal along with interest were duly repaid by the latter. Being wholly owned subsidiary and still at the nascent stage, ICD provided to 3DFT remained outstanding at the end of the year.

The reckoning of interest for ICD was placed significantly higher than the bank rate. The requirement for ICD emanated from the need to bridge finance working capital requirements, as per request letters received from the respective organisations.

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

## CAPITAL EXPENDITURE

The spend on account of capital expenditure remained largely conservative due to the ongoing pandemic.

## 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.



## LIQUIDITY

To have an optimum level of liquidity, the Company ensured:

- It has healthy current ratio at all times of the year
- Best of efforts were channelised towards cost control/reduction of overhead expenses, to the extent possible
- Ensured the credit cycle and investments are correctly managed to reduce default risk

Further, the Company continued to enjoy debt free status resulting in nil finance cost.

## CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2021-22, the Company engaged in 44 activities involving a total payout of rupees thirty nine lakhs. Details of which have been provided as part of the Report on Corporate Social Responsibility. Incidentally, the Company has surpassed amount statutorily required to be spent on CSR activities.

## MATERIAL CHANGES, COMMITMENTS AND ORDERS

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

## EMPLOYEES AND WORKPLACE CULTURE

The Company works on a cluster of professional staff members, both from sales and non-sales domain. The employees of the Company are skilled to perform activities as per the requirements of Key Result Area (KRAs) and Key Performance Indicators (KPIs). The Company is to a great extent policy driven with definitive good working culture. There is also a strong vigil mechanism (whistle-blower) policy in place and all employees have access to the Chairman of the Audit Committee, in case they may wish to report any concern.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company believes in providing a safe work environment to its employees. To ensure such an environment, the Company has adopted 'Anti-Sexual-Harassment' policy which is in line with the requirements of 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 2021-22, there were no complaints received under this category.

## HEALTH AND SAFETY MEASURES

The first part of the financial year saw major surge in Covid-19 infections, particularly during the second wave. The best way to defend was to get vaccinated. The Company therefore had conducted mass vaccination programmes at its factories.

In this regard, the Company wishes to place on record the best of support extended by 'Bruhat Bengaluru Mahanagar Palike (BBMP)' particularly of the Doctors and Administrative Staff Members.

Further, the Company had also encouraged work from home (WFH) for employees, who could remotely perform their work, until the second quarter of the financial year.

The Company still remains cautious to provide best and safe working environment. It still continues with temperature checks, disinfecting work place at constant intervals and tries at best to maintain best hygienic work environment.

## QUALITY SYSTEMS

During the year, the Company underwent ISO re-certification programmes and was accorded (i) ISO 9001:2015 (ii) ISO 14001:2015 and (iii) ISO 45001:2018 by DNV GL Business Assurance. While the first two were on Quality Certifications, the third was on Occupational Health and Safety Management System.

## RISK MANAGEMENT

The Company has adopted a '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 Assets, Inventories, Transit covering movement of materials, vehicles etc.

The Company has also covered employee related risks like Personnel accident, Workmen compensation, Employee's deposit linked insurance scheme etc. in order to safeguard their personal interests.

## NOMINATION AND REMUNERATION POLICY

As required under the provisions of Section 178(3) of the Companies Act, 2013 and Regulation 19 of 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

### 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. Hence statement in form AOC-2 is not required to be annexed to this report.

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.

### Insider trading

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

Further, the Stock Exchange and Designated Employees were duly informed on the closure and opening of the trading windows.

### Details of fees paid to the Statutory Auditors

The total fees for all services paid by Ador Fontech Limited to M/s Praveen & Madan, Statutory Auditors, for the year ended March 31, 2022:

| Name           | Amount (In Rs.) |
|----------------|-----------------|
| Audit fees     | 5,00,000        |
| Certifications | 75,000          |
| TOTAL          | 5,75,000        |

### Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 of the SEBI (LODR) Regulations, 2015

There were no funds raised by the Company through preferential allotment or qualified institutional placement during the financial year 2021-22.

### 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.

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## 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 (including details of activities undertaken and amount spent)
- Conservation of energy, technology absorption, foreign exchange earnings and outgo
- Particulars of arrangements/transactions made with related parties
- Particulars of employees
- Details of Subsidiary & Associates

## WEB LINK

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

## INITIATIVES

The Company continues to sustain its commitment to 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.

## ACKNOWLEDGEMENTS

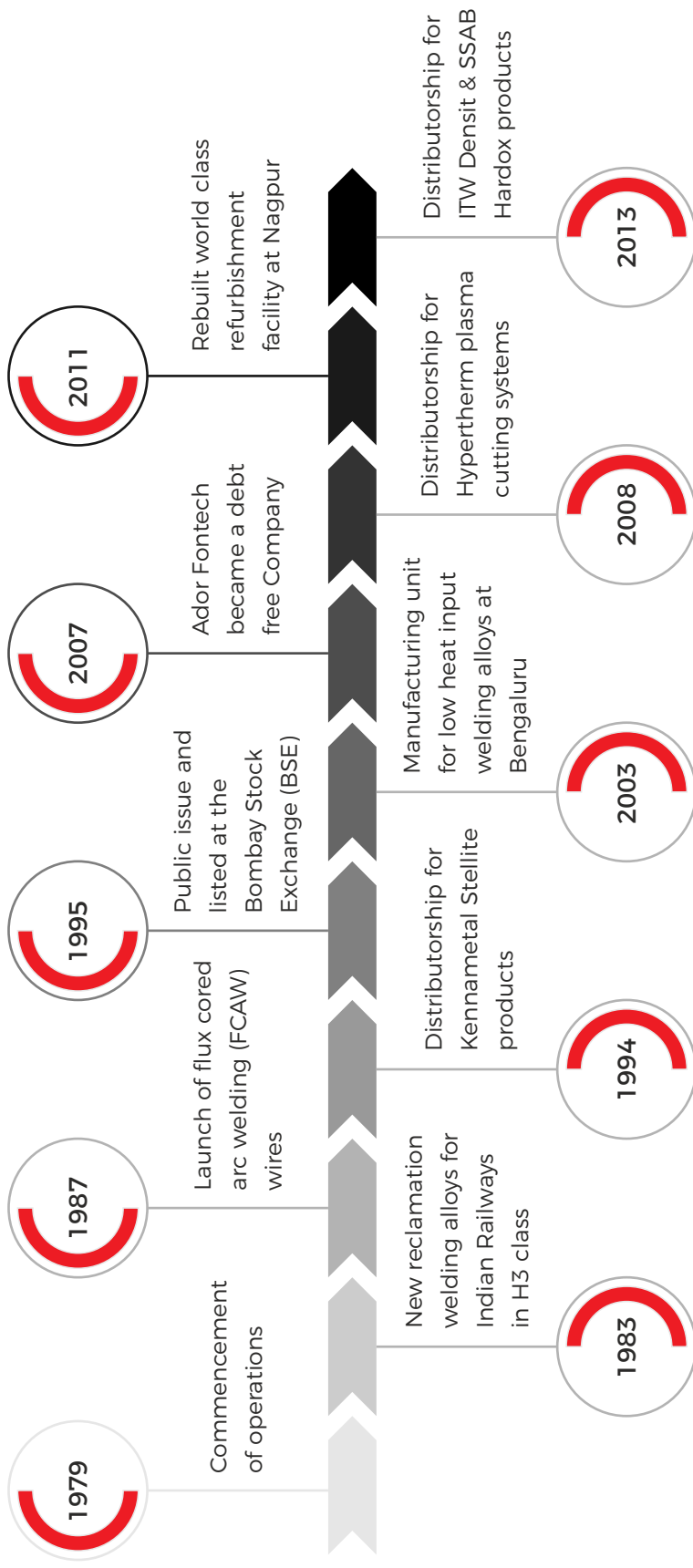
Employees are always recognised as an invaluable asset of the Company. Their contribution during the phase of pandemic, braving all odds is highly commendable. The Directors wish to place on record their deep sense of appreciation in acknowledgement of their yeomen service. On the same parlance, also extend thankfulness and gratitude to all Government and Regulatory Authorities, Municipal Corporations, Financial Institutions, Shareholders, Customers, Authorised Dealers, Channel Partners, Suppliers, besides all Organisations associated with the Company for their continued patronage and splendid co-operation.

Bengaluru  
May 19, 2022

For Ador Fontech Limited

A T MALKANI  
Chairman  
DIN: 01585637

# MILESTONES



ANNEXURE TO  
THE DIRECTORS'  
REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE 1

### ECONOMIC AND BUSINESS ENVIRONMENT

While many economies around the globe continue to reel under the aftershocks of Covid, India's journey to economic recovery is a testament of the timely and well co-ordinated efforts of the Government and Regulators. According to Boston Consulting Group (BCG) report, India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern. Further, as per International Monetary Fund (IMF), India is expected to become US \$ 5 trillion economy by 2026-27.

On a round up of the year that was, Indian economy grew at an overall 8.7% in 2021-22 with 4.1% growth in the fourth quarter of the financial year. The manufacturing sector grew by 11.8% and that of the services sector by 8.2%. The foreign exchange reserves stood at US\$ 597.73 billion. Several high frequency indicators such as PMI manufacturing, Exports, Consumption of Industrial Commodities etc. also largely reflected the growth sentiments. The economy's confidence to rebound was bolstered by rapid pace of immunisation programme undertaken by the Government.

As regards 2022-23, the Union Budget's commitment to asset creation (public infrastructure) is expected to re-energise the virtuous cycle of investment and crowd in private investments with huge multiplier effect boosting sustainable growth. This scenario should play well for the Indian economy barring geopolitical and economic surprises. Two major reckoning factors include: (1) Recovery from the pandemic in entirety: Health concerns, supply disruptions and price pressure (2) Ukraine war - Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 in 2022 and 2023. Beyond 2023, global growth is forecasted to decline at about 3.3 percent over the medium term, signaling a probable Stagflation.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The world has limited supply of mineral resources. Depletion rate resulting from continuously improving economic growth is very high. Reclamation and recycling of vital machinery components therefore assumes high priority. It helps in conservation of mineral reserves as well as in reducing down-time and inventory costs.

The customer base for this industry comprises of the following: (i) Cement plants (ii) Steel and other metallurgical complexes (iii) Mining industries (iv) Power Plants (v) Aviation and industrial gas turbines (vi) Automotive (vii) Railways (viii) Sugar mills (ix) Fertiliser and chemical plants (x) Defence workshops (xi) Shipping industries, oil drilling and refining sector (xii) Textiles (xiii) A whole range of engineering industries.

In effect, the industry predominantly depends on the functioning of core sector industries and their budget allocation towards capital expenditure and maintenance. With the onset of Covid, there has been deferment of capital expenditure and repair requirements largely emanated only in the case of breakdown of machineries. In all likelihood, the impasse is likely to change with adaptation to the new normal.



REPAIR



REFURBISHMENT



SERVICES

## SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company operates on a single segment of life enhancement of industrial components/repairs and maintenance in welding. There are three sub classifications which tend to supplement and compliment because of the nature of business and the portfolio of products and services. (i) Manufacturing (ii) Trading and (iii) Services. Details have been inbuilt/ provided as part of the financial statements.

## CURRENT YEAR OUTLOOK

The Government of India, under its 'Make in India' initiative is trying to boost contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. There are also major infrastructure activities planned for 2022-23. This is expected to boost core sector industrial activities. Given this expectancy that industry will bounce back with greater buoyancy, the current year outlook looks reasonably well poised.

However on the flip side, the pandemic-era measures which were intended to support growth during an economic downturn may have fuelled inflationary pressures the world over. This is expected to result in general recession. While the fundamentals of the Indian economy is strong and may remain insulated, the probability of a slow-down cannot be discounted in the medium term ranging between twelve to eighteen months, which is expected to impact performance of organisations all over.

## OPPORTUNITIES

The Company received approval for its robotic welding system (of which technology was indigenously developed by the Company) from the Indian Railways. Ador Fontech Limited is the first company to be accorded such approval in India under the broad gamut of 'Make in India' project. At present it is at the nascent stage where the product has been developed and approved. Going forward efforts will be made to develop a specialised team and infrastructure to ensure sustenance and development.

## RISK, THREATS AND CONCERNS

As per Organisation for Economic Co-operation and Development (OECD) in the world over, the war in Ukraine has created a new negative supply shock with price escalations in almost all products and services, just when challenges associated with the pandemic were beginning to fade.

In India too the prices of basic minerals and metals have escalated to a great extent and its passage to the ultimate user may prove to be challenging during the near foreseeable future.

Further, as always competition is on the incline, both from Indian Companies and Overseas Organisation's setting up business hub or place of establishment in India coupled with competition from the unorganised sector.

## BUSINESS ORGANISATION

There are positive trends in all business organisations including Cement, Steel, Infrastructure, Power, Defence and the Railways. India has set its vision to become a global manufacturing hub by 2030. In consonance, business organisations are recalibrating their commitments to higher targets and exploring all possibilities to achieve the same in a consistent manner. This is expected to have positive effect on the business organisation of the Company.



## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

To increase the operating effectiveness, automated IT systems are built to control risk and monitor different phases of operations. During the year, the Company migrated to Ramco System's Accounting Software package. There were challenges at the inception to adapt to the new system and over a period of time it has got smoothed. Going forward, the seamless integration is expected to facilitate finesse in accounting operations.

Further the Company has various kinds of audits like Statutory, Internal, Goods and Service Tax, Cost Audit etc. all of which are being undertaken by distinct external team of Auditors to ensure fair and transparent disclosures in the interest of all Stakeholders.

## HUMAN RESOURCE DEVELOPMENT

During the year HRIS (Human Resources Information System) and ESS (Employee self-service) have been completely stabilised to help employees access information related to HR. Additionally, as a part of second phase of implementation, PMS (Performance monitoring system) will be made system driven which will facilitate online appraisal system.

Further, the Company operates in a domain which continuously requires employees to upskill their learning. The Company's in-house training centre-DOTES-Documentation, training and educational services, largely facilitates this requirement.

The Company's staff strength on March 31, 2022 was 184 besides 96 workers were deployed on contract rolls (primarily for repeated manual operations). There was cordial relationship during the course of the year.

## PERFORMANCE ANALYSIS

Details on performances are reflected in the statement of financial results and ratio analysis. The achievement of rupees two hundred crores will indeed remain a milestone in the history of the Company and the efforts of the employees towards the same both individually and collectively is highly commendable.

## 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 statement(s) to reflect future events or circumstances unless required on to a do so by law.

## RATIO ANALYSIS

Rupees In Lakhs

| Particulars   | 2021-22    |              | 2020-21    |              |
|---|------------|--------------|------------|--------------|
|   | Standalone | Consolidated | Standalone | Consolidated |
| <b>KEY RATIOS</b>   |            |              |            |              |
| Current ratio (Current assets/Current liability)                              | 4.4        | 3.6          | 4.0        | 3.3          |
| Debt/Equity ratio (Debt/Shareholders' equity)                                 | -          | -            | -          | 0.3          |
| Debt service coverage ratio (EBIT/Debt service)                               | -          | -            | -          | 9.4          |
| Return on equity (Net income/Shareholders' equity)                            | 18%        | 17%          | 10%        | 9%           |
| Trade receivables turnover ratio (Credit sales/Average debtors)               | 7.5        | 7.5          | 4.9        | 4.9          |
| Trade receivables turnover-no. of days (Accounts receivable/Credit sales*365) | 49         | 49           | 75         | 74           |
| Inventory turnover ratio (Cost of goods sold/Average inventory)               | 5.2        | 5.2          | 3.3        | 3.3          |
| Trade payables turnover ratio (Purchase/Average creditors)                    | 5          | 5            | 3          | 3            |
| Trade payables turnover-no. of days (Accounts payable/Cost of goods sold*365) | 58         | 59           | 90         | 90           |
| Working capital turnover ratio (Revenue/Working capital)                      | 2.0        | 2.4          | 1.8        | 2.0          |
| Capital turnover ratio (Total income/Shareholders' equity)                    | 151%       | 174%         | 122%       | 139%         |
| EBIDAT/ Sales(Revenue)  | 18%        | 16%          | 15%        | 13%          |
| Gross profit margin percent (Cost of goods sold/Revenue)                      | 39%        | 39%          | 39%        | 40%          |
| Gross profit ratio (Profit before tax/Sales)                                  | 17%        | 14%          | 14%        | 11%          |
| Net profit margin percent (Net profit after tax/Revenue)                      | 12%        | 10%          | 9%         | 7%           |
| Return on year end capital employed (EBIT/Capital employed)                   | 27%        | 26%          | 17%        | 16%          |
| Return on investment (Interest income/Cost of investment)                     | 6%         | 4%           | 5%         | 5%           |
| Earnings per share (Profit after tax/Number of equity shares)                 | 7.3        | 6.1          | 3.6        | 2.9          |
| <b>PARAMETERS</b>   |            |              |            |              |
| Revenue from operations (Revenue)   | 20,474     | 20,955       | 14,667     | 14,952       |
| Total income  | 21,040     | 21,405       | 14,906     | 15,197       |
| Interest income   | 292        | 215          | 174        | 164          |
| Purchases   | 10,609     | 10,818       | 7,304      | 7,426        |
| Cost of goods sold  | 12,540     | 12,739       | 8,884      | 8,992        |
| Gross profit (Revenue-Cost of goods sold)                                     | 7,934      | 8,216        | 5,783      | 5,960        |
| Earnings before interest, depreciation and tax (EBIDAT)                       | 3,776      | 3,320        | 2,256      | 1,967        |
| Depreciation  | 271        | 341          | 247        | 297          |
| Earnings before interest, exceptional items and taxes (EBIT)                  | 3,505      | 2,979        | 2,009      | 1,670        |
| Interest expense  | -          | 13           | -          | 25           |
| Exceptional items   | -          | -            | -          | -            |
| Profit/(loss) before tax  | 3,505      | 2,966        | 2,009      | 1,645        |
| Tax expense   | 961        | 827          | 738        | 641          |
| Profit/(loss) after tax   | 2,544      | 2,139        | 1,271      | 1,004        |
| Total comprehensive income  | 2,563      | 2,158        | 1,298      | 1,031        |
| Equity dividend (percent)   | 200%       | -            | 110%       | -            |
| Share capital   | 700        | 700          | 700        | 700          |
| Reserves and surplus  | 13,270     | 11,581       | 11,477     | 10,196       |

## RATIO ANALYSIS

Rupees In Lakhs

| Particulars  | 2021-22    |              | 2020-21    |              |
|--|------------|--------------|------------|--------------|
|  | Standalone | Consolidated | Standalone | Consolidated |
| Net worth  | 13,970     | 12,281       | 12,177     | 10,896       |
| Gross property (Plant, equipment and intangible assets)          | 5,545      | 5,939        | 5,171      | 5,617        |
| Net property (Plant, equipment and intangible assets)            | 2,808      | 2,919        | 2,624      | 2,755        |
| Total assets   | 16,928     | 15,772       | 14,977     | 14,210       |
| Borrowings   | -          | -            |            | 177          |
| <b>AVERAGES</b>  |            |              |            |              |
| (a) Average debtors  | 2,738      | 2,788        | 3,011      | 3,046        |
| Opening debtors  | 2,722      | 2,754        | 3,300      | 3,337        |
| Closing debtors  | 2,754      | 2,821        | 2,722      | 2,754        |
| (b) Average creditors  | 1,998      | 2,042        | 2,199      | 2,224        |
| Opening creditors  | 1,865      | 1,901        | 2,533      | 2,547        |
| Closing creditors  | 2,131      | 2,183        | 1,865      | 1,901        |
| (c) Average capital employed                                     | 13,107     | 11,673       | 11,768     | 10,653       |
| Opening capital employed (Total assets less current liabilities) | 12,244     | 11,005       | 11,292     | 10,300       |
| Closing capital employed (Total assets less current liabilities) | 13,970     | 12,341       | 12,244     | 11,005       |
| (d) Working capital  | 10,187     | 8,786        | 8,271      | 7,393        |
| Current assets   | 13,145     | 12,217       | 11,004     | 10,598       |
| Current liabilities  | 2,958      | 3,431        | 2,733      | 3,205        |
| (e) Average inventory  | 2,398      | 2,458        | 2,696      | 2,725        |
| Opening inventory  | 2,523      | 2,567        | 2,869      | 2,882        |
| Closing inventory  | 2,273      | 2,349        | 2,523      | 2,567        |
| (f) Average investment   | 5,018      | 5,038        | 3,506      | 3,518        |
| Opening investment   | 4,301      | 4,320        | 2,711      | 2,715        |
| Closing investment   | 5,735      | 5,755        | 4,301      | 4,320        |

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## REPORT ON CORPORATE GOVERNANCE

### ANNEXURE 2

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The Company believes that good corporate governance is essential to create sustainable growth and maximise stakeholders value. Hence, it remains committed to adhering with the best of practices in governance and disclosures besides, the business module adopted follows transparency and simplicity in all its endeavours.

## POLICIES AND DOCUMENTATION

In consonance with SEBI guidelines and Listing requirements, the Company has adopted various policies, which are uploaded on the website: <https://www2.adorfon.com/investors-info/policies-code-and-practices/>

## 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 and its subsidiary
- 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 dividend, delay in share transfers, etc.
- Updates on the working of Subsidiary

## Core skills/ expertise competencies of the Board

The Company believes that effective contribution of the Board will impact the Company's performance and therefore, Members of the Board have co-opted to 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 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 Stanford 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 business and contributing towards development of internal controls systems for risk mitigation and management.                                      |

## Composition

| Name of the Director  | Category of Directorship    |
|-----------------------|-----------------------------|
| Mr. A T Malkani       | Promoter and Non-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 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 Malik     | 00521563               |

## Meetings

During the year 2021-22, four Board meetings were held on

May  
**27**  
2021

Jul  
**30**  
2021

Nov  
**11**  
2021

Feb  
**09**  
2022

## Disclosure of Directorships in Listed Entities and skills/expertise/competence of Director(s) as per Schedule V of the SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015

| Name of the Director  | Name of the Listed entity              | Category of Directorship        | Specific skills/ expertise/ competence in the context of business and sector |
|-----------------------|--|---------------------------------|--|
| Mr. A T Malkani       | Ador Fontech Limited                   | Non-Executive Promoter Director | Vision and strategic planning  |
|                       | Ador Welding Limited                   | Executive Promoter Director     |  |
| Mr. H P Ledwani       | Ador Fontech Limited                   | Executive Director              | Organisational development, sustenance and profitability                     |
| Mrs. N Malkani Nagpal | Ador Fontech Limited                   | Non-Executive Promoter Director | Financial management   |
|                       | Ador Welding Limited                   | Executive Promoter Director     |  |
| Mr. N S Marshall      | Ador Fontech Limited                   | Non-Exe. & Independent Director | Leadership in multiple business verticals                                    |
|                       | Ador Multiproducts Ltd.                | Non-Exe. & Independent Director |  |
|                       | Simmonds Marshall Ltd.                 | Executive Promoter Director     |  |
|                       | Hindustan Hardy Limited                | Non-Exe. & Independent Director |  |
| Mr. Santosh Janakiram | Ador Fontech Limited                   | Non-Exe. & Independent Director | Legal, governance and regulatory requirements                                |
|                       | Hindustan Construction Company Limited | Non-Exe. & Independent Director |  |
| Mr. Rafique Malik     | Ador Fontech Limited                   | Non-Exe. & Independent Director | Leadership of large organisation   |
|                       | Mirc Electronics Limited               | Non-Exe. & Independent Director |  |

## Attendance and Directorships

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

| Name of the Director  | Financial year 2021-2022 |                | As on March 31, 2022 |                     |               |
|-----------------------|--------------------------|----------------|----------------------|---------------------|---------------|
|                       | Attendance at            |                | Nos.                 | Other Directorships |               |
|                       | Board Meetings           | AGM 06.08.2021 |                      | Committee Positions |               |
|                       |                          |                |                      | No. of Membership   | Chairmanships |
| Mr. A T Malkani       | Four                     | Present        | One                  | -                   | -             |
| Mrs. N Malkani Nagpal | Four                     | Present        | One                  | One                 | -             |
| Mr. H P Ledwani       | Four                     | Present        | -                    | -                   | -             |
| Mr. N S Marshall      | Four                     | Present        | Three                | Five                | -             |
| Mr. Santosh Janakiram | Three                    | Present        | One                  | -                   | One           |
| Mr. Rafique Malik     | Two                      | Present        | Two                  | One                 | One           |

Notes: (i) Other Directorship, Membership and Chairmanship excludes Ador Fontech Limited, Private limited companies and Alternate Directorship. (ii) For Membership/Chairmanship only Audit and Stakeholders Relationship Committees are 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/re-appointment as also terms of appointment and remuneration of 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 2021-22, four Audit Committee Meetings were held on

May  
**27**  
2021

Jul  
**30**  
2021

Nov  
**11**  
2021

Feb  
**09**  
2022

### 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 Malik     | Member      | Two        |

## 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 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.

## 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.

## MANAGEMENT DEVELOPMENT, NOMINATION AND REMUNERATION COMMITTEE

### Broad terms of reference

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' for supporting team members and they 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 both technical and non-technical/skill-based trainings. 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.

### Meetings

During the year 2021-22, four Management Development, Nomination & Remuneration Committee Meetings were held:

|                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|
| May<br><b>27</b><br>2021 | Jul<br><b>30</b><br>2021 | Nov<br><b>11</b><br>2021 | Feb<br><b>09</b><br>2022 |
|--------------------------|--------------------------|--------------------------|--------------------------|

### Composition and attendance

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

The nomination and remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR). The Policy is also available on the website of the Company at <https://www2.adorfon.com/investors-info/policies-code-and-practices/>.



## 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 planning

Evaluation of performance

Remuneration framework and policies

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

- 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

## Appointments and remuneration

- The Committee shall identify & ascertain qualifications, expertise, experience and for integrity of the person for appointment as Director, KMP and Senior Management positions. As regards appointment of Executive Directors, the recommendations of the Committee are validated by the Board and thereafter placed for the approval of 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 re-appoint 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 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 gets 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 official duties.

## REMUNERATION TO WHOLE TIME DIRECTOR FOR FY 2021-22

Rupees in lakhs

| Names           | Salary | Benefits | Total |
|-----------------|--------|----------|-------|
| Mr. H P Ledwani | 224    | 34       | 258   |

## Notes:

- The agreement with Mr. H P Ledwani was for a period of one year w.e.f April 01, 2021 which was extended vide Board meeting dated November 11, 2022 for a period starting from April 01, 2022 up to April 30, 2023 subject to approval from Shareholders at the ensuing Annual General Meeting.
- Salary includes basic, house rent, incentive/award, educational allowance, reimbursement towards medical and perquisites like leave travel concession.
- Benefits include contribution towards retiral funds like provident, superannuation besides 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 Shareholders/Members approval dated August 06, 2021 and reckoned as per the Companies Act, 2013 and in particular modification notified under MCA circular dated September 12, 2018 read with corresponding amendments to (i) Schedule V of the Companies Act, 2013 and (ii) The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018.

## Remuneration to Non-Executive Directors

## SITTING FEES

Amount in Rupees

| Name of the Director  | 2021-22  | 2020-21  |
|-----------------------|----------|----------|
| Mrs. N Malkani Nagpal | 68,000   | 51,000   |
| Mr. N S Marshall      | 52,000   | 39,000   |
| Mr. Santosh Janakiram | 51,000   | 51,000   |
| Mr. Rafique Malik     | 34,000   | 51,000   |
| TOTAL                 | 2,05,000 | 1,92,000 |

## Remuneration to employees

Remuneration including for Senior Management 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 to oversee management of risk, review effectiveness of risk management processes and ensure that right people are in place and coming through. Non-Executive Directors are expected to provide an effective monitoring role and provide advice as a sounding board to the Executive Directors.

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

- Participation in Board meetings and Annual general meetings of the Company
- Quality of inputs provided at the meetings
- Contribution towards development of strategies
- Contribution towards risk management
- Concern towards holistic development of the Company – short term as well as long term
- The evaluation process takes place through self-evaluation of Directors and by peers

## Independent Directors

During the year under review, Independent Directors met on February 09, 2022, 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
- The Company has received declaration in terms of Section 149(6) of the Companies Act, 2013 from Independent Directors

## Familiarisation programme

As part of familiarisation programme updates are provided on changes that have happened during the current financial year through presentations (video and power points) besides, heads of the departments are invited to appraise on the status and activities of the Company and its subsidiary.

Further, Independent Directors have three key roles – Governance, Control and Guidance. Some of the performance indicators on which Independent Directors are evaluated include:

- Ability to contribute and monitor Corporate Governance Practices
- Introduction to global best practices
- Active participation in long term strategic planning
- Commitment to the fulfilment of Directors obligations and fiduciary responsibilities

To improve the effectiveness of the Board and its Committees, as well as Independent Directors, a formal and rigorous Board review is internally undertaken on an annual basis.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

### Functions

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

### Meetings

During the year 2021-22, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on:

|                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|
| May<br><b>27</b><br>2021 | Jul<br><b>30</b><br>2021 | Nov<br><b>11</b><br>2021 | Feb<br><b>09</b><br>2022 |
|--------------------------|--------------------------|--------------------------|--------------------------|

### 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 Malik     | Member      | Two        |

### Compliance officer

The Company has appointed Ms. Geetha D as the Company Secretary and Compliance officer of the Company.

### Details of complaints for the year 2021-22

| No. of complaints received during the year | No. of complaints resolved during the year | No. of complaints pending at the end of the year |
|--|--|--|
|  | Nil  |  |

### Transfer committee meetings

Six sub-committee meetings were held during the year 2021-22.

## Director's shareholding as on March 31, 2022

| Name of the Director  | Number of shares |
|-----------------------|------------------|
| Mr. A T Malkani       | 15,86,452        |
| Mrs. N Malkani Nagpal | 7,60,700         |
| Mr. H P Ledwani       | 1,26,298         |
| Mr. N S Marshall      | 1,16,198         |
| Mr. Santosh Janakiram | -                |
| Mr. Rafique Malik     | -                |

## GENERAL BODY MEETINGS

### Dividend history

Rupees In Lakhs

| Financial year                | Dividend percent                           | Dividend outflow | Tax on dividend | Total outflow |
|-------------------------------|--|------------------|-----------------|---------------|
| 2020-21                       | One hundred & ten (tax deducted at source) | 696              | 74              | 770           |
| 2019-20<br>(Interim dividend) | Ninety                                     | 630              | 129             | 759           |
| 2018-19                       | One hundred and seventy-five               | 612              | 126             | 738           |
| 2017-18                       | One hundred and fifty                      | 525              | 107             | 632           |
| 2016-17                       | One hundred and fifty                      | 525              | 107             | 632           |
| 2015-16                       | One hundred and seventy-five               | 613              | 125             | 738           |
| 2014-15                       | One hundred and seventy-five               | 613              | 125             | 738           |
| 2013-14                       | One hundred and seventy-five               | 613              | 104             | 717           |
| 2012-13                       | One hundred and seventy-five               | 613              | 104             | 717           |

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

| Financial year | Date       | Location of the meeting          | Time (hrs.) |
|----------------|------------|----------------------------------|-------------|
| 2020-21        | 06.08.2021 | Meeting through video conference | 11:00 A.M.  |
| 2019-20        | 23.09.2020 | Meeting through video conference | 11:00 A.M.  |
| 2018-19        | 01.08.2019 | Hotel Ajantha, Bengaluru         | 11:30 A.M.  |

## SPECIAL RESOLUTIONS AND POSTAL BALLOT

| Year | Particulars  |
|------|--|
| 2021 | Re-appointment of Managing Director & CEO - Mr. H P Ledwani  |
| 2020 | Re-appointment of (i) Chairman - Mr. A T Malkani (ii) Managing Director & CEO - Mr. H P Ledwani and (iii) Independent Director - Mr. Rafique Malik |
| 2019 | Postal Ballot for Bonus issue of shares in the ratio of 1:1  |

## DISCLOSURES

### Materially significant related party transactions

During the year 2021-22, 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.

### Investment in commodity market

In terms of Regulation 34(3) read with Clause 9(n) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, the Company has not made any investment in commodity market. Therefore, disclosures as specified in the circular is not applicable to the Company.

### 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

Day: Thursday ; Date: July 28, 2022 ; Time: 11:00 AM  
Mode: Meeting through 'Video Conference'

### Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001  
The Company has paid listing fees to the Stock Exchange up to the financial year 2022-23.

### Book closure dates

July 22, 2022 to July 28, 2022 (both days inclusive)

### Dividend payment date

August 1, 2022

### ISIN

INE853A01022

### Scripcode

530431

## Corporate/Head office

CIN: L31909KA1974PLC020010

Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 2559 6045 / 73 Fax : (080) 2559 7085

## Reclamation centre

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

## Manufacturing plant I

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

## Manufacturing plant II

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

## Share transfer agent

Integrated Registry Management Services Private Limited

CIN: U74900TN2015PTC101466

30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003

Tel: (080) 2346 0815-18 Fax: (080) 2346 0819

## Share transfer system

The transfer of shares in physical form has been prohibited by SEBI and hence only issue of duplicate share certificates were made during the financial year 2021-22 by the Company's Share Transfer Agent.

In case where shares held in electronic form, transfers are being processed by the Depositories - NSDL and CDSL.

## Dematerialisation of shares and liquidity

**94%** | of the paid-up share capital of the  
Company stands dematerialised

## GDRs/ADRs/Convertible instruments

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

## Reconciliation of share capital

During the financial year 2021-22, 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 have been 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 Listing Regulations. 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 shareholding of Promoters, Directors, KMPs and Senior Management Personnel to the Stock Exchange (BSE).
- 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 reopened 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 and conditions of appointment of Independent Directors
- Code of ethics and business principles applicable to Non-Executive Directors
- Guidelines on professional conduct, role, functions 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, trademarks, awards and accolades
- Policies of the Company have been upload at: <https://www2.adorfon.com/investors-info/policies-code-and-practices/>



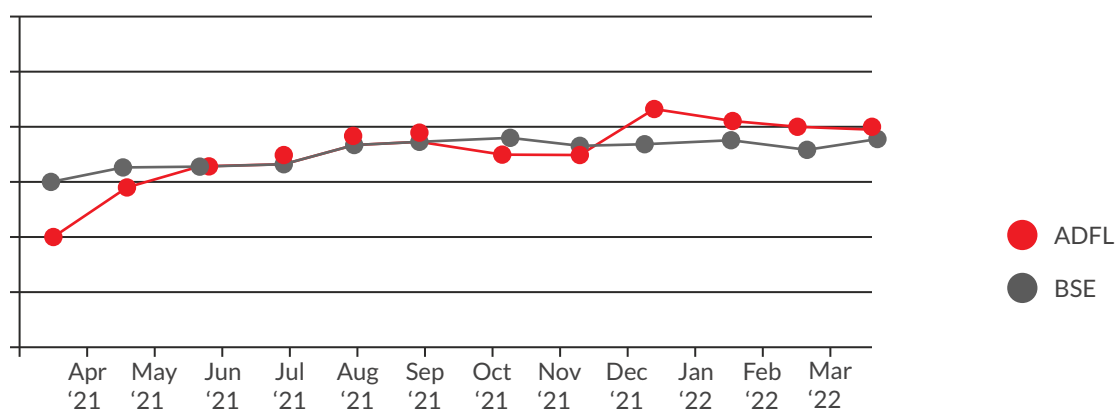
## Distribution schedule as at March 31, 2022

| Nominal value (Rs.) | Number of Shareholders |         | Amount      |         |
|---------------------|------------------------|---------|-------------|---------|
|                     | Number                 | Percent | In Rs.      | Percent |
| Up to-5,000         | 12,465                 | 91.13   | 1,13,07,636 | 16.15   |
| 5,001-10,000        | 660                    | 4.83    | 50,32,666   | 7.19    |
| 10,001-20,000       | 285                    | 2.08    | 44,56,068   | 6.37    |
| 20,001-30,000       | 79                     | 0.58    | 20,42,848   | 2.92    |
| 30,001-40,000       | 46                     | 0.34    | 16,98,928   | 2.43    |
| 40,001-50,000       | 34                     | 0.25    | 15,42,784   | 2.20    |
| 50,001-1,00,000     | 51                     | 0.37    | 37,06,202   | 5.29    |
| 1,00,001 and above  | 58                     | 0.42    | 4,02,12,868 | 57.45   |
| TOTAL               | 13,678                 | 100.00  | 7,00,00,000 | 100.00  |

## Stock price data: Bombay Stock Exchange, Mumbai

| Month  | Open | High | Low | Close |
|--------|------|------|-----|-------|
| Apr-21 | 37   | 40   | 35  | 39    |
| May-21 | 38   | 55   | 38  | 54    |
| Jun-21 | 55   | 63   | 51  | 60    |
| Jul-21 | 61   | 80   | 59  | 73    |
| Aug-21 | 79   | 87   | 65  | 71    |
| Sep-21 | 71   | 74   | 66  | 70    |
| Oct-21 | 71   | 72   | 59  | 63    |
| Nov-21 | 63   | 75   | 61  | 62    |
| Dec-21 | 64   | 79   | 62  | 76    |
| Jan-22 | 77   | 84   | 67  | 72    |
| Feb-22 | 73   | 79   | 62  | 70    |
| Mar-22 | 67   | 74   | 66  | 70    |

## Comparative closing share prices



## DETAILS OF UNCLAIMED DIVIDENDS AND SHARES

| Financial year (s) | Dividend declaration date(s) | Due date(s) for transfer to IEPF account | Unclaimed dividend (In Rs.) | Remarks   |
|--------------------|------------------------------|--|-----------------------------|---|
| 2014-15            | 26 August 2015               | 28 October 2022                          | 16,83,244.50                | (i) 27,070 numbers of shares were transferred to the IEPF account in FY 2021-22.  |
| 2015-16            | 04 August 2016               | 06 October 2023                          | 15,48,347.50                |   |
| 2016-17            | 02 August 2017               | 04 October 2024                          | 16,31,715.00                | (ii) 25,502 shares are due for transfer to the IEPF account during the FY 2022-23.  |
| 2017-18            | 02 August 2018               | 04 October 2025                          | 9,21,126.00                 |   |
| 2018-19            | 01 August 2019               | 03 October 2026                          | 8,70,530.50                 | 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). |
| 2019-20            | 27 February 2020             | 30 April 2027                            | 16,69,242.60                |   |
| 2020-21            | 06 August 2021               | 08 October 2028                          | 12,69,582.00                |   |
|                    |                              | TOTAL                                    | 95,93,788.10                |   |

## 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<br>Business Standard<br>Financial Express<br>Kannada<br>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 a Non- Executive Chairman belonging to the Promoter Group
- 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

MS. GEETHA D

Company Secretary, Compliance and Nodal Officer

Ador Fontech Limited

Belview 7 Haudin Road Bengaluru 560 042

T: (080) 2559 6045/2559 6073

MR. SANATH KUMAR D RAO

Assistant Company Secretary and Deputy Nodal Officer

Ador Fontech Limited

Belview 7 Haudin Road Bengaluru 560 042

T: (080) 2559 6045/2559 6073

E: investorservice@adorfon.com

The Nodal Officer(s) will be responsible to co-ordinate between the Shareholders and the IEPF Authorities as regards requirements with respect to claim for repayment of dividend and re-transfer of shares, if any.

### Registrar & Share Transfer Agent

MR. HARISH

Integrated Registry Management Services Private Limited

30 Ramana Residency 4th Cross Sampige Road Malleswaram Bengaluru 560 003

T: (080) 2346 0815/818

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, 2022 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 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 on 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 & other assurance and related service 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 and for the year ended March 31, 2022.

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.

Bengaluru  
May 19, 2022

For PRAVEEN & MADAN  
Chartered Accountants

Praveen Kumar N  
Partner (Membership No. 225884)  
Firm Registration No.011350S  
UDIN: 22225884AKMOIP1615

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## CORPORATE SOCIAL RESPONSIBILITIES (CSR)

### ANNEXURE 3

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## CSR POLICY

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

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

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 there under
- Decide on the modalities for execution of programmes
- Recommend amount to be spent on CSR activities
- Monitor execution mechanism for CSR projects
- Periodic reporting and communication to the Board

The CSR activities will be implemented either directly on its own by the Company or through non-profit organisations, which are in to CSR activities. The Company may also enter into 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.

## Meetings

During the year 2020-21, four CSR Committee Meetings were held on:

May  
**27**  
2021

Jul  
**30**  
2021

Nov  
**11**  
2021

Feb  
**09**  
2022

## Composition and attendance

| Name of Director      | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|-----------------------|--------------------------------------|--|--|
| Mrs. N Malkani Nagpal | Chairman                             | Four   | Four   |
| Mr. A T Malkani       | Member                               | Four   | Four   |
| Mr. H P Ledwani       | Member                               | Four   | Four   |
| Mr. N S Marshall      | Member                               | Four   | Four   |

Web-link where composition of CSR committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the company

<https://www2.adorfon.com/about-us/corporate-social-responsibility/>

<https://www2.adorfon.com/investors-info/policies-code-and-practices/>

Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate social responsibility policy) Rules, 2014, if applicable (attach the report)

Not Applicable

Details of amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate social responsibility policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

Average net profit of the Company as per Section 135(5)

Average net profit of the company as per section 135(5) - Rs. 1,906.39 lakhs

## CSR DETAILS

Rupees In Lakhs

|   |      |
|---|------|
| Two percent of average net profit of the company as per Section 135(5)                              | 38.1 |
| Surplus arising out of the CSR projects or programmes or activities of the previous financial years | -    |
| Amount required to be set off for the financial year, if any  | -    |
| Total CSR obligation for the financial year   | 38.1 |

## CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR

| Total amount spent for the financial year<br>Rupees In Lakhs | Amount Unspent  |                  |   |        |                  |
|--|---|------------------|---|--------|------------------|
|  | Total amount transferred to unspent CSR account as per Section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|  | Amount  | Date of transfer | Name of the fund  | Amount | Date of transfer |
| 39.02  | Not Applicable  |                  |   |        |                  |

Details of CSR amount spent against ongoing projects for the financial year

Not Applicable

Details of CSR amount spent against other than ongoing projects for the financial year

| Name of the project                               | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project                |                              | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation - through implementing agency |               |
|---|---|----------------------|--|------------------------------|---------------------------------------|--|--|---------------|
|   |   |                      | State                                  | District                     |                                       |  | CSR Reg. number                                      |               |
| <b>COVID CARE SUPPORT</b>                         |   |                      |  |                              |                                       |  |  |               |
| Oxygen supply and concentrators                   | Disaster management including relief activities             | Yes                  | Karnataka                              | Bengaluru                    | 8,47,200                              | Yes                                    | Direct   | NA            |
| Distribution of food grains                       | Disaster management including relief activities             | Yes                  | Karnataka<br>Maharashtra<br>Tamil Nadu | Bengaluru<br>Nagpur<br>Salem | 3,86,066<br>1,23,000<br>45,000        | Yes                                    | Direct   | NA            |
| Support to children who lost parents due to Covid | Disaster management including relief activities             | No                   | New Delhi                              | Vasant Kunj                  | 2,50,000                              | No                                     | SOS Children's Villages of India                     | CSR 00000 692 |
| Distribution of medical kits                      | Disaster management including relief activities             | Yes                  | Karnataka                              | Bengaluru                    | 1,90,894                              | Yes                                    | Direct   | NA            |
| Health and fitness                                | Disaster management including relief activities             | No                   | Bihar                                  | Patna                        | 1,00,000                              | No                                     | Satyana nda Yoga Kendra                              | CSR 000 18655 |
| Vaccination drive                                 | Disaster management including relief activities             | Yes                  | Karnataka                              | Bengaluru                    | 1,00,000                              | No                                     | Sanskriti Foundat -ion                               | CSR 14968     |

| Name of the project            | Item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project                |                                | Amount spent for the project (in Rs.) | Mode of implementation Direct (Yes/No) | Mode of implementation - through implementing agency |                 |
|--------------------------------|---|----------------------|--|--------------------------------|---------------------------------------|--|--|-----------------|
|                                |   |                      | State                                  | District                       |                                       |  | CSR Reg. number                                      |                 |
| <b>COVID CARE SUPPORT</b>      |   |                      |  |                                |                                       |  |  |                 |
| Distribution of water          | Disaster management including relief activities             | Yes                  | Karnataka                              | Bengaluru                      | 99,905                                | Yes                                    | Direct   | NA              |
| <b>MEDICAL SUPPORT</b>         |   |                      |  |                                |                                       |  |  |                 |
| Cardiac/Heart surgeries        | Promoting health care including preventive health care      | Yes                  | Karnataka                              | Bengaluru                      | 1,75,000                              | No                                     | Rotary Trust   | CSR 0000 2728   |
| Aplastic anemia                | Promoting health care including preventive health care      | No                   | Tamil Nadu                             | Chennai                        | 1,00,000                              | Yes                                    | Direct   | NA              |
| Dialysis                       | Promoting health care including preventive health care      | Yes                  | Karnataka                              | Bengaluru                      | 1,00,000                              | No                                     | Lions Charitable Trust                               | CSR 000 21502   |
| Palliative care                | Promoting health care including preventive health care      | No                   | Maharashtra                            | Mumbai                         | 1,00,000                              | No                                     | Jimmy Billimoria Foundation                          | CSR 0000 1543   |
| Nephrotic syndrome             | Promoting health care including preventive health care      | Yes                  | Karnataka                              | Bengaluru                      | 50,000                                | Yes                                    | Direct   | NA              |
| Language & speech disabilities | Promoting health care including preventive health care      | Yes                  | Karnataka                              | Bengaluru                      | 65,000                                | No                                     | Samvaad Foundation                                   | CSR 000 20353   |
| <b>SUPPORT TO THE AGED</b>     |   |                      |  |                                |                                       |  |  |                 |
| Support - Old age home         | Livelihood enhancement project                              | Yes                  | Karnataka                              | Bengaluru                      | 1,00,000                              | Yes                                    | Direct   | NA              |
| <b>EDUCATION</b>               |   |                      |  |                                |                                       |  |  |                 |
| Renovation of class room       | Promoting education   | No                   | Kerala                                 | Perambavoor                    | 3,00,000                              | Yes                                    | Direct   | NA              |
| Special children               | Promoting education   | No                   | Tamil Nadu<br>Karnataka<br>Maharashtra | Chennai<br>Bengaluru<br>Mumbai | 1,00,000<br>1,00,000<br>1,50,000      | Yes<br>Yes<br>No                       | Direct<br>Direct<br>Jai Vakeel                       | CSR 1574        |
| School for the blind           | Promoting education   | Yes                  | Karnataka                              | Bengaluru                      | 1,90,000                              | Yes                                    | Direct   | NA              |
| Hearing impaired               | Promoting education   | Yes                  | Karnataka                              | Bengaluru                      | 1,00,000                              | Yes                                    | Direct   | NA              |
| Empowering street children     | Promoting education   | Yes                  | Karnataka                              | Bengaluru                      | 45,000                                | No                                     | Need Base India                                      | CSR 3957        |
| Rural education                | Promoting education   | No                   | Tamil Nadu                             | Kanchipuram                    | 60,000<br>25,000                      | No                                     | Veragal & BumbleB Trust                              | CSR 22719 24336 |



## Amount spent in Administrative Overheads

Not Applicable

## Amount spent on Impact Assessment, if applicable

Not Applicable

## Total amount spent for the Financial Year

Rs. 39.02 lakhs

## Excess amount for set off, if any

Rupees In Lakhs

| Particulars   | Amount |
|---|--------|
| Two percent of average net profit of the Company as per Section 135(5)                                      | 38.13  |
| Total amount spent for the financial year   | 39.02  |
| Excess amount spent for the financial year  | 0.89   |
| Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -      |
| Amount available for set off in succeeding financial years  | 0.89   |

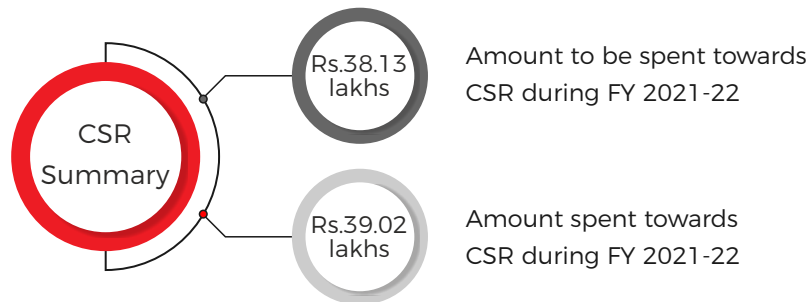
## DETAILS OF UNSPENT CSR AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS

Rupees In Lakhs

| Preceding financial year | Amount transferred to unspent CSR account under Section 135(6) | Amount spent in the reporting financial year | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any |        |                  | Amount remaining to be spent in succeeding financial year |
|--------------------------|--|--|---|--------|------------------|---|
|                          |  |  | Name of the fund  | Amount | Date of transfer |   |
| Not Applicable           |  |  |   |        |                  |   |

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Project ID     | Name of the project | Financial year in which the project had commenced | Project duration | Total amount allocated for the project (Rs) | Amount spent on the project in the reporting financial year (in Rs.) | Cumulative amount spent at the end of the reporting financial year (in Rs.) | Status of the project - Completed / Ongoing |
|----------------|---------------------|---|------------------|---|--|---|---|
| Not Applicable |                     |   |                  |   |  |   |   |



In case of creation or acquisition of capital asset, furnish details relating to the asset so created or acquired through CSR spend in the financial year (asset-wise details)

Not Applicable

Specify reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5)

Not Applicable

For Ador Fontech Limited

Bengaluru  
May 19, 2022

N Malkani Nagpal  
Chairman of the CSR Committee

AT Malkani  
Chairman

H P Ledwani  
Managing Director & CEO

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

### ANNEXURE 4

---

### CONSERVATION OF ENERGY

Efforts have been made to conserve and optimise the use of energy through recycling, improved operational methods, maximum use of sky light, 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 AND 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 and flux cored wires
- Benefits derived as a result of the above R and D
  - (i) Conservation of basic raw materials coupled with low cost and longer life
  - (ii) Improvement in the quality of products
- Future plan of action: To make further progress in areas enunciated as above
- Expenditure on R and D
  - (i) Capital: Nil
  - (ii) Recurring: As of now, it is being maintained as an ongoing part of production activities
  - (iii) Total: Not applicable
- Total R & D expenditure as a percent of total turnover: Not applicable

## PARTICULARS OF EMPLOYEES

### ANNEXURE 5

Ratio of remuneration of each Director to the median remuneration of the employees of the Company, for the financial year 2021-22

| Name of the Director    | Designation             | Ratio |
|-------------------------|-------------------------|-------|
| Mr. A T Malkani *       | Chairman                | Nil   |
| Mr. H P Ledwani         | Managing Director & CEO | 18    |
| Mrs. N Malkani Nagpal** | Promoter Director       | 0.05  |
| Mr. N S Marshall**      | Independent Director    | 0.04  |
| Mr. Santosh Janakiram** | Independent Director    | 0.04  |
| Mr. Rafique Malik**     | Independent Director    | 0.02  |

\*No remuneration was paid during the year 2021-22

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

The number of permanent employees on the rolls of Company as on March 31, 2022

One hundred and eighty-four employees

## Comparative remuneration

- Key parameters for any variable component of remuneration availed by Directors  
The Managing Director is paid commission based on a graded scale on the profits of the Company.
- Percentage increase in remuneration of the Directors and KMP's:  
There were no changes in the amount of sitting fees for each of the Board and Committee meetings. Further, the Managing Director & CEO and Company Secretary & CFO were provided an increase of seventeen and fifteen percent, respectively during financial year 2021-22. Incidentally there was no increase in salaries during the financial year 2020-21 due to Covid.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2021-22 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: The increase was general and there was no exceptional increase in the managerial remuneration in comparison with general percentile of employees. However, with profits having gone up over Rs.35 crores, the Managing Director & CEO was eligible for incentive on a scale of 1.25% being 0.25% higher than the previous year, on the computed profits as per the provisions of the Companies Act.

## Affirmation

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

- Details of the Whole time Directors and Employees with annual remuneration of Rs. 102 lakhs or more who are/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 2021-22: Rupees in lakhs

| Name                              | Designation                         | Age      | Remuneration                          | Qualifications           | Exp.     | Date of joining | Last designation              | Last employer                                   |
|-----------------------------------|-------------------------------------|----------|---------------------------------------|--------------------------|----------|-----------------|-------------------------------|---|
| Mr. H P Ledwani<br>0.35 percent   | Managing Director<br>(Professional) | 68 years | 258 current year<br>220 previous year | B.Sc (Hons)<br>DAM, DTMM | 48 years | 01.12.1979      | Group Leader                  | Ador Welding Ltd (Pre. Advani Oerlikon Limited) |
| Ms. Tanya H Advani<br>Nil percent | General Manager<br>(Promoter Gr.)   | 31 years | 89 current year<br>83 previous year   | B.Sc<br>MBA              | 11 years | 19.11.2019      | Sr. Tech. Strategy Consultant | Accenture                                       |

- Details of top ten employees in terms of remuneration during the financial year 2021-22

| Name                | Designation              | Age | Nature of duties/ role                         | Qualifications                         | Exp.     | Date of joining | Designation (prev. empl.) | Last employer                            |
|---------------------|--------------------------|-----|--|--|----------|-----------------|---------------------------|--|
| Mr. R Krishna Kumar | COO                      | 55  | Head-Business operations                       | MBA Mkt.<br>SMP- IIM (C)               | 35 years | 07.06.2010      | General Manager           | Technical Parts Est.                     |
| Mr. Melville Ferns  | Executive VP - Technical | 61  | Head-Life Enhancement (LE) Products & services | BA<br>AMP-IIM(B)                       | 40 years | 01.03.1982      | -                         | First employment in Ador Fontech Limited |
| Mr. Rajesh V Joshi  | Executive VP - Technical | 58  | Head-Welding & Cutting Equipment               | BE Mechanical                          | 35 years | 29.10.1990      | Senior Sales Executive    | Lloyd Insulations Private Limited        |
| Ms. Geetha D        | Company Secretary & CFO  | 52  | Secretarial, Compliance, HR Finance & Accounts | ACS, LLB<br>MBA-Finance<br>PGC-HR-XLRI | 31 years | 02.11.2000      | Company Secretary         | Transtream India                         |
| Mr. S S Mohiuddin   | Sr. General Manager      | 60  | Plant-in-Charge (Factories)                    | DME, DMM<br>EMP-ISB & IIM              | 39 years | 16.10.2008      | Asst. General Manager     | Ador Welding Limited                     |
| Mr. K Paneer Selvam | General Manager          | 58  | Head-SBU-West and South divisions              | B.Tech<br>Mechanical                   | 39 years | 16.06.1993      | Supervisor Welding        | Diffusion Engineers Ltd.                 |
| Mr. C V V Srinivas  | General Manager          | 56  | Railway Business-PAN India                     | BE Mechanical                          | 32 years | 01.04.1991      | Engineer Sales            | Circuit and Systems                      |
| Mr. Hari Kumar      | General Manager          | 57  | Head-SBU-North East and Central divisions      | B.Com                                  | 38 years | 23.02.1984      | -                         | First employment in Ador Fontech Limited |
| Mr. H Srinivasan    | General Manager          | 55  | Hypertherm Business-PAN India                  | Diploma<br>Mechanical Engineering      | 35 years | 02.05.1997      | Business Manager          | Nucor Weld India Private Limited         |
| Mr. Palgun Vembar   | General Manager          | 41  | Strategy and IT                                | BE Polymer Science,<br>PGDBM, Mkt.     | 16 years | 12.10.2015      | Head Business Planning    | Sundaram Auto Components                 |

## Notes:

- Appointment of Managing Director & CEO are contractual in nature and approved vide Shareholder's resolution dated August 06, 2021.
- Appointment of Senior Management Personnel are as per the terms of employment.
- There are no inter-se-relationship between the Employee(s) and Director(s) or between Directors.
- Details of qualifications and others are as provided by the Director/Employee.
- (a) Salary includes Basic, HRA, Allowances and Reimbursements towards electricity etc. (b) Benefits includes contribution to provident fund, superannuation fund and leave encashed during the year.
- Details on remuneration shall be made available on specific request received from the Shareholders. Average remuneration is rupees forty five lakhs. Request should be in writing duly signed and should have the following enclosures (i) identity (Pan card) & (ii) address proof (Aadhaar) and should be addressed to the Corporate office-Secretarial Department.
- Legends: 3DFT-3D Future Technologies Pvt. Ltd.; LE-SERVICES - Life enhancement of industrial components; SBU- Strategic business unit; AMP-Advanced Management Programme from IIM, DME-Diploma in Mechanical Engineering, DAM-Diploma in Administrative Management, DTMM-Diploma in Textile Management and Marketing, PGDBM Mkt.- Post Graduate Diploma in Business Management-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.

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

### ANNEXURE 6

## 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             | Promoter/Associate            |
| Ador Welding Ltd.                | L70100MH1951PLC008647             | Associate                     |
| Ador Welding Academy Pvt. Ltd.   | U74900PN2012PTC144148             | Associate                     |
| Ador Powertron Ltd.              | 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/ARRANGEMENTS/TRANSACTIONS

(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 capital. (iii) The Company has lease rental agreements with Ador Welding Ltd. & Ador Powertron Ltd. for sharing of office premises. (iv) Inter-Corporate-Deposits are provided to Ador Powertron Limited and 3D Future Technologies Private Ltd. 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 their meetings during the year (dated May 27, 2021; July 30, 2021; November 11, 2021; February 09, 2022).

### 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.

Note: The Company is also filing details of transactions with Related Parties with the Stock Exchange (BSE) on a half yearly basis as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**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<br>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<br>Paid up capital: Rs. 975 lakhs - As at 31.03.2022 |
| Reserves and surplus/ other equity  | Rs. (1,695 lakhs) - As on 31.03.2022   |
| Total assets  | Rs. 1,121 lakhs - As on 31.03.2022   |
| Total liabilities   | Rs. (1,841) lakhs - As on 31.03.2022   |
| Investments   | Rs. 15 lakhs - As on 31.03.2022  |
| Turnover  | Rs. 485 lakhs - As on 31.03.2022   |
| Profit/ (loss) before tax   | Rs. (546 lakhs) - As on 31.03.2022   |
| Provision for tax/ deferred tax credit  | Rs. 132 lakhs - As at March 31.03.2022   |
| Profit/ (loss) after tax  | Rs. (414 lakhs) - As at March 31. 03.2022  |
| Proposed dividend   | Nil  |
| Percentage of shareholding  | One hundred percent by Ador Fontech Limited  |

## PART B : ASSOCIATES AND JOINT VENTURE

Rupees In Lakhs

| Particulars of Associates                                  | JB Advani and Company  | Ador Welding | Ador Welding Academy | Ador Powertron | Ador Multiproducts | Ador Green Energy |
|--|--|--------------|----------------------|----------------|--------------------|-------------------|
| Latest audited Balance Sheet dt.                           | 31.03.2022   | 31.03.2022   | 31.03.2022           | 31.03.2022     | 31.03.2022         | 31.03.2022        |
| Number of shares   | 92,13,301  | -            | -                    | -              | -                  | -                 |
| Amount of investment in Associate/ joint venture           | -  | -            | -                    | -              | -                  | -                 |
| Extent of holding (percent)                                | -  | -            | -                    | -              | -                  | -                 |
| Description of how there is significant influence          | Promoter   | Associate    | Associate            | Associate      | Associate          | Associate         |
| Net-worth, Balance Sheet and Profit/(loss)                 | -  | -            | -                    | -              | -                  | -                 |
| Reason why the associate/joint venture is not consolidated | There are no cross shareholdings between Ador Fontech Ltd. and any other Ador Group of Companies. JB Advani and Company Pvt. Ltd. holds 92,13,301 equity shares (26.32%) in Ador Fontech Ltd. and has investments in other Ador Group of Companies. Hence, classified as Associates/Related Parties. |              |                      |                |                    |                   |
| Considered in consolidation                                | -  | -            | -                    | -              | -                  | -                 |
| Not considered in consolidation                            | -  | -            | -                    | -              | -                  | -                 |



## EXTRACT OF ANNUAL RETURN

ANNEXURE 8

### REGISTRATION AND OTHER DETAILS

|   |  |
|---|--|
| Corporate Identification Number (CIN)                                 | L31909KA1974PLC020010  |
| Registration number & date of incorporation                           | 020010 and August 22, 1974                                     |
| Category/ Sub- category of Company                                    | Company Limited by Shares/ Indian Non-Government Company       |
| Address and contact details   | Belview 7 Haudin Road Bengaluru-42                             |
|   | Tel: 080- 25596045/73  |
|   | Email: investorservice@adorfon.com                             |
| Whether listed company  | Yes - Bombay Stock Exchange (BSE)                              |
| Name, address and contact details of Registrar & Share Transfer Agent | Integrated Registry Management Services Private Limited        |
|   | 30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003 |
|   | Tel: 080- 2346 0816/18   |
|   | Email: irg@integratedindia.in                                  |

### PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

| Name and description of main products/services | Name and description of main products/services | Total turnover of the Company |
|--|--|-------------------------------|
| Consumables                                    | 241-242  | 49%                           |
| Equipment and ancillaries                      | 271  | 31%                           |
| Services                                       | 331  | 20%                           |

### PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANY

| Name of the Company                        | Address   | CIN                   | % of holding |
|--|---|-----------------------|--------------|
| 3D Future Technologies Private Limited     | 3rd Floor, Ador House, 6 K Dubash Marg Fort, Mumbai, Maharashtra 400001 | U74999MH2015PTC261114 | 100%         |
| Formed vide Board Meeting dt. Nov 11, 2014 |   |                       |              |

### SHAREHOLDING PATTERN

#### Directors and Key Managerial 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       | 15,86,452                                 | 4.53%   | 15,86,452                           | 4.53%   |
| Mrs. N Malkani Nagpal | 54,700                                    | 0.16%   | 7,60,700                            | 2.18%   |
| Mr. H P Ledwani       | 1,23,548                                  | 0.35%   | 1,26,298                            | 0.36%   |
| Mr. N S Marshall      | 1,16,198                                  | 0.33%   | 1,16,198                            | 0.33%   |
| Mr. Santosh Janakiram | -   | -       | -                                   | -       |
| Mr. Rafique Malik     | -   | -       | -                                   | -       |
| Ms. Geetha D          | 5,000                                     | 0.01%   | 5,000                               | 0.01%   |

## 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 |
| Investor Education and Protection Fund | 5,31,652                                  | 1.52    | 5,49,722                            | 1.57    |
| Mr. Anil Kumar Goel                    | 5,31,214                                  | 1.52    | 4,50,000                            | 1.29    |
| Ms. Sarla Chandna                      | 3,60,000                                  | 1.03    | 3,60,000                            | 1.03    |
| Mr. Megh Ishwer Manseta                | 3,30,000                                  | 0.94    | 3,15,000                            | 0.90    |
| Ms. Sneha V Sood                       | 3,05,786                                  | 0.87    | 3,05,786                            | 0.87    |
| Ms. Kiyomi Anant Talaulicar            | 2,28,742                                  | 0.65    | 2,28,742                            | 0.65    |
| Mr. J K Chandna                        | 2,28,000                                  | 0.65    | 2,28,000                            | 0.65    |
| Mr. Nitin Kapil Tandon                 | 2,20,000                                  | 0.63    | 2,20,000                            | 0.63    |
| Ms. Sneha Vishal Sood                  | 2,07,746                                  | 0.59    | 2,07,756                            | 0.59    |
| Ms. Rajni Bahl                         | 2,00,000                                  | 0.57    | 2,00,000                            | 0.57    |

## Category wise shareholding

| Names  | Shareholding at the beginning of the year |         | Shareholding at the end of the year |         |
|--|---|---------|-------------------------------------|---------|
|  | Total                                     | Percent | Total                               | Percent |
| PROMOTER   |   |         |                                     |         |
| Promoter - Corporate   | 92,13,301                                 | 26.32   | 92,13,301                           | 26.32   |
| Promoter Group - Individuals   | 45,31,654                                 | 12.95   | 45,15,763                           | 12.91   |
| PUBLIC SHAREHOLDING  |   |         |                                     |         |
| Alternate Investment Fund  | 8,70,736                                  | 2.49    | -                                   | -       |
| Foreign Portfolio Investors  | 17,05,500                                 | 4.87    | 87,525                              | 0.25    |
| Individual Shareholders holding nominal share capital up to Rs. 2 lakhs        | 1,29,14,308                               | 36.90   | 1,59,17,345                         | 45.48   |
| Individual Shareholders holding nominal share capital in excess of Rs. 2 lakhs | 46,16,656                                 | 13.19   | 40,65,092                           | 11.61   |
| Bodies Corporate   | 5,90,103                                  | 1.69    | 5,99,026                            | 1.71    |
| Clearing Members   | 26,090                                    | 0.07    | 52,226                              | 0.15    |
| Investor Education Protection Fund   | 5,31,652                                  | 1.52    | 5,49,722                            | 1.57    |
| TOTAL  | 3,50,00,000                               | 100.00  | 3,50,00,000                         | 100.00  |

## SECRETARIAL AUDIT REPORT

### ANNEXURE 9

---

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

To  
The Members  
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 the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance 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, 2022 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, 2022 made available to me & 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 & Byelaws framed thereunder
- Foreign Exchange Management Act, 1999 and the Rules & Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- The following Regulations & 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:

- Secretarial Standards issued by the Institute of Company Secretaries of India
- Listing Agreement entered in to by the Company with the 'BSE'
- During the period under review, the Company has broadly/ generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

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

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

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

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

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

- 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 and indirect tax laws and maintenance of records and books of account have not been reviewed in this Audit by me as the same have been subject to review by statutory financial audits.
- 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.

Bengaluru  
May 19, 2022

Manjula Narayan  
ACS No. 28374  
COP No. 10150  
UDIN: A028374D000358077

## CEO AND CFO CERTIFICATION

ANNEXURE 10

---

Pursuant to Regulation 17(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015

To  
The Board of Directors  
Ador Fontech Limited

Dear Sir/ Madam,

We, H P Ledwani, Managing Director & Chief Executive Officer and Geetha D, Company Secretary & Chief Financial Officer of Ador Fontech Limited, to the best of our knowledge and belief, certify that:

- We have reviewed the financial and cash flow statements for the financial year ended March 31, 2022.
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) the statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered in to by the listed entity during the year which are fraudulent, illegal or violative of the listed entity'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 listed entity 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 propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee :
  - (i) significant changes in internal control over financial reporting during the year.
  - (ii) significant changes 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 of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the listed entity's internal control system over financial reporting.

For Ador Fontech Limited

Bengaluru  
May 19, 2022

H P Ledwani  
Managing Director & CEO  
DIN 00040629

Geetha D  
Company Secretary & CFO

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

ANNEXURE 11

As per item 10(i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the Stock Exchange Listing Regulations

To  
The Members  
Ador Fontech Limited

I have examined the status of debaring 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, 2022, as stipulated in item 10 (i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the Listing Regulations.

It is neither an audit nor an expression of opinion regarding the legality of debaring or disqualification by the SEBI/ Ministry of Corporate Affairs or any such statutory authority.

My examination was limited to review of the relevant records of the Company and website of the Ministry of Corporate affairs, Stock Exchange, SEBI and other relevant Statutory Authorities.

In my opinion and to the best of my information besides examination of the relevant records (including Director's Identification Number (DIN) status at the portal of [www.mca.gov.in](http://www.mca.gov.in)) and explanations provided to me and the representations made by the Directors and the 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 by the SEBI/ Ministry of Corporate Affairs or any such statutory authority during and for the year ended March 31, 2022.

As on March 31, 2022, 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          | Non-Executive-Director & Chairman |
| Mrs. N Malkani Nagpal | 00031985                             | 20.07.2007          | Non-Executive-Director            |
| Mr. H P Ledwani       | 00040629                             | 23.04.1998          | Managing Director & CEO           |
| Mr. N S Marshall      | 00085754                             | 29.04.2009          | Independent Director              |
| Mr. Santosh Janakiram | 06801226                             | 25.07.2013          | Independent Director              |
| Mr. Rafique Malik     | 00521563                             | 30.01.2015          | Independent Director              |

Bengaluru  
May 19, 2022

Manjula Narayan  
ACS No. 28374  
COP No. 10150  
UDIN: A028374D000358101

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- PROFITS

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, 2022, 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, 2022, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

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

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

| Key Audit Matters  | Auditor's Response  |
|--|---|
| <p><b>DIRECT TAX BALANCES</b></p> <p>The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions.</p>  | <p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts.</p>   |
| <p><b>LEASE ACCOUNTING</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of lease transactions in compliance with Ind-AS 116 'Leases' (New Revenue Accounting Standard).</p>   | <p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>We observed that the Company has entered in to lease agreement with Karnataka Industrial Area Development Board (KIADB) for lease of 12,465 Sq. mtr. for a period of 99 years. As the lease transaction is of a long term and the underlying asset is of significant value, the same requires compliance with IND AS 116.</p> <p>As per IND AS 116, the fair value of asset has to be booked at the present value of all lease related payments to be made. The Company has considered one time lumpsum lease payment made to KIADB.</p> <p>We observed that the impact of depreciation and related lease interest charges on the maintenance fee is not material. Therefore, we have not modified our opinion.</p>   |
| <p><b>ACCOUNTING FOR IMPAIRMENT LOSS OF THE WHOLLY OWNED SUBSIDIARY</b></p> <p>The Company has investments in its wholly owned subsidiary (WOS), which is at the nascent stage and still carrying out significant product and developmental activities. Currently the said WOS has minimal revenues and the Company in its consolidated financial statements continues to record losses, incurred by the said WOS. Given this context, the investment had to be tested for impairment. The same was determined using discounted free cash flow method, requiring significant judgement and estimates. The related impairment testing was significant to our Audit.</p> | <p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>Tested the design and operating effectiveness of relevant key controls around the Company's assessment of impairment of investments in the WOS.</p> <p>Tested reasonability of the projections used by the WOS related to its sales growth, operating costs, cash flow forecasts etc.</p> <p>Involved an 'Independent Valuer' to aid in evaluating besides usage of possible valuation assumptions and estimates including discount and growth rates.</p> <p>Tested whether the Management analysis about the sensitivity of the outcome w.r.t. impairment assessment with possible changes in key assumptions reflect the risks inherent in the valuation.</p> <p>Based on the aforesaid testing, evaluation and explanations given by the Management, we concluded that the investments in WOS need not be impaired as on March 31, 2022.</p> |

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

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

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

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

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

## Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(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 Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

## Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
  - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - (iv) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (v) On the basis of written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financials.
  - (vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Director during the year is in accordance with the provisions of Section 197 of the Act.
  - (viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 

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

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

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ('Intermediaries') with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - (i) Directly or indirectly lend or invest in other persons or entities, identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the Company or
  - (ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

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

Bengaluru  
May 19, 2022

For PRAVEEN & MADAN  
Chartered Accountants

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
Firm Registration no.:011350S  
UDIN: 22225884AKMIPX9315

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

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

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Key Audit Matters (KAM)

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

| Key Audit Matters                                      | Auditor's Response  |
|--|---|
| Implementation of Enterprise Resource Planning (ERP)   | The Finance and Accounts module of the Ramco System was made fully operational for the first time during FY 21-22. Being a new system, sufficient substantive checks were carried out to verify and ensure that the system functions appropriately to give a true and fair view of the financial statements. Further, the system facilitates audit trail to verify and validate data. |
| The Company's detective and corrective control systems | We tested the design and operating effectiveness of detective and corrective controls and found that they are effective enough to detect as also correct errors and are fairly sufficient and appropriate for the nature and complexities of the business of the Company.   |
| Valuation of retiral benefits                          | We have relied upon the professional / expert opinion of the Actuarial valuation.   |

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

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India and the Standards on



Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements; plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established, maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bengaluru  
May 19, 2022

For PRAVEEN & MADAN  
Chartered Accountants

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
Firm Registration no.:011350S  
UDIN: 22225884AKMIPX9315

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

- The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- The company is maintaining proper records showing full particulars of intangible assets.
- The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- According to the information and explanations given to us, the records examined by us and based on the examination of conveyance deeds/registered sale deeds provided to us, we report that the title deeds, comprising all immovable properties of land and buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. Further, in respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreements are in the name of the Company.
- The Company has not revalued its Property, Plant and Equipment or intangible assets during the year. Therefore, the reporting as per paragraph 3(l) (d) of the order is not required.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- We are informed that inventories have been physically verified by the Management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable. In our opinion and according to the explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stocks and book records were not more than 10% in each class and have been properly dealt with in the books of accounts.
- The Company has working capital limit in excess of rupees five crore sanctioned by the HDFC Bank based on the security of current assets and fixed deposits. As per the sanction, limits can be swapped between funded and non-funded requirements. As on March 31, 2022 the Company has availed only bank guarantees and continues to be debt free, therefore reporting under para 3(ii)(b) of the order is not applicable.
- The Company has granted unsecured loans to two bodies corporate by way of inter-corporate-deposits, covered in the register maintained under Section 189 of the Companies Act, 2013. Details of which are as under:

Rupees In Lakhs

| Organisation                     | Type                    | Amount as at March 31, 2021 | Transactions during the year | Amount as on March 31, 2022 |
|----------------------------------|-------------------------|-----------------------------|------------------------------|-----------------------------|
| 3D Future Technologies Pvt. Ltd. | Wholly owned subsidiary | 598                         | 641                          | 1,239                       |
| Ador Powertron Ltd.              | Associate               | -                           | 700                          | -                           |

Notes: (i) Ador Powertron has repaid inter-corporate-deposit in full along with interest as at March 31, 2022. (ii) In respect of 3D Future Technologies, the percentage of fresh and roll over inter-corporate-deposit was in the ratio of 52:48. (iii) The Company has repaid loan amounting to rupees five crores and ninety lakhs to the HDFC Bank Limited on behalf of the Subsidiary by way of disinvestment of its mutual fund investments, in tranches over the last and current year.

- According to the information and explanations given to us.
  - (i) The terms and conditions of the grant of such loans are in our opinion, prima facie, not prejudicial to the interest of the Company.
  - (ii) The schedule of repayment of principal and payment of interest have been stipulated and repayments or receipts of principal amounts and interest thereon have been regular as per stipulations
  - (iii) There are no overdue amounts remaining outstanding as at the end of the year.
  - (iv) In respect of the wholly owned subsidiary, inter-corporate-deposit have been provided for a general term of one year which have been extended/renewed. Further, the terms and conditions specify for repayment on demand.
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- According to the information and explanations given to us, in respect of statutory dues:
  - (i) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (ii) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(iii) 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, 2022 on account of dispute are given below:

Rupees In Lakhs

| Nature of the statute | Nature of dues       | Forum where dispute is pending        | Period to which the amount relates | Amount |
|-----------------------|----------------------|---------------------------------------|------------------------------------|--------|
| Income Tax Act, 1961  | Corporate Income Tax | Additional Commissioner of Income Tax | AY 2013-14                         | 71     |
|                       |                      | Additional Commissioner of Income Tax | AY 2014-15                         | 34     |
|                       |                      | Assessing Officer                     | AY 2016-17                         | 10     |
|                       |                      | Asst. Director of Income Tax          | AY 2018-19                         | 24     |
|                       |                      | Central Processing Centre (CPC)       | AY 2019-20                         | 137    |
|                       |                      | TOTAL                                 |                                    | 276    |

- Note: In addition to the above, Income Tax Department has raised demand of rupees forty crores for the Assessment year 2021-22. The Company has requested for correction, being mistake apparent on records and has filed an appeal before the Commissioner of Income Tax (Appeals).
- According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans (both for long and short term) during the year and there has been no utilisation during the current year of the term loans obtained by the Company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous years. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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

For PRAVEEN & MADAN  
Chartered Accountants

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
Firm Registration no.:011350S  
UDIN: 22225884AKMIPX9315

Bengaluru  
May 19, 2022

## 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).




  
**REVENUE**  
Rs. 21,040 lakhs

  
**EXPENDITURE**  
Rs. 17,535 lakhs

  
**PROFIT AFTER TAX**  
Rs. 2,544 lakhs

**PERFORMANCE  
AT A  
GLANCE**

  
**TAX EXPENSES**  
Rs. 961 lakhs

  
**PROFIT BEFORE TAX**  
Rs. 3,505 lakhs

FINANCIAL  
STATEMENTS  
(STANDALONE)



## BALANCE SHEET (STANDALONE)

| Rupees In Lakhs                     |          |                  |                  |
|-------------------------------------|----------|------------------|------------------|
| Particulars                         | Note No. | As at 31.03.2022 | As at 31.03.2021 |
| <b>ASSETS</b>                       |          |                  |                  |
| <b>1. NON-CURRENT ASSETS</b>        |          |                  |                  |
| Property, plant and equipment       | 2        | 2,666            | 2,624            |
| Intangible assets                   |          | 142              | -                |
| Capital work-in-progress            |          | -                | 244              |
| Financial assets                    |          |                  |                  |
| Investments                         | 3        | 975              | 1,163            |
| Deferred tax (net)                  | 4        | -                | (58)             |
| <b>TOTAL</b>                        |          | <b>3,783</b>     | <b>3,973</b>     |
| <b>2. CURRENT ASSETS</b>            |          |                  |                  |
| Inventories                         | 5        | 2,273            | 2,523            |
| Financial assets                    |          |                  |                  |
| (i) Investments                     | 6        | 2,015            | 1,572            |
| (ii) Trade receivables              | 7        | 2,754            | 2,722            |
| (iii) Cash and cash equivalents     | 8        | 27               | 52               |
| (iv) Other bank balances            | 9        | 3,816            | 2,644            |
| (v) Loans and advances              | 10       | 1,548            | 961              |
| Other current assets                | 11       | 387              | 116              |
| Current tax assets (net)            | 12       | 325              | 414              |
| <b>TOTAL</b>                        |          | <b>13,145</b>    | <b>11,004</b>    |
| <b>TOTAL ASSETS</b>                 |          | <b>16,928</b>    | <b>14,977</b>    |
| <b>EQUITY AND LIABILITIES</b>       |          |                  |                  |
| <b>1. EQUITY</b>                    |          |                  |                  |
| Equity share capital                | 13       | 700              | 700              |
| Other equity                        | 14       | 13,270           | 11,477           |
| <b>TOTAL</b>                        |          | <b>13,970</b>    | <b>12,177</b>    |
| <b>2. LIABILITIES</b>               |          |                  |                  |
| <b>NON-CURRENT LIABILITIES</b>      |          |                  |                  |
| Provisions                          | 15       | -                | 67               |
| <b>TOTAL</b>                        |          | <b>-</b>         | <b>67</b>        |
| <b>CURRENT LIABILITIES</b>          |          |                  |                  |
| Financial Liabilities               |          |                  |                  |
| (i) Trade payables                  | 16       | 2,131            | 1,865            |
| (ii) Other financial liabilities    | 17       | 299              | 328              |
| Other current liabilities           | 18       | 167              | 116              |
| Provisions                          | 19       | 361              | 424              |
| <b>TOTAL</b>                        |          | <b>2,958</b>     | <b>2,733</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b> |          | <b>16,928</b>    | <b>14,977</b>    |
| Significant accounting policies     | 1        |                  |                  |
| Notes to the financial statements   | 2-57     |                  |                  |

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:011350S  
UDIN: 22225884AKMIPX9315  
Bengaluru, May 19, 2022

## STATEMENT OF PROFIT AND LOSS (STANDALONE)

Rupees In Lakhs

| Particulars   | Note No. | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|----------|--------------------------|--------------------------|
| <b>1. INCOME</b>  |          |                          |                          |
| (i) Revenue from operations   | 20       | 20,474                   | 14,667                   |
| (ii) Other income   | 21       | 566                      | 239                      |
| <b>TOTAL</b>  |          | <b>21,040</b>            | <b>14,906</b>            |
| <b>2. EXPENSES</b>  |          |                          |                          |
| Cost of materials consumed  | 22       | 4,278                    | 3,935                    |
| Purchase of stock-in-trade  | 23       | 6,243                    | 3,458                    |
| Changes in inventories of work-in-progress, finished goods & stock-in-trade | 24       | 338                      | 257                      |
| Employee benefit expenses   | 25       | 2,762                    | 2,386                    |
| Depreciation and amortisation expenses                                      |          | 271                      | 247                      |
| Other expenses  | 26       | 3,643                    | 2,614                    |
| <b>TOTAL</b>  |          | <b>17,535</b>            | <b>12,897</b>            |
| <b>3. PROFIT BEFORE TAX</b>   |          | <b>3,505</b>             | <b>2,009</b>             |
| <b>4. TAX EXPENSES</b>  | 27       |                          |                          |
| (i) Current tax   |          | 1,025                    | 590                      |
| Short-fall/(Excess)of previous year   |          | -                        | (14)                     |
| (ii) Deferred tax   |          | (64)                     | 162                      |
| <b>TOTAL</b>  |          | <b>961</b>               | <b>738</b>               |
| <b>5. NET PROFIT AFTER TAX (3-4)</b>  |          | <b>2,544</b>             | <b>1,271</b>             |
| <b>6. OTHER COMPREHENSIVE INCOME</b>  | 28       |                          |                          |
| Items that will not be reclassified to profit or loss in subsequent periods |          |                          |                          |
| Net (loss)/gain on fair market valuation of assets                          |          | 25                       | 58                       |
| Actuarial gains/(losses) on retirement benefits                             |          | -                        | (22)                     |
| Less: Income tax effect on the above  |          | (6)                      | (9)                      |
| <b>TOTAL</b>  |          | <b>19</b>                | <b>27</b>                |
| <b>7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6)</b>                   |          | <b>2,563</b>             | <b>1,298</b>             |
| <b>8. EARNINGS PER EQUITY SHARE</b>   | 29       |                          |                          |
| Basic and diluted (in Rs.)  |          | 7.3                      | 3.6                      |
| Face value of equity share (in Rs.)   |          | 2.0                      | 2.0                      |
| Significant accounting policies   | 1        |                          |                          |
| Notes to the financial statements   | 2-57     |                          |                          |

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:0113505  
UDIN: 22225884AKMIPX9315  
Bengaluru, May 19, 2022

## CASH FLOW STATEMENT (STANDALONE)

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                          |                          |
| NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS           | 3,505                    | 2,009                    |
| Add/(Less): Depreciation, amortisation and impairment               | 271                      | 247                      |
| Interest income   | (292)                    | (174)                    |
| Other comprehensive income  | 25                       | 35                       |
| <b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>           | <b>3,509</b>             | <b>2,117</b>             |
| Adjustments for:  |                          |                          |
| Trade receivables   | (32)                     | 578                      |
| Inventories   | 250                      | 346                      |
| Current investments   | (443)                    | (1,263)                  |
| Loans   | (587)                    | (434)                    |
| Other current assets  | (271)                    | 83                       |
| Trade payables  | 266                      | (668)                    |
| Other financial liabilities   | (29)                     | 51                       |
| Other current liabilities   | 51                       | 93                       |
| Current provisions net of adjustments                               | (63)                     | 134                      |
| Changes in current tax assets                                       | 89                       | 50                       |
| <b>OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL</b>            | <b>2,740</b>             | <b>1,087</b>             |
| Taxes paid/provided   | (1,025)                  | (582)                    |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                       | <b>1,715</b>             | <b>505</b>               |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                          |                          |
| Purchase of property, plant and equipment                           | (455)                    | (174)                    |
| Capital work-in-progress  | 244                      | (89)                     |
| Purchase and sale of investments (net)                              | 188                      | 512                      |
| Increase/(decrease) in other bank accounts                          | (1,172)                  | (834)                    |
| Interest income   | 292                      | 174                      |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                       | <b>(903)</b>             | <b>(411)</b>             |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                          |                          |
| Increase/(decrease) in non current provisions                       | (67)                     | (346)                    |
| Dividend paid including tax   | (770)                    | -                        |
| <b>NET CASH FROM FINANCING ACTIVITIES (C)</b>                       | <b>(837)</b>             | <b>(346)</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>(25)</b>              | <b>(252)</b>             |
| Opening balance of cash and cash equivalents                        | 52                       | 304                      |
| Closing balance of cash and cash equivalents                        | 27                       | 52                       |
| <b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>                      |                          |                          |
| Balances with banks in current accounts                             | 26                       | 51                       |
| Cash on hand  | 1                        | 1                        |

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:0113505  
UDIN: 22225884AKMIPX9315  
Bengaluru, May 19, 2022

**EQUITY SHARE CAPITAL**

## Reporting Period

| Balances at the beginning of the current period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Rupees In Lakhs                                    |  |
|---|--|---|---|--|--|
|   |  |   |   | Balance at the end of the current reporting period |  |
| Current Period                                  |  |   |   |  |  |
| 700   | -  | -   | -   | 700  |  |
| Previous Period                                 |  |   |   |  |  |
| 700   | -  | -   | -   | 700  |  |

**EQUITY SHARE CAPITAL**

## Other Equity As At March 31, 2022

| Particulars   | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus |                    |                |                   | Other Comprehensive Income (OCI)      |                     |                    | Money received against Share Warrants | TOTAL  |
|---|---|--|----------------------|--------------------|----------------|-------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|--------|
|   |   |  | Capital Reserve      | Securities Premium | Other Reserves | Retained Earnings | Effective portion of Cash Flow Hedges | Revaluation Surplus | Other items of OCI |                                       |        |
| Balance at the beginning of the current reporting period          | -   | -  | -                    | -                  | 7,489          | 3,829             | -                                     | -                   | 159                | -                                     | 11,477 |
| Net profit/(loss) for the year                                    | -   | -  | -                    | -                  | -              | 2,544             | -                                     | -                   | -                  | -                                     | 2,544  |
| Changes in accounting policy or prior period errors               | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Restated balance at the beginning of the current reporting period | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Total OCI for the current year                                    | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | 19                 | -                                     | 19     |
| Dividends   | -   | -  | -                    | -                  | -              | (770)             | -                                     | -                   | -                  | -                                     | (770)  |
| Transfer from retained earnings to general reserve                | -   | -  | -                    | -                  | 400            | (400)             | -                                     | -                   | -                  | -                                     | -      |
| Any other changes   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Balance at the end of the current reporting period                | -   | -  | -                    | -                  | 7,889          | 5,203             | -                                     | -                   | 178                | -                                     | 13,270 |

**EQUITY SHARE CAPITAL****Other Equity As At March 31, 2021**

Rupees In Lakhs

| Particulars   | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus |                    |                |                   | Other Comprehensive Income (OCI)      |                     |                    | Money received against Share Warrants | TOTAL |
|---|---|--|----------------------|--------------------|----------------|-------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|-------|
|   |   |  | Capital Reserve      | Securities Premium | Other Reserves | Retained Earnings | Effective portion of Cash Flow Hedges | Revaluation Surplus | Other items of OCI |                                       |       |
| Balance at the beginning of the current reporting period          | -   | -  | -                    | 7,189              | 2,858          | -                 | -                                     | 132                 | -                  | 10,179                                |       |
| Net profit/(loss) for the year                                    | -   | -  | -                    | -                  | 1,271          | -                 | -                                     | -                   | -                  | 1,271                                 |       |
| Changes in accounting policy or prior period errors               | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     |       |
| Restated balance at the beginning of the current reporting period | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     |       |
| Total OCI for the current year                                    | -   | -  | -                    | -                  | -              | -                 | -                                     | 27                  | -                  | 27                                    |       |
| Dividends   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     |       |
| Transfer from retained earnings to general reserve                | -   | -  | -                    | 300                | (300)          | -                 | -                                     | -                   | -                  | -                                     |       |
| Any other changes   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     |       |
| Balance at the end of the current reporting period                | -   | -  | -                    | 7,489              | 3,829          | -                 | -                                     | 159                 | -                  | 11,477                                |       |

## DETAILS OF PROMOTER'S HOLDING

| Particulars                      | As at March 31, 2021 |                   | As at March 31, 2022 |                   | % change during the year |
|----------------------------------|----------------------|-------------------|----------------------|-------------------|--------------------------|
|                                  | No. of shares        | % of total shares | No. of shares        | % of total shares |                          |
| PROMOTER                         |                      |                   |                      |                   |                          |
| J B Advani And Company Pvt. Ltd. | 92,13,301            | 26.32%            | 92,13,301            | 26.32%            | -                        |
| PROMOTER GROUP                   |                      |                   |                      |                   |                          |
| Mr. Aditya Tarachand Malkani     | 15,86,452            | 4.53%             | 15,86,452            | 4.53%             | -                        |
| Mr. Ajit T Mirchandani           | 1,47,460             | 0.42%             | 1,47,460             | 0.42%             | -                        |
| Ms. Aruna Bhagwan Advani         | 9,01,000             | 2.57%             | 9,01,000             | 2.57%             | -                        |
| Mr. Deep Ashda Lalvani           | 37,915               | 0.11%             | 39,774               | 0.12%             | 0.01%                    |
| Ms. Michelle Gulu Malkani        | 83,700               | 0.24%             | 83,700               | 0.24%             | -                        |
| Ms. Ninotchka Malkani Nagpal     | 54,700               | 0.16%             | 7,60,700             | 2.18%             | 2.02%                    |
| Ms. Rajbir Tarachand Malkani     | 5,21,327             | 1.49%             | 5,21,327             | 1.49%             | -                        |
| Mr. Ravin A Mirchandani          | 11,910               | 0.03%             | 11,910               | 0.03%             | -                        |
| Ms. Reshma Ashda Lalvani         | 97,000               | 0.28%             | 97,000               | 0.28%             | -                        |
| Ms. Shirin Aditya Malkani        | 1,81,918             | 0.52%             | 1,81,918             | 0.52%             | -                        |
| Ms. Tania Ajit Mirchandani       | 1,69,550             | 0.49%             | 1,50,000             | 0.43%             | (0.06%)                  |
| Ms. Vimla Ashda Lalvani          | 32,722               | 0.09%             | 32,722               | 0.09%             | -                        |
| Ms. Tanya Halina Advani          | -                    | -                 | 1,800                | 0.01%             | 0.01%                    |
| Ms. Gulshan Gulu Malkani         | 7,06,000             | 2.02%             | -                    | -                 | (2.02%)                  |
| TOTAL                            | 1,37,44,955          | 39.27%            | 1,37,29,064          | 39.23%            | (0.04%)                  |

Notes:

Equity Share Capital

Total number of shares: 3,50,00,000

Percent to total shares: Computed on the total share capital of the Company

# FONTECH TORNADO 601



## INVERTER TECHNOLOGY BASED MMAW POWER SOURCE IDEAL FOR



MSGP, Low heat input & Alloy based electrode welding



Suitable for heavy duty & continuous welding application



VRD enables safe use even in hazardous electrical environment



Options to add on ELCB/RCCB

NOTES TO  
THE FINANCIAL  
STATEMENTS  
(STANDALONE)



## Note 1

### COMPANY INFORMATION

Ador Fontech Limited ('the Company') was incorporated in India on August 22, 1974 under the provisions of the Companies Act 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

#### 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 19, 2022. The Chairman, Managing Director, Chief Financial Officer and Company Secretary have been authorised to execute their signatures in confirmation of the statements.

#### 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.

#### 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, which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by the relevant Ind-AS.

## FAIR VALUE MEASUREMENT

The Company measures financial instruments 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 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 fair value hierarchy as explained above.

## Functional and presentation currency

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

## SIGNIFICANT ACCOUNTING POLICIES

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

### 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. Management and marketing fees are recognised as and when the services are rendered.

### 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 the 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 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.

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 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 & 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of 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 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/Percentage | Description          | No. of years/Percentage  |
|------------------------|-------------------------|----------------------|--------------------------|
| Plant and equipment    | 15 years/18.10%         | Lease hold land      | Over the period of lease |
| Furniture and fixtures | 10 years/25.89%         | Office premises      | 60 years/4.87%           |
| Office equipment       | 05 years/45.07%         | Motor cycles         | 10 years/25.89%          |
| Buildings              | 30 years/9.50%          | Motor cars           | 08 years/31.23%          |
| Computers/laptops      | 03 years/63.16%         | Management estimates | Based on requirements    |

## 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.

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.

## 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.

## Title deeds, valuation and verification

In respect of immovable properties owned by the Company, title deeds are held in the name of the Company.

The Company has not undertaken revaluation of properties during the financial year 2021-22.

The Company has undertaken physical verification of inventories during and at the end of the year. No major discrepancies were noticed.

## Investment in Subsidiaries and Joint Ventures

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Investments in joint ventures are accounted at cost less impairment, if any.

Investments in subsidiary and joint venture are accounted at cost less impairment, if any, in accordance with Ind AS-27.

## Investments and financial assets

### CLASSIFICATION

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model, in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### MEASUREMENT

At initial recognition, the Company measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit or loss at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### MEASUREMENT OF DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

(i) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair value through other comprehensive income (FVTOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit and loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### IMPAIRMENT OF FINANCIAL ASSETS

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach, permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset is derecognised only when:

- (i) The Company has transferred the rights to receive cash flows from the financial asset or,
- (ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## 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.

## 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.

## 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 Government 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.

## 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. In effect, they are valued at 'Standard Cost' with differences from actuals being posted to variance account.

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 for on net realisable value.

## 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 & 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(s) to be recovered.

Deferred tax assets & 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.



## 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 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. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount factors, estimate rate of return on plan assets, future salary escalation rate and assumed attrition rate. Due to long term nature of these plans such estimates are subject to significant uncertainty.

## 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 the 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.

## Foreign currency transactions

In the financial statements of the Company, 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 in to 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 'Other Comprehensive Income'.

## 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.

## Dividend

Dividends declared or paid by the Company is in compliance with Section 123 of the Companies Act, 2013.

## 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, type & class of customers & 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 and are off-setting in nature.

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 the segments.

## 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 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 payments to the lessor are structured to increase in line with expected general inflation to compensate for the Lessor's expected inflationary cost increase.

### 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.

## Realisation

The Board of Directors of the Company is of the opinion that assets including property, plant & equipment, intangible assets and non-current-investments are realisable at their carrying amount in the ordinary course of business.

## Estimation of uncertainties relating to the Covid-19 pandemic

The Company has considered possible effects that may result from the pandemic relating to Covid-19 (which is still ongoing and has not turned to be an endemic) on the carrying amounts of receivables, unbilled revenues, assets etc. In developing assumptions relating to possible future uncertainties because of the pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information, including reports of reputed organisations and their economic forecasts etc. to perform sensitivity analysis and based on current estimate expects that the carrying amount of assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## Note 2 PROPERTY, PLANT AND EQUIPMENT

### TANGIBLE ASSETS

Rupees In Lakhs

| Description                    | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2022 |
|--------------------------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|                                | As at 01.04.2021      | Additions  | Deductions /Adj. | As at 31.03.2022 | As at 01.04.2021                      | For the year | Deductions /Adj. | As at 31.03.2022 |                                     |
| Land - Freehold                | 644                   | 86         | -                | 730              | -                                     | -            | -                | -                | 730                                 |
| Land - Leasehold               | 502                   | -          | -                | 502              | 10                                    | 5            | -                | 15               | 487                                 |
| Factory buildings              | 1,081                 | 18         | -                | 1,099            | 681                                   | 38           | -                | 719              | 380                                 |
| Office premises                | 575                   | -          | -                | 575              | 206                                   | 18           | -                | 224              | 351                                 |
| Office premises-Land component | 9                     | -          | -                | 9                | -                                     | -            | -                | -                | 9                                   |
| Plant and machinery            | 1,495                 | 48         | -                | 1,543            | 997                                   | 94           | -                | 1,091            | 452                                 |
| Electrical installations       | 92                    | -          | -                | 92               | 81                                    | 2            | -                | 83               | 9                                   |
| Computers                      | 109                   | 42         | 6                | 145              | 92                                    | 31           | 5                | 118              | 27                                  |
| Office equipment               | 46                    | -          | -                | 46               | 40                                    | 2            | -                | 42               | 4                                   |
| Furniture and fixtures         | 80                    | 1          | -                | 81               | 69                                    | 3            | -                | 72               | 9                                   |
| Vehicles                       | 538                   | 110        | 83               | 565              | 371                                   | 62           | 76               | 357              | 208                                 |
| <b>TOTAL</b>                   | <b>5,171</b>          | <b>305</b> | <b>89</b>        | <b>5,387</b>     | <b>2,547</b>                          | <b>255</b>   | <b>81</b>        | <b>2,721</b>     | <b>2,666</b>                        |

### INTANGIBLE ASSETS

Rupees In Lakhs

| Description  | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2022 |
|--------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|              | As at 01.04.2021      | Additions  | Deductions /Adj. | As at 31.03.2022 | As at 01.04.2021                      | For the year | Deductions /Adj. | As at 31.03.2022 |                                     |
| ERP Software | -                     | 158        | -                | 158              | -                                     | 16           | -                | 16               | 142                                 |
| <b>TOTAL</b> | <b>-</b>              | <b>158</b> | <b>-</b>         | <b>158</b>       | <b>-</b>                              | <b>16</b>    | <b>-</b>         | <b>16</b>        | <b>142</b>                          |

Notes: (i) Out of rupees two hundred and forty four lakhs held under capital work-in-progress during the previous financial year, rupees eighty six lakhs has been capitalised under freehold land and rupees one hundred and fifty eight lakhs under intangible assets (Enterprise Resource Planning-ERP) during the financial year 2021-22. (ii) Title deeds of properties are held in the name of the Company-Ador Fontech Limited. (iii) Depiction of assets in horizontal columns to facilitate readability.

**TANGIBLE ASSETS**

Rupees In Lakhs

| Description                      | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2021 |
|----------------------------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|                                  | As at 01.04.2020      | Additions  | Deductions /Adj. | As at 31.03.2021 | As at 01.04.2020                      | For the year | Deductions /Adj. | As at 31.03.2021 |                                     |
| Land - Freehold                  | 644                   | -          | -                | 644              | -                                     | -            | -                | -                | 644                                 |
| Land - Leasehold                 | 502                   | -          | -                | 502              | 5                                     | 5            | -                | 10               | 492                                 |
| Factory buildings                | 1,081                 | -          | -                | 1,081            | 638                                   | 43           | -                | 681              | 400                                 |
| Office premises                  | 575                   | -          | -                | 575              | 187                                   | 19           | -                | 206              | 369                                 |
| Office premises - Land component | 9                     | -          | -                | 9                | -                                     | -            | -                | -                | 9                                   |
| Plant and machinery              | 1,347                 | 148        | -                | 1,495            | 909                                   | 88           | -                | 997              | 498                                 |
| Electrical installations         | 92                    | -          | -                | 92               | 77                                    | 4            | -                | 81               | 11                                  |
| Computers                        | 105                   | 6          | 2                | 109              | 77                                    | 17           | 2                | 92               | 17                                  |
| Office equipment                 | 51                    | -          | 5                | 46               | 39                                    | 5            | 4                | 40               | 6                                   |
| Furniture and fixtures           | 84                    | -          | 4                | 80               | 69                                    | 3            | 3                | 69               | 11                                  |
| Vehicles                         | 558                   | 29         | 49               | 538              | 350                                   | 63           | 42               | 371              | 167                                 |
| <b>TOTAL</b>                     | <b>5,048</b>          | <b>183</b> | <b>60</b>        | <b>5,171</b>     | <b>2,351</b>                          | <b>247</b>   | <b>51</b>        | <b>2,547</b>     | <b>2,624</b>                        |

Note: An amount of rupees two hundred and forty four lakhs was held under capital work-in-progress as at March 31, 2021.

**Note 3 INVESTMENTS**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 |            | As at 31.03.2021 |              |
|--|------------------|------------|------------------|--------------|
|  | Quantity (Nos.)  | Amount     | Quantity (Nos.)  | Amount       |
| <b>NON CURRENT INVESTMENTS</b>                                   |                  |            |                  |              |
| INVESTMENT IN UNQUOTED SHARES & BONDS - FULLY PAID               |                  |            |                  |              |
| 3D Future Technologies Private Limited (Wholly owned subsidiary) | -                | -          | -                | -            |
| Investment in shares   | 97,50,000        | 975        | 97,50,000        | 975          |
| SUB-TOTAL  | 97,50,000        | 975        | 97,50,000        | 975          |
| INVESTMENT IN MUTUAL FUNDS (QUOTED)                              |                  |            |                  |              |
| Aditya Birla Sunlife Fixed term plan                             | -                | -          | 5,00,000         | 60           |
| HDFC Mutual Fund   | -                | -          | 10,00,000        | 128          |
| SUB-TOTAL  | -                | -          | -                | 188          |
| <b>TOTAL NON-CURRENT INVESTMENTS</b>                             | -                | <b>975</b> | -                | <b>1,163</b> |
| Aggregate amount of quoted investments and market value thereof  | -                | -          | -                | 188          |
| Aggregate amount of unquoted investments                         | -                | 975        | -                | 975          |

**Note 4 DEFERRED TAX**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| DEFERRED TAX LIABILITY ON ACCOUNT OF   |                  |                  |
| Difference between book and tax balance of fixed assets                          | (166)            | (315)            |
| Fair market value of increase in investments of mutual funds and actuarial gains | (6)              | (9)              |
| SUB-TOTAL  | (172)            | (324)            |
| DEFERRED TAX ASSETS ON ACCOUNT OF  |                  |                  |
| Provision for employee benefits  | -                | 61               |
| Provision for warranties   | 95               | 84               |
| Diminution in the value of shares of the joint venture                           | 26               | 26               |
| Provision for doubtful debts   | 5                | 45               |
| Service tax disallowance U/S 43B   | 37               | 37               |
| Others   | 9                | 13               |
| SUB-TOTAL  | 172              | 266              |
| TOTAL  | -                | (58)             |

## Note 5 INVENTORIES

Rupees In Lakhs

| Particulars      | As at 31.03.2022 | As at 31.03.2021 |
|------------------|------------------|------------------|
| Raw materials    | 778              | 690              |
| Work-in-progress | 72               | 226              |
| Traded goods     | 1,055            | 1,203            |
| Finished goods   | 368              | 404              |
| <b>TOTAL</b>     | <b>2,273</b>     | <b>2,523</b>     |

## Note 6 INVESTMENTS

Rupees In Lakhs

| Particulars   | As at 31.03.2022 |              | As at 31.03.2021 |              |
|---|------------------|--------------|------------------|--------------|
|   | Quantity (Nos.)  | Amount       | Quantity (Nos.)  | Amount       |
| <b>CURRENT INVESTMENTS</b>                                      |                  |              |                  |              |
| INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUND)               |                  |              |                  |              |
| Franklin India Corporate Bond Opportunities Fund                | 21,557           | 5            | 2,07,387         | 43           |
| HDFC Mutual Fund  | 33,976           | 1,422        | -                | -            |
| HDFC Corporate Bond Fund  | 7,760            | 2            | -                | -            |
| HDFC FMP 1208 days  | -                | -            | 13,73,803        | 176          |
| HDFC Liquid Fund  | -                | -            | 23,981           | 970          |
| ICICI Liquid Fund   | 1,85,870         | 586          | -                | -            |
| ICICI Prudential Regular Savings Fund                           | -                | -            | 98,571           | 300          |
| Nippon India Fixed Horizon Fund-XXVII-Series 3                  | -                | -            | 6,55,525         | 83           |
| <b>TOTAL CURRENT INVESTMENTS</b>                                | <b>2,49,163</b>  | <b>2,015</b> | <b>-</b>         | <b>1,572</b> |
| Aggregate amount of quoted investments and market value thereof | -                | 2,015        | -                | 1,572        |

## Note 7 TRADE RECEIVABLES

Rupees In Lakhs

| Particulars                        | Outstanding as at March 31, 2022 |                 |           |           |                   | Total        |
|------------------------------------|----------------------------------|-----------------|-----------|-----------|-------------------|--------------|
|                                    | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |              |
| UNDISPUTED TRADE RECEIVABLES       |                                  |                 |           |           |                   |              |
| Considered good                    | 2,395                            | 359             | -         | -         | -                 | 2,754        |
| Considered doubtful                | -                                | -               | -         | -         | -                 | -            |
| Less: Provision for doubtful debts | -                                | -               | -         | -         | -                 | -            |
| DISPUTED TRADE RECEIVABLES         |                                  |                 |           |           |                   |              |
| Considered good                    | -                                | -               | -         | -         | -                 | -            |
| Considered doubtful                | -                                | -               | -         | -         | -                 | -            |
| <b>TOTAL</b>                       | <b>2,395</b>                     | <b>359</b>      | <b>-</b>  | <b>-</b>  | <b>-</b>          | <b>2,754</b> |

Rupees In Lakhs

| Particulars                        | Outstanding as at March 31, 2021 |                 |           |           |                   | Total |
|------------------------------------|----------------------------------|-----------------|-----------|-----------|-------------------|-------|
|                                    | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |       |
| UNDISPUTED TRADE RECEIVABLES       |                                  |                 |           |           |                   |       |
| Considered good                    | 2,398                            | 324             | -         | -         | -                 | 2,722 |
| Considered doubtful                | -                                | -               | -         | -         | -                 | -     |
| Less: Provision for doubtful debts | -                                | -               | -         | -         | -                 | -     |
| DISPUTED TRADE RECEIVABLES         |                                  |                 |           |           |                   |       |
| Considered good                    | -                                | -               | -         | -         | -                 | -     |
| Considered doubtful                | -                                | -               | -         | -         | -                 | -     |
| TOTAL                              | 2,398                            | 324             | -         | -         | -                 | 2,722 |

## Note 8 CASH AND BANK BALANCES

Rupees In Lakhs

| Particulars                             | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Balances with banks in current accounts | 26               | 51               |
| Cash on hand                            | 1                | 1                |
| TOTAL                                   | 27               | 52               |

## Note 9 OTHER BANK BALANCES

Rupees In Lakhs

| Particulars                                       | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Fixed deposit with banks                          | 3,720            | 2,541            |
| Balance with banks in unclaimed dividend accounts | 96               | 103              |
| TOTAL   | 3,816            | 2,644            |

## Note 10 LOANS AND ADVANCES

Rupees In Lakhs

| Particulars   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| SECURITY DEPOSITS                                       |                  |                  |
| Deposits-Government departments                         | 26               | 25               |
| Deposits-Premises                                       | 5                | 6                |
| Deposits-Security, performance and earnest money        | 267              | 315              |
| LOANS TO RELATED PARTY                                  |                  |                  |
| Loan and advances to Joint venture entity or Subsidiary | 1,239            | 598              |
| OTHER ADVANCES  |                  |                  |
| Loans and advances to employees                         | 11               | 17               |
| TOTAL   | 1,548            | 961              |



| Type of borrower                        | Amount of loan/advance in the nature of loan outstanding | Percentage to the total loans & advances in the nature of loans |
|---|--|---|
| Promoters                               | -  | -   |
| Directors                               | -  | -   |
| Key Managerial Personnel                | -  | -   |
| Related parties/Wholly owned subsidiary | 1,239  | 80%   |

Note: Inter-corporate-deposit provided to the Subsidiary for tenure of one year has been extended thereof.

## Note 11 OTHER CURRENT ASSETS

Rupees In Lakhs

| Particulars                          | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| ADVANCES OTHER THAN CAPITAL ADVANCES |                  |                  |
| Advance to suppliers                 | 319              | 68               |
| Prepaid expenses                     | 68               | 48               |
| TOTAL                                | 387              | 116              |

## Note 12 CURRENT TAX ASSETS

Rupees In Lakhs

| Particulars                                   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Advance income tax (net of provision for tax) | 325              | 414              |
| TOTAL   | 325              | 414              |

## Note 13 EQUITY SHARE CAPITAL

Rupees In Lakhs

| Particulars                             | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| AUTHORISED                              |                  |                  |
| 5,00,00,000 equity shares of Rs. 2 each | 1,000            | 1,000            |
| TOTAL                                   | 1,000            | 1,000            |
| ISSUED, SUBSCRIBED AND PAID-UP          |                  |                  |
| 3,50,00,000 equity shares of Rs. 2 each | 700              | 700              |
| TOTAL                                   | 700              | 700              |

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Rupees In Lakhs

| Particulars                                     | 2021-22     |        | 2020-21     |        |
|---|-------------|--------|-------------|--------|
|   | In Nos.     | Amount | In Nos.     | Amount |
| Shares outstanding at the beginning of the year | 3,50,00,000 | 700    | 3,50,00,000 | 700    |
| Shares outstanding at the end of the year       | 3,50,00,000 | 700    | 3,50,00,000 | 700    |

## Details of shares in the Company held by each Shareholder holding more than 5% shares

Rupees In Lakhs

| Particulars                                  | 2021-22               |              | 2020-21               |              |
|--|-----------------------|--------------|-----------------------|--------------|
|  | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| J B Advani and Company Private Limited (JBA) | 92,13,301             | 26.32%       | 92,13,301             | 26.32%       |

## 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 also did not buy back any equity share.

## 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 into equity/preference shares.

## Note 14 OTHER EQUITY

Rupees In Lakhs

| Particulars                | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------|------------------|------------------|
| Securities premium         | -                | -                |
| General reserve            | 7,889            | 7,489            |
| Retained earnings          | 5,203            | 3,829            |
| Other comprehensive income | 178              | 159              |
| TOTAL                      | 13,270           | 11,477           |

## GENERAL RESERVE

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Opening balance  | 7,489            | 7,189            |
| Transferred from surplus in the statement of profit and loss | 400              | 300              |
| Closing balance  | 7,889            | 7,489            |

## RETAINED EARNINGS

Rupees In Lakhs

| Particulars                    | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------|------------------|------------------|
| Opening balance                | 3,829            | 2,858            |
| Net profit / loss for the year | 2,544            | 1,271            |
| Equity dividend                | (770)            | -                |
| Transfer to general reserve    | (400)            | (300)            |
| Closing balance                | 5,203            | 3,829            |

## OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

| Particulars                 | As at 31.03.2022 | As at 31.03.2021 |
|-----------------------------|------------------|------------------|
| Opening balance             | 159              | 132              |
| Transferred during the year | 19               | 27               |
| Closing balance             | 178              | 159              |

## Note 15 PROVISIONS

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Provision for compensated absences | -                | 67               |
| TOTAL                              | -                | 67               |

Note: The Company has fully funded its obligation for compensated absences through investment in the Life Insurance Corporation of India (LIC).

## Note 16 TRADE PAYABLES

Rupees In Lakhs

| Particulars | Outstanding as at March 31, 2022 |                 |           |           |                   | Total |
|-------------|----------------------------------|-----------------|-----------|-----------|-------------------|-------|
|             | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |       |
| UNDISPUTED  |                                  |                 |           |           |                   |       |
| MSME        | 132                              | -               | -         | -         | -                 | 132   |
| Others      | 1,999                            | -               | -         | -         | -                 | 1,999 |
| DISPUTED    |                                  |                 |           |           |                   |       |
| MSME        | -                                | -               | -         | -         | -                 | -     |
| Others      | -                                | -               | -         | -         | -                 | -     |
| TOTAL       | 2,131                            | -               | -         | -         | -                 | 2,131 |

Rupees In Lakhs

| Particulars | Outstanding as at March 31, 2021 |                 |           |           |                   | Total |
|-------------|----------------------------------|-----------------|-----------|-----------|-------------------|-------|
|             | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |       |
| UNDISPUTED  |                                  |                 |           |           |                   |       |
| MSME        | 118                              | -               | -         | -         | -                 | 118   |
| Others      | 1,747                            | -               | -         | -         | -                 | 1,747 |
| DISPUTED    |                                  |                 |           |           |                   |       |
| MSME        | -                                | -               | -         | -         | -                 | -     |
| Others      | -                                | -               | -         | -         | -                 | -     |
| TOTAL       | 1,865                            | -               | -         | -         | -                 | 1,865 |

Notes: (i) There are no unbilled dues as at March 31, 2022 and March 31, 2021. (ii) MSME - Micro, Small and Medium Enterprise.

**DISCLOSURE REQUIREMENT UNDER MSMED ACT, 2006**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 132              | 118              |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | -                | -                |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | -                | -                |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                | -                |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                | -                |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made   | -                | -                |
| Further interest remaining due and payable for earlier years   | -                | -                |

**Note 17 OTHER FINANCIAL LIABILITIES**

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Deposit from dealers and employees | 203              | 225              |
| Unclaimed dividends                | 96               | 103              |
| TOTAL                              | 299              | 328              |

**Note 18 OTHER CURRENT LIABILITIES**

Rupees In Lakhs

| Particulars           | As at 31.03.2022 | As at 31.03.2021 |
|-----------------------|------------------|------------------|
| Statutory liabilities | 167              | 116              |
| TOTAL                 | 167              | 116              |

**Note 19 PROVISIONS**

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| PROVISION FOR EMPLOYEE BENEFITS    |                  |                  |
| Provision for compensated absences | (43)             | 68               |
| Due to gratuity trust              | 24               | 21               |
| OTHERS                             |                  |                  |
| Warranties                         | 380              | 335              |
| TOTAL                              | 361              | 424              |

**Note 20 REVENUE FROM OPERATIONS**

Rupees In Lakhs

| Particulars                       | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-----------------------------------|--------------------------|--------------------------|
| SALE OF PRODUCTS                  |                          |                          |
| Manufactured goods (net of taxes) | 8,921                    | 8,645                    |
| Scrap sales                       | 55                       | 35                       |
| Traded goods                      | 8,296                    | 4,628                    |
| SALE OF SERVICES                  |                          |                          |
| Job work income                   | 3,202                    | 1,359                    |
| TOTAL                             | 20,474                   | 14,667                   |

**Note 21 OTHER INCOME**

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Interest income   | 292                      | 174                      |
| Write backs, discounts, forex gains, rental income etc. | 266                      | 53                       |
| Profit on sale of investments                           | 8                        | 12                       |
| TOTAL   | 566                      | 239                      |

**DETAILS OF INTEREST INCOME**

Rupees In Lakhs

| Particulars               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------------|--------------------------|--------------------------|
| Interest on bank deposits | 156                      | 92                       |
| Others                    | 136                      | 82                       |
| TOTAL                     | 292                      | 174                      |

**Note 22 COST OF MATERIALS CONSUMED**

Rupees In Lakhs

| Particulars         | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------|--------------------------|--------------------------|
| Opening stock       | 690                      | 779                      |
| Add: Purchases      | 4,366                    | 3,846                    |
| Less: Closing stock | 778                      | 690                      |
| TOTAL               | 4,278                    | 3,935                    |

**Note 23 PURCHASE OF STOCK-IN-TRADE**

Rupees In Lakhs

| Particulars                               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Welding consumables, equipment and spares | 6,243                    | 3,458                    |
| TOTAL                                     | 6,243                    | 3,458                    |

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

Rupees In Lakhs

| Particulars                  | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|------------------------------|--------------------------|--------------------------|
| AT THE BEGINNING OF THE YEAR |                          |                          |
| Work-in-progress             | 226                      | 667                      |
| Finished goods               | 404                      | 268                      |
| Traded goods                 | 1,204                    | 1,156                    |
| SUB-TOTAL (A)                | 1,834                    | 2,091                    |
| AT THE END OF THE YEAR       |                          |                          |
| Work-in-progress             | 73                       | 226                      |
| Finished goods               | 368                      | 404                      |
| Traded goods                 | 1,055                    | 1,204                    |
| SUB-TOTAL (B)                | 1,496                    | 1,834                    |
| TOTAL (A-B)                  | 338                      | 257                      |

**Note 25 EMPLOYEE BENEFIT EXPENSES**

Rupees In Lakhs

| Particulars                               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Salaries, allowances and other benefits   | 2,293                    | 1,932                    |
| Contribution to provident and other funds | 326                      | 319                      |
| Staff welfare                             | 143                      | 135                      |
| TOTAL                                     | 2,762                    | 2,386                    |

## Note 26 OTHER EXPENSES

Rupees In Lakhs

| Particulars                                  | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| Rent   | 149                      | 76                       |
| Insurance                                    | 38                       | 33                       |
| Rates and taxes                              | 92                       | 73                       |
| Consumables and stores                       | 81                       | 74                       |
| Power, fuel and utilities                    | 99                       | 80                       |
| Security charges                             | 29                       | 27                       |
| Product development, fabrication and welding | 1,344                    | 952                      |
| Labour charges                               | 70                       | 59                       |
| Books, printing and stationary               | 30                       | 26                       |
| Communication expenses                       | 59                       | 46                       |
| Repairs to building                          | 71                       | 41                       |
| Repairs to machinery                         | 90                       | 26                       |
| Office maintenance                           | 117                      | 110                      |
| Legal and professional fees                  | 142                      | 105                      |
| Travelling and conveyance                    | 476                      | 160                      |
| Freight and forwarding                       | 256                      | 208                      |
| Sales commission and promotional expenses    | 272                      | 215                      |
| Seminar and conferences                      | -                        | 1                        |
| Provision for warranties                     | 63                       | 57                       |
| Audit fees                                   | 6                        | 6                        |
| Bank and other charges                       | 18                       | 11                       |
| Corporate social responsibility              | 39                       | 34                       |
| General expenses                             | 3                        | 2                        |
| Bad debts written off                        | 59                       | 178                      |
| Software annual maintenance                  | 38                       | 13                       |
| Loss on sale of assets                       | 2                        | 1                        |
| <b>TOTAL</b>                                 | <b>3,643</b>             | <b>2,614</b>             |

**AUDITORS' REMUNERATION**

Rupees In Lakhs

| Particulars     | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-----------------|--------------------------|--------------------------|
| Statutory audit | 5                        | 5                        |
| Other services  | 1                        | 1                        |
| TOTAL           | 6                        | 6                        |

**CORPORATE SOCIAL RESPONSIBILITY**

Rupees In Lakhs

| Particulars  | Year ended<br>31.03.2022 |
|--|--------------------------|
| Amount required to be spent by the Company during the year | 38                       |
| Amount of expenditure incurred                             | 39                       |
| Shortfall at the end of the year                           | -                        |
| Total of previous years shortfall                          | -                        |
| NATURE OF CSR ACTIVITIES                                   |                          |
| Covid care support   | 21                       |
| Education  | 11                       |
| General medical support                                    | 6                        |
| Support to the aged  | 1                        |
| TOTAL  | 39                       |

Notes: (i) The Company has expended amounts on CSR activities directly and alongside reputed Organisations/NGOs which work on social causes. (ii) No provision has been made in the books of accounts towards any contractual obligation(s).

**Note 27 TAX EXPENSES**

Rupees In Lakhs

| Particulars                             | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Current tax                             | 1,025                    | 590                      |
| Short-fall/(excess) of previous year(s) | -                        | (14)                     |
| Deferred tax                            | (64)                     | 162                      |
| TOTAL                                   | 961                      | 738                      |



**TAX RECONCILIATION**

Rupees In Lakhs

| Particulars                                    | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| Profit before income tax expense               | 3,505                    | 2,009                    |
| Tax on business & other Incomes                | 875                      | 820                      |
| Tax on short term capital gains                | 312                      | 21                       |
| Tax effect of amounts which are not deductible |                          |                          |
| (a) Provision for retirement benefits          | (17)                     | (61)                     |
| (b) Provision for bad debts                    | (5)                      | (44)                     |
| (c) Provision for warranties                   | (95)                     | (84)                     |
| (d) Salary and bonus unpaid as at the year end | -                        | (12)                     |
| (e) Others                                     | (45)                     | (63)                     |
| (f) Interest U/S 234C & 234B                   | -                        | 13                       |
| Income tax expenses                            | 1,025                    | 590                      |

**Note 28 OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Increase in the value of investments                      | 25                       | 58                       |
| Actuarial gains / (losses) on defined benefit obligations | -                        | (22)                     |
| Tax impact on the same                                    | (6)                      | (9)                      |
| TOTAL   | 19                       | 27                       |

**Note 29 EARNINGS PER SHARE**

Rupees In Lakhs

| Particulars             | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-------------------------|--------------------------|--------------------------|
| Profit after tax        | 2,544                    | 1,271                    |
| Number of equity shares | 350                      | 350                      |
| Earnings per share      | 7.3                      | 3.6                      |

**Note 30 MICRO AND SMALL ENTERPRISES**

There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2022. 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

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. 149 lakhs (Previous year Rs. 76 lakhs) has been charged to the Statement of Profit and Loss.

| Particulars                                       | Rupees In Lakhs          |                          |
|---|--------------------------|--------------------------|
|   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Lease payments for the year                       | 149                      | 76                       |
| <b>Minimum lease payments</b>                     | <b>As at 31.03.2022</b>  | <b>As at 31.03.2021</b>  |
| Not later than one year                           | 51                       | 48                       |
| 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' disclosure as defined in the Standard are given below:

### 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 as per Statute, 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 and fifteen percent of the salary (basic plus dearness allowance) in respect of applicable employees, respectively..

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.

### Details of contribution made to provident and other funds

| Particulars                           | Rupees In Lakhs  |                  |
|---------------------------------------|------------------|------------------|
|                                       | As at 31.03.2022 | As at 31.03.2021 |
| Provident fund                        | 114              | 118              |
| Superannuation fund                   | 100              | 93               |
| Leave encashment                      | 73               | 77               |
| Gratuity fund                         | 25               | 21               |
| National pension scheme               | 12               | 8                |
| Employees State Insurance Corporation | 2                | 2                |
| <b>TOTAL</b>                          | <b>326</b>       | <b>319</b>       |

Note: The Company causes Actuarial Valuation of Gratuity and Leave encashment facilities year on year.

## Details of actuarial valuation of Gratuity

Rupees In Lakhs

| Particulars                  | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------|------------------|------------------|
| <b>ACTUARIAL ASSUMPTIONS</b> |                  |                  |
| Discount rate (per annum)    | 6.7%             | 5.4%             |
| Salary escalation rate       | 8.0%             | 6.0%             |
| <b>ATTRITION RATE</b>        |                  |                  |
| 21-30 years                  | 41%              | 37%              |
| 31-40 years                  | 10%              | 27%              |
| 41-50 years                  | 6.0%             | 7.0%             |
| 51-57 years                  | 8.0%             | 17%              |
| Normal retirement age        | 58 years         | 58 years         |

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| <b>MOVEMENT IN BENEFIT OBLIGATIONS</b>                             |                  |                  |
| Present value of obligation at the beginning of the year           | 528              | 507              |
| Interest cost  | 23               | 30               |
| Service cost   | 29               | 31               |
| Actuarial (gain)/loss  | 46               | 26               |
| Benefits paid  | (62)             | (66)             |
| Present value of obligation at the end of the year                 | 564              | 528              |
| <b>MOVEMENT IN PLAN ASSETS</b>                                     |                  |                  |
| Opening fair value of plan assets                                  | 507              | 311              |
| Employer's contribution  | 42               | 44               |
| Interest on plan assets  | 23               | 19               |
| Remeasurements   | 29               | 199              |
| Benefits paid  | (62)             | (66)             |
| Fair value of plan assets at the end of the year                   | 539              | 507              |
| <b>ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET</b>      |                  |                  |
| Present value of defined benefit obligation at the end of the year | 564              | 528              |
| Less: Fair value of plan assets at the end of the year             | 539              | 507              |
| <b>NET LIABILITY RECOGNISED</b>                                    | <b>25</b>        | <b>21</b>        |

**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                          | As at 31.03.2022 |                        |                      |           |
|--------------------------------------|------------------|------------------------|----------------------|-----------|
|                                      | Discount rate    | Salary escalation rate | Leaving service rate | Mortality |
| Impact of increase in 100 bps on DBO | (3.94%)          | 4.01%                  | (0.25%)              | -         |
| Impact of decrease in 100 bps on DBO | 4.36%            | (3.73%)                | 0.27%                | -         |

| Particulars                          | As at 31.03.2021 |                        |                      |           |
|--------------------------------------|------------------|------------------------|----------------------|-----------|
|                                      | Discount rate    | Salary escalation rate | Leaving service rate | Mortality |
| Impact of increase in 100 bps on DBO | (3.22%)          | 3.35%                  | (0.11%)              | -         |
| Impact of decrease in 100 bps on DBO | 3.50%            | (3.19%)                | 0.12%                | -         |

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**

The Company is exposed to a number of risks in the defined benefit plans. Most significant risk pertaining to defined benefit 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 with reference to future salaries of the participants in the scheme. Salary increase is considered at 8%. 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 defined benefit plan liability is calculated by reference to the best estimate 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.

Note: The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount factors, estimate rate of return on plan assets, future salary escalation rate and assumed attrition rate. Valuation not being the domain area, Management and Auditors have relied on the expert/professional report/opinion of the Actuary.

## Details relating to compensated absences

Rupees In Lakhs

| Particulars   | As at 31.03.2022 |
|---|------------------|
| Opening balance as at April 01, 2021                | 135              |
| Contribution to Life Insurance Corporation of India | (171)            |
| Interest credit less charges                        | (7)              |
| Closing balance as at March 31, 2022                | (43)             |

Notes: (i) The Company's policy under leave encashment was modified during 2018-19. (ii) As at December 31, 2018 available leave balances of the employees less sixty days (carry forward leave) was frozen. (iii) Maximum carry forward of leave for encashment was modified to sixty days on the basic salary drawn by the employees with effect from January 1, 2019. (iv) The Company had entered into an agreement with the Life Insurance Corporation of India to systematically fund its provision towards leave encashment. (v) The Company has fully funded its liability for compensated absences as at March 31, 2022.

## Note 33 DETAILS PERTAINING TO WARRANTIES

Rupees In Lakhs

| Particulars                           | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------------------------|--------------------------|--------------------------|
| Opening balance as at April 1, 2021   | 335                      | 290                      |
| Add: Provisions during the year       | 63                       | 57                       |
| Less: Amount defrayed during the year | 18                       | 12                       |
| Closing balance as at March 31, 2022  | 380                      | 335                      |

## Note 34 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Guarantees (Bank and Corporate)                                       | 556                      | 611                      |
| Disputed excise duty demand under appeal                              | -                        | 71                       |
| Disputed income tax demands under appeal                              | 276                      | 283                      |
| Investments lien marked for facilitating working capital loan to 3DFT | 2                        | 237                      |
| Market value of lien marked investments                               | 2                        | 304                      |

Notes: (i) Amount reflected as part of disputed liability pertains to the principal claim (ii) In the case of disputed excise duty liability, the Company's stand was upheld by the Tribunal and the Department. Consequent to the closure of case, the Company has written back the provision in the books of accounts. (iii) Income Tax Department has raised demand of rupees forty crores for the Assessment year 2021-22. The Company has requested for correction, being mistake apparent on records and has filed an appeal before the Commissioner of Income Tax (Appeals). (iv) With repayment of loan of the Subsidiary (3D Future Technologies Private Limited) the requirement for providing lien on investment to the bank has got reduced.

## Note 35 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 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, the same has not been presented. Further, it would suffice to state that in terms of geographical operations, the Company's operations are concentrated in India.

## Note 36 RELATED PARTY TRANSACTIONS

As per IND-AS 24 'Related party Disclosures', as defined in the Accounting Standard are given below:

Names of related parties and description of relationship with the Company

| Particulars   | Related parties                                |
|---|--|
| Promoter  | J B Advani and Company Private Limited         |
| Associate companies   | 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) | Ms. Tanya Advani                               |
| Wholly owned subsidiary   | 3D Future Technologies Private Limited         |
| Key management personnel  | Mr. A T Malkani-Chairman                       |
| Relatives of key management personnel                                 | Mr. H P Ledwani-Managing Director & CEO        |
|   | Mr. P Gopakumar-CFO: Cessation on Sep 27, 2021 |
|   | Ms. Geetha D-Company Secretary & CFO           |
|   | Mrs. Sunila H Ledwani                          |

## Transactions with related parties

Rupees In Lakhs

| Relationship/name of the related party | Description of the nature of transactions | Value of the transactions |                       |
|--|---|---------------------------|-----------------------|
|  |   | Year ended 31.03.2022     | Year ended 31.03.2021 |
| (i) Promoter                           |   |                           |                       |
| J B Advani and Co. Private Limited     | Rent paid                                 | 90                        | -                     |
| (ii) Associate companies               |   |                           |                       |
| Ador Welding Limited                   | Purchase of traded goods                  | 156                       | 93                    |
|  | Purchase of manufactured goods            | 113                       | 61                    |
|  | Purchase of fixed assets                  | 12                        | -                     |
|  | Sale of traded goods                      | 148                       | 45                    |
|  | Rent paid                                 | 3                         | 1                     |
| Ador Powertron Limited                 | Inter corporate deposit (paid and repaid) | 700                       | 500                   |
|  | Interest on Inter corporate deposit       | 58                        | 40                    |
|  | Rent received                             | -                         | 1                     |
| (iii) Key Managerial Personnel (KMPs)  | Aggregate of salaries                     | 354                       | 346                   |
| (iv) Related Personnel                 | Remuneration                              | 89                        | 83                    |
| (v) Relatives of KMPs                  | Rent                                      | 28                        | 28                    |

Notes: (i) Associate Companies are determined by virtue of JB Advani and Company Private Limited being a common promoter across Ador Group of Companies. (ii) During the year, Ador Fontech had paid inter-corporate-deposit of rupees seven crores (previous year rupees five crores) towards short term working capital requirement of Ador Powertron, which was duly repaid along with interest. Details of MCA/ROC filing document reference numbers are: (a) SRN T17680240 dated 14.05.2021 (b) SRN T39288956 dated 31.08.2021.

## Balances to related parties

Rupees In Lakhs

| Particulars          | As at 31.03.2022 | As at 31.03.2021 |
|----------------------|------------------|------------------|
| Ador Welding Limited | -                | 9                |

## Balances of related parties receivable

Rupees In Lakhs

| Particulars                      | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------------|------------------|------------------|
| Ador Welding Limited             | 2                | 4                |
| J B Advani & Co. Private Limited | 8                | -                |

## Maximum balance during the year

Rupees In Lakhs

| Particulars          | As at 31.03.2022 |     | As at 31.03.2021 |     |
|----------------------|------------------|-----|------------------|-----|
|                      | Dr.              | Cr. | Dr.              | Cr. |
| Ador Welding Limited | 37               | 49  | 39               | 29  |

Notes: (i) Remuneration has been reckoned as per the provisions of the Companies Act. (ii) Provision for gratuity and leave encashment are determined for the Company as a whole and with liability not crystallising on the individuals, the same has not been apportioned to the KMPs separately.

## Transactions with the wholly owned subsidiary

Rupees In Lakhs

| Particulars   | Value of the transactions |                          |
|---|---------------------------|--------------------------|
|   | Year ended<br>31.03.2022  | Year ended<br>31.03.2021 |
| Contribution to equity share capital by Ador Fontech Limited (ADFL) | -                         | 125                      |
| Inter corporate deposits paid by ADFL                               | 641                       | 518                      |
| Lease rentals paid by 3D Future Technologies Private Limited (3DFT) | 41                        | 11                       |
| Security deposit paid by 3DFT                                       | -                         | 3                        |
| Interest paid by 3DFT   | 78                        | 42                       |

## Related parties other than Holding and Associate companies with whom transactions have taken place during the year

Rupees In Lakhs

| Particulars   | Value of the transactions |                          |
|---|---------------------------|--------------------------|
|   | Year ended<br>31.03.2022  | Year ended<br>31.03.2021 |
| E Ventures Private Limited (Subsidiary of Ador Multiproducts Limited) |                           |                          |
| Purchase of traded goods  | 1                         | -                        |

## Note 37 FINANCIAL INSTRUMENTS

## Fair value of assets and liabilities

Rupees In Lakhs

| Particulars  | As at 31.03.2022 |       |                |        | As at 31.03.2021 |       |                |       |
|--|------------------|-------|----------------|--------|------------------|-------|----------------|-------|
|  | FVTPL            | FVOCI | Amortised cost | Total  | FVTPL            | FVOCI | Amortised cost | Total |
| FINANCIAL ASSETS-NON-CURRENT                       |                  |       |                |        |                  |       |                |       |
| Non-current investments                            | 975              | -     | -              | 975    | 975              | 188   | -              | 1,163 |
| FINANCIAL ASSETS-CURRENT                           |                  |       |                |        |                  |       |                |       |
| Investments  | -                | 2,015 | -              | 2,015  | -                | 1,572 | -              | 1,572 |
| Trade receivables                                  | -                | -     | 2,754          | 2,754  | -                | -     | 2,722          | 2,722 |
| Cash and cash equivalents                          | -                | -     | 27             | 27     | -                | -     | 52             | 52    |
| Bank balances other than cash and cash equivalents | -                | -     | 3,816          | 3,816  | -                | -     | 2,644          | 2,644 |
| Loans and advances                                 | -                | -     | 1,548          | 1,548  | -                | -     | 961            | 961   |
| TOTAL  | 975              | 2,015 | 8,145          | 11,135 | 975              | 1,760 | 6,379          | 9,114 |
| FINANCIAL LIABILITIES-CURRENT                      |                  |       |                |        |                  |       |                |       |
| Trade payables                                     | -                | -     | 2,131          | 2,131  | -                | -     | 1,865          | 1,865 |
| Other financial liabilities                        | -                | -     | 299            | 299    | -                | -     | 328            | 328   |
| TOTAL  | -                | -     | 2,430          | 2,430  | -                | -     | 2,193          | 2,193 |



## Hierarchy of financial assets and liabilities measured at fair value:

Rupees In Lakhs

| Particulars                  | As at 31.03.2022 |         | As at 31.03.2021 |         |
|------------------------------|------------------|---------|------------------|---------|
|                              | Level 1          | Level 2 | Level 1          | Level 2 |
| FINANCIAL ASSETS-NON-CURRENT |                  |         |                  |         |
| Investments                  | -                | 975     | 188              | 975     |
| FINANCIAL ASSETS-CURRENT     |                  |         |                  |         |
| Investments                  | 2,015            | -       | 1,572            | -       |

## Fair value of financial assets &amp; liabilities measured at amortised cost:

Rupees In Lakhs

| Particulars                            | Hierarchy | As at 31.03.2022   |                 | As at 31.03.2023 |                 |
|--|-----------|--|-----------------|------------------|-----------------|
|  |           | Fair value   | Carrying amount | Fair value       | Carrying amount |
| Current assets and current liabilities | Level 2   | The carrying amounts of trade receivables, cash and bank balances, current loans & 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 38 FINANCIAL RISK MANAGEMENT

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

### Subsidiary

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that chances of break-even-point may happen in the foreseeable future, (span of 3 to 5 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.

### Credit risk

The Company is exposed to credit risk from its operating activities (primarily in respect of trade receivables).

#### 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 customers. The credit limit policy is established considering the current economic trends of the industry in which the Company is operating. Further, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provisions are created accordingly.

## 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 management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

### Maturities of non-derivative financial liabilities

As at 31.03.2022

Rupees In Lakhs

| Particulars                     | Within 6 months | 6 months to 1 year | TOTAL |
|---------------------------------|-----------------|--------------------|-------|
| FINANCIAL LIABILITIES - CURRENT |                 |                    |       |
| Trade payables                  | 2,131           | -                  | 2,131 |
| Other financial liabilities     | 299             | -                  | 299   |
| TOTAL                           | 2,430           | -                  | 2,430 |

As at 31.03.2021

Rupees In Lakhs

| Particulars                     | Within 6 months | 6 months to 1 year | TOTAL |
|---------------------------------|-----------------|--------------------|-------|
| FINANCIAL LIABILITIES - CURRENT |                 |                    |       |
| Trade payables                  | 1,865           | -                  | 1,865 |
| Other financial liabilities     | 328             | -                  | 328   |
| TOTAL                           | 2,193           | -                  | 2,193 |

## Commodity risk

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

## Market risk

### FOREIGN CURRENCY RISK

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

## FOREIGN CURRENCY RISK MANAGEMENT

In respect of foreign currency transactions, the Company does not hedge its exposures since the Management believes that the premium on hedge will off-set escalations, as payment to foreign suppliers are structured generally for short durations not beyond ninety days from the date of invoice.

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

Rupees In Lakhs

| Particulars           | As at 31.03.2022 |     |     | As at 31.03.2021 |     |     |
|-----------------------|------------------|-----|-----|------------------|-----|-----|
|                       | USD              | EUR | CNY | USD              | EUR | CNY |
| FINANCIAL LIABILITIES |                  |     |     |                  |     |     |
| Trade payables        | 234              | 5   | 101 | 327              | 41  | 169 |

## SENSITIVITY TO FOREIGN CURRENCY RISK

The following table demonstrates the sensitivity to USD, EURO and CNY 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.

| Currencies | As at 31.03.2022 |                | As at 31.03.2021 |                |
|------------|------------------|----------------|------------------|----------------|
|            | Increase by 5%   | Decrease by 5% | Increase by 5%   | Decrease by 5% |
| USD        | (12)             | 12             | (16)             | 16             |
| EURO       | -                | -              | (2)              | 2              |
| CNY        | (5)              | 5              | (8)              | 8              |

## INVESTMENTS IN MUTUAL FUNDS

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

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

| Sensitivity                                       | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Impact on profit after tax for 5% increase in NAV | 101              | 79               |
| Impact on profit after tax for 5% decrease in NAV | (101)            | (79)             |

## INVESTMENTS IN BANK DEPOSITS

As Indian Banks are fundamentally well structured and backed by the Reserve Bank of India and the Government, risk associated with fixed deposits may be considered negligible even though return may not be very lucrative.

## Note 39 CAPITAL MANAGEMENT

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 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.

### Dividends

| Rupees In Lakhs  |  |  |
|--|--|--|
| Particulars  | Appropriated in the accounts during the financial year 2021-22 | Appropriated in the accounts during the financial year 2020-21 |
| EQUITY DIVIDEND  |  |  |
| Interim dividend for the year ended March 31, 2020 of Rs.1.80 per fully paid share   |  | 759 (including dividend tax Rs.129 lakhs)                      |
| Final dividend for the year ended March 31, 2021 of Rs.2.20/- per fully paid share   | 770 (including TDS Rs.74 lakhs)                                |  |
|  |  |  |
| The Board of Directors of the Company have recommended a dividend of Rs. 4/- per equity share (being two hundred percent) of the nominal value of rupees two per equity share which inter-alia includes/ is inclusive of special additional dividend of Rs.1/- per equity share (fifty percent) to commemorate achievement of over rupees two hundred crores in revenue during the financial year 2021-22. | 1,400 (including applicable TDS)                               |  |

## Note 40 GENERAL RESERVE

The Board has elected to transfer an amount of rupees four crores to the General reserve for the financial year 2021-22.

## Note 41 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

| 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 31.03.2022 | Proportion of ownership/investment interest as at 31.03.2021 | Method of accounting | Remarks |
|--------------------------------------|---|--|--|--|----------------------|---------|
| Subsidiary                           | 3D Future Technologies Private Limited          | India  | 100%   | 100%   | Fair value           | -       |

## Summary of assets, liabilities, income and expenditure of the subsidiary

| Particulars        | Country of incorporation | Percentage of holding | As at 31.03.22/31.03.21 |                        |                        |                     | Year ended 31.03.22/31.03.21 |             |                          |
|--------------------|--------------------------|-----------------------|-------------------------|------------------------|------------------------|---------------------|------------------------------|-------------|--------------------------|
|                    |                          |                       | Assets                  | Liabilities (external) | Contingent liabilities | Capital commitments | Income                       | Expenditure | Profit/(loss) before tax |
| 3DFT               | India                    | 100%                  | 1,121                   | 1,841                  | -                      | -                   | 485                          | 1,031       | (546)                    |
| Previous year data | India                    | 100%                  | 906                     | 1,212                  | -                      | -                   | 302                          | 666         | (364)                    |

Notes: (i) Commitment by 3D Future Technologies Private Limited (Subsidiary-3DFT) to Ador Fontech Limited (Holding Company): Monthly rental payments for usage of leased equipment (a) For the period 09.06.2017 to 08.06.2022 - Rs.50,726 (Rupees fifty thousand, seven hundred and twenty six only) (b) For the period 01.02.2021 to 01.01.2025 - Rs.2,40,500 (Rupees two lakh, forty thousand and five hundred only) plus applicable GST thereon (ii) Statement as above is as per Standalone Balance Sheet and Profit & Loss account of 3DFT.

### Note 42 INFORMATION ON JOINT VENTURE

The joint venture M/s. Dualrank Fontech which had ceased operations has been duly closed as per Malaysian Laws vide process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020. The Company has sought permission from the Reserve Bank of India (RBI) through the Authorised Dealer - AD - HDFC Bank and the process of closure is in progress as per the Laws of India.

### Note 43 CONTRACTUAL LIABILITIES

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

### Note 44 UTILISATION OF BORROWED FUNDS & SHARE PREMIUM

(i) The Company is debt free. (ii) Balance in share premium account is nil.

### Note 45 REALISATIONS

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

### 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 DETAILS OF BENAMI PROPERTY HELD

There were no proceedings initiated or pending against the Company under Benami Transactions (Prohibitions) Act, 1988 and Rules there under.

### Note 48 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company did not have any relationship with struck off companies.

## Note 49 UNDISCLOSED INCOME

There were no proceedings initiated against the Company regarding undisclosed income which needs to be disclosed during the current year.

## Note 50 BORROWINGS OBTAINED ON THE BASIS OF SECURITY

The Company has working capital limits sanctioned by the HDFC Bank Limited based on the security of current assets and fixed deposits. As per the sanction, limits can be swapped between funded and non-funded requirements.

As on March 31, 2022 the Company has availed only bank guarantees and continues to be debt free. Therefore, submission of statements to the bank is not applicable to the Company.

## Note 51 DISCREPANCY IN UTILISATION OF BORROWINGS

As on March 31, 2022 the Company continues to be debt free. Therefore, discrepancy report is not applicable.

## Note 52 CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not made any trade in crypto currency or virtual currency during the year.

## Note 53 WILFUL DEFAULTERS

The Company has not been declared as wilful defaulter by any bank/financial institution or any other lenders.

## Note 54 REGISTRATION AND SATISFACTION OF CHARGES

There is no charge pending for registration beyond the stipulated time period.

## Note 55 COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

## Note 56 FINANCIAL RATIOS

Please refer 'Ratio Analysis' - Page numbers 41 and 42.

## Note 57 AMOUNTS IN THE FINANCIAL STATEMENTS

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

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:011350S  
UDIN: 22225884AKMIPX9315  
Bengaluru, May 19, 2022

# VERTICAL ROLLER MILL



EXTEND THE LIFE OF VERTICAL ROLLER MILL (VRM)  
PARTS LIKE COVERING HOOD, BEARING AREA, AXLE,  
YOKE, GUARD & WEAR BUSH-REFURBISHED BY ADVANCED  
TECHNOLOGICAL PROCESSES FOR HIGH-QUALITY-FINISH  
& IMPROVED PRODUCTIVITY

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, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind-AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act 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   | Auditor's Response   |
|---|--|
| <p><b>REVENUE RECOGNITION</b><br/>Revenue from sale of goods (hereinafter referred to as 'Revenue') is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance.</p> <p>The timing of recognition of revenue in case of products is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on the customer's terms.</p> | <p><b>PRINCIPAL AUDIT PROCEDURES</b><br/>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ('Revenue from contracts with customers') and testing thereof.</li> <li>• Evaluated the design and operating effectiveness of the Company's controls (including automated controls) around revenue recognition (including rebates / discounts).</li> <li>• Tested the effectiveness of such controls over revenue cut off at year end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.</li> <li>• Inspected the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorised person and goods inward note.</li> <li>• Selected a sample of continuing &amp; new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>(i) Read, analysed and identified the performance obligations in these contracts.</li> <li>(ii) Compared these performance obligations with that identified and recorded by the Company.</li> <li>(iii) Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and</li> <li>(iv) Determined the allocation of transaction price to identify performance obligations in the contract.</li> </ul> </li> <li>• Scrutinised sales ledgers to verify completeness of sales transactions.</li> <li>• We performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipts, sales orders, approved price list, proper recording in ledger of receivables etc.</li> <li>• Performed analytical procedures on current year revenue based on overall revenue recognised, customer wise analysis, product wise analysis and where appropriate, conducted further enquiries and testing.</li> <li>• Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any.</li> <li>• Tested the related disclosures made in the Financial Statements in accordance with Ind AS 115.</li> </ul> |
| <p><b>DIRECT TAX BALANCES</b><br/>The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions.</p>  | <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2022 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts.</p>   |

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

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

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

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

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

## Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

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

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

## Other Matters

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

| Particulars*            | Rupees In Lakhs |         |
|-------------------------|-----------------|---------|
|                         | 2021-22         | 2020-21 |
| Net worth               | (720)           | (306)   |
| Revenue                 | 485             | 302     |
| Profit/(loss) after tax | (414)           | (268)   |

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

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

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

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

## Report on Other Legal and Regulatory Requirements

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept in so far as it appears from our examination of those books.
- The reports on the accounts of the Subsidiary and the Branch office of the Holding Company audited under Section 143(8) of the Companies Act by the Other Auditors have been sent to us and have been properly dealt with by us in preparing this report and such reports does not contain any qualifications or adverse remarks by the respective Auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with Ind-AS as specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the Statutory Auditors of the Subsidiary Company incorporated in India, none of the Directors of the Group incorporated in India is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of that company, for reasons stated therein.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended) in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - (ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary company incorporated in India
- (i) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) by the Holding Company or its Subsidiary company incorporated in India to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the Holding Company or its Subsidiary Company incorporated in India or provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its Subsidiary Company incorporated in India, from any persons or entities, including foreign entities ('Funding parties') with the understanding whether recorded in writing or otherwise, that the Holding Company or its Subsidiary Company incorporate in India shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ('ultimate beneficiaries') by or on behalf of the funding parties or provide any guarantee, security of the like form or on behalf of the ultimate beneficiaries. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d)(i) and (d)(ii) of the Companies (Audit and Auditors) Rules (as amended) contains any material mis-statement.

- The dividend declared or paid during the year (only by the Holding Company) is in compliance with Section 123 of the Companies Act.
- In terms of the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143 (11) (Paragraph 3) (sub-clause- xxi), there have been no qualifications or adverse remarks by the Auditors of the Subsidiary Company.

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.

Bengaluru  
May 19, 2022

For PRAVEEN & MADAN  
Chartered Accountants

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
Firm Registration no.:011350S  
UDIN: 22225884AKMLNK5181

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

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as the 'Company') and its subsidiary company, which are companies incorporated in India, as of that date.

#### Key Audit Matters (KAM)

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

| Key Audit Matters                                     | Auditor's Response  |
|---|---|
| Implementation of Enterprise Resource Planning (ERP)  | The Holding Company integrated finance and accounts module in the ERP during the financial year 2021-22 and the Subsidiary is contemplating to migrate to Microsoft Dynamics from the next financial year. These systems facilitate audit trail. During the year, substantive checks were carried out in respect of the accounting package of the Holding Company and in respect of the Subsidiary efficacy checks are in progress. |
| The Group's detective and corrective control systems. | We tested the design and operating effectiveness of the detective and corrective controls of the Holding Company and have relied on the inferences of the Subsidiary Company's Auditors. Based on the same, we found that the systems are effective enough to detect and correct errors, besides are fairly sufficient and appropriate for the nature and complexities of the business of the Group.                                |
| Valuation of retiral benefits                         | We have relied upon the professional expert opinion of the actuarial valuation.   |

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

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

#### Auditor's Responsibility

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



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

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

## Meaning of Internal Financial Controls Over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bengaluru  
May 19, 2022

For PRAVEEN & MADAN  
Chartered Accountants

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
Firm Registration no.:011350S  
UDIN: 22225884AKMLNK5181

# 3D FUTURE TECHNOLOGIES PRIVATE LIMITED

## VISION

To be the most preferred brand of aligners amongst Orthodontists and Consumers in India

Take the number 1 position in India over time, in perception and presence

## MISSION

- Adopt technology to deliver customer centric experiences for flash products
- Drive innovation in product and service to claim leadership in the market
- To utilize 3D Printing technology to deliver world class products in healthcare

## ABOUT 3DFT

3DFT is in the business of manufacturing customised orthodontic medical devices. It manufactures clear aligners which are used for Clear Aligner Therapy (CAT). CAT is an alternate to metal braces treatment, which many of us have used as Teenagers and Kids to straighten our crooked teeth. There are many advantages of CAT over braces and as a result, it caters to a much broader age group. While metal braces are most common in the age group of 9 to 19 years, aligners can be used by anyone above the age of 13 and generally preferred between the age group of 20-35 years.

Clear aligners are nearly invisible and removable unlike all other orthodontic appliances, which are fixed and a mouthful of clunky metal wires and brackets. During braces treatment, orthodontists generally advice not to eat anything which may stick or get trapped in braces, whereas one can take off the aligners during meals and wear it back after gargle.

## CLEAR ALIGNER MARKET

Clear aligners were innovated in 1997 by two business graduates from Stanford University. Almost till 2013, it was a monopoly market dominated by the company founded by the Innovators. As most of their key patents got expired in 2013, there was deluge of aligner manufactures globally. With time, the business model across the globe has evolved from the product being sold through dental clinics to online-direct to consumers.


Based on multiple reports, Global Aligner market is expected to grow at a CAGR of 17-20% from USD ~1.9 bn to ~ USD 10 bn by 2026. Asia aligner market is expected to grow at a CAGR of ~35%. Major portion of the growth is expected to come from the substitution of braces market with aligners. Current penetration of aligners in the Orthodontic market is around 10-15% in the USA and around 1-2% in India.



  
**REVENUE**  
Rs. 21,405 lakhs

  
**EXPENDITURE**  
Rs. 18,439 lakhs

  
**PROFIT BEFORE TAX**  
Rs. 2,966 lakhs

  
**TAX EXPENSES**  
Rs. 827 lakhs

  
**PROFIT AFTER TAX**  
Rs. 2,139 lakhs

**PERFORMANCE  
AT A  
GLANCE**

FINANCIAL  
STATEMENTS  
(CONSOLIDATED)

## BALANCE SHEET (CONSOLIDATED)

Rupees In Lakhs

| Particulars                         | Note No. | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------------------|----------|------------------|------------------|
| <b>ASSETS</b>                       |          |                  |                  |
| <b>1. NON-CURRENT ASSETS</b>        |          |                  |                  |
| Property, plant and equipment       | 2        | 2,777            | 2,754            |
| Intangible assets                   |          | 142              | 1                |
| Right to use                        |          | 31               | 14               |
| Capital work-in-progress            |          | -                | 244              |
| Financial assets                    |          |                  |                  |
| (i) Investments                     | 3        | 15               | 203              |
| (ii) Other financial assets         | 4        | 5                | 1                |
| Non-current assets                  | 5        | 1                | 1                |
| Deferred tax assets (net)           | 6        | 584              | 394              |
| <b>TOTAL</b>                        |          | <b>3,555</b>     | <b>3,612</b>     |
| <b>2. CURRENT ASSETS</b>            |          |                  |                  |
| Inventories                         | 7        | 2,349            | 2,567            |
| Financial Assets                    |          |                  |                  |
| (i) Investments                     | 8        | 2,015            | 1,572            |
| (ii) Trade receivables              | 9        | 2,821            | 2,754            |
| (iii) Cash and cash equivalents     | 10       | 72               | 57               |
| (iv) Other bank balances            | 11       | 3,821            | 2,648            |
| (v) Loans and advances              | 12       | 317              | 366              |
| (vi) Other financial assets         | 13       | 1                | -                |
| Other current assets                | 14       | 496              | 220              |
| Current tax assets (net)            | 15       | 325              | 414              |
| <b>TOTAL</b>                        |          | <b>12,217</b>    | <b>10,598</b>    |
| <b>TOTAL ASSETS</b>                 |          | <b>15,772</b>    | <b>14,210</b>    |
| <b>EQUITY AND LIABILITIES</b>       |          |                  |                  |
| <b>1. EQUITY</b>                    |          |                  |                  |
| Equity share capital                | 16       | 700              | 700              |
| Other equity                        | 17       | 11,581           | 10,196           |
| <b>TOTAL</b>                        |          | <b>12,281</b>    | <b>10,896</b>    |
| <b>2. LIABILITIES</b>               |          |                  |                  |
| <b>NON-CURRENT LIABILITIES</b>      |          |                  |                  |
| Lease liabilities                   | 18       | 20               | 6                |
| Provisions                          | 19       | 40               | 103              |
| <b>TOTAL</b>                        |          | <b>60</b>        | <b>109</b>       |
| <b>CURRENT LIABILITIES</b>          |          |                  |                  |
| Financial Liabilities               |          |                  |                  |
| (i) Lease liabilities               | 20       | 12               | 8                |
| (ii) Borrowings                     | 21       | -                | 177              |
| (iii) Trade payables                | 22       | 2,183            | 1,901            |
| (iv) Other financial liabilities    | 23       | 394              | 428              |
| Other current liabilities           | 24       | 478              | 264              |
| Provisions                          | 25       | 364              | 427              |
| <b>TOTAL</b>                        |          | <b>3,431</b>     | <b>3,205</b>     |
| <b>TOTAL EQUITY AND LIABILITIES</b> |          | <b>15,772</b>    | <b>14,210</b>    |

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:0113505  
UDIN: 22225884AKMLNK5181  
Bengaluru, May 19, 2022

## STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

Rupees In Lakhs

| Particulars   | Note No. | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|----------|--------------------------|--------------------------|
| <b>1. INCOME</b>  |          |                          |                          |
| (i) Revenue from operations   | 26       | 20,955                   | 14,952                   |
| (ii) Other income   | 27       | 450                      | 245                      |
| <b>TOTAL</b>  |          | <b>21,405</b>            | <b>15,197</b>            |
| <b>2. EXPENSES</b>  |          |                          |                          |
| Cost of materials consumed  | 28       | 4,450                    | 4,023                    |
| Purchase of stock-in-trade  | 29       | 6,248                    | 3,462                    |
| Changes in inventories of work-in-progress, finished goods & stock-in-trade | 30       | 338                      | 256                      |
| Employee benefit expenses   | 31       | 3,017                    | 2,590                    |
| Depreciation and amortisation expenses                                      |          | 341                      | 297                      |
| Other expenses  | 32       | 4,032                    | 2,899                    |
| Finance cost  | 33       | 13                       | 25                       |
| <b>TOTAL</b>  |          | <b>18,439</b>            | <b>13,552</b>            |
| <b>3. PROFIT BEFORE TAX</b>   |          | <b>2,966</b>             | <b>1,645</b>             |
| <b>4. TAX EXPENSES</b>  | 34       |                          |                          |
| (i) Current tax   |          | 1,025                    | 590                      |
| Short-fall/(Excess) of previous year  |          | -                        | (14)                     |
| (ii) Deferred tax   |          | (198)                    | 65                       |
| <b>TOTAL</b>  |          | <b>827</b>               | <b>641</b>               |
| <b>5. NET PROFIT AFTER TAX (3-4)</b>  |          | <b>2,139</b>             | <b>1,004</b>             |
| <b>6. OTHER COMPREHENSIVE INCOME</b>  | 35       |                          |                          |
| Items that will not be reclassified to profit or loss in subsequent periods |          |                          |                          |
| Net (loss)/gain on fair market valuation of assets                          |          | 25                       | 58                       |
| Actuarial gains/(losses) on retirement benefits                             |          | -                        | (22)                     |
| Less: Income tax effect on the above  |          | (6)                      | (9)                      |
| <b>TOTAL</b>  |          | <b>19</b>                | <b>27</b>                |
| <b>7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6)</b>                   |          | <b>2,158</b>             | <b>1,031</b>             |
| <b>8. EARNINGS PER EQUITY SHARE</b>   | 36       |                          |                          |
| Basic and diluted (in Rs.)  |          | 6.1                      | 2.9                      |
| Face value of equity share (in Rs.)   |          | 2.0                      | 2.0                      |
| Significant accounting policies   | 1        |                          |                          |
| Notes to the financial statements   | 2-64     |                          |                          |

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Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:0113505  
UDIN: 22225884AKMLNK5181  
Bengaluru, May 19, 2022

## CASH FLOW STATEMENT (CONSOLIDATED)

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                          |                          |
| <b>NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS</b>    | <b>2,966</b>             | <b>1,645</b>             |
| Add/(Less): Depreciation, amortisation and impairment               | 341                      | 297                      |
| Interest income   | (215)                    | (174)                    |
| Other comprehensive income  | 25                       | 40                       |
| Finance cost  | 13                       | 25                       |
| <b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>           | <b>3,130</b>             | <b>1,833</b>             |
| Adjustments for: Trade receivables                                  | (67)                     | 583                      |
| Inventories   | 218                      | 315                      |
| Current investments   | (443)                    | (1,263)                  |
| Loans   | 49                       | 165                      |
| Other current assets  | (276)                    | 156                      |
| Trade payables  | 282                      | (646)                    |
| Other financial liabilities   | (34)                     | 115                      |
| Other current liabilities   | 214                      | 180                      |
| Current provisions net of adjustments                               | (63)                     | 134                      |
| Changes in current tax assets                                       | 89                       | -                        |
| <b>OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL</b>            | <b>3,099</b>             | <b>1,572</b>             |
| Taxes paid/provided   | (1,025)                  | (636)                    |
| <b>NET CASH FROM OPERATING ACTIVITIES (A)</b>                       | <b>2,074</b>             | <b>936</b>               |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                          |                          |
| Purchase of property, plant and equipment                           | (261)                    | (312)                    |
| Purchase and sale of investments (net)                              | 188                      | 542                      |
| Increase/(decrease) in other bank accounts                          | (1,172)                  | (834)                    |
| Interest income   | 215                      | 174                      |
| <b>NET CASH FROM INVESTING ACTIVITIES (B)</b>                       | <b>(1,030)</b>           | <b>(430)</b>             |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                          |                          |
| Lease liabilities   | (177)                    | -                        |
| Increase/decrease in financial assets/liabilities                   | (20)                     | -                        |
| Increase/(decrease) in non current provisions                       | (49)                     | (332)                    |
| Dividend paid including tax   | (770)                    | -                        |
| Increase/(decrease) in borrowings                                   | -                        | (398)                    |
| Interest paid   | (13)                     | (25)                     |
| <b>NET CASH FROM FINANCING ACTIVITIES ©</b>                         | <b>(1,029)</b>           | <b>(755)</b>             |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b> | <b>15</b>                | <b>(249)</b>             |
| Opening balance of cash and cash equivalents                        | 57                       | 306                      |
| Closing balance of cash and cash equivalents                        | 72                       | 57                       |
| <b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>                      |                          |                          |
| Balances with banks in current accounts                             | 71                       | 56                       |
| Cash on hand  | 1                        | 1                        |

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For and on behalf of the Board of Directors  
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Company Secretary & CFO  
Bengaluru, May 19, 2022

As per our report of even date attached  
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Praveen Kumar N-Membership No: 225884  
Firm Registration no.:0113505  
UDIN: 22225884AKMLNK5181  
Bengaluru, May 19, 2022

**EQUITY SHARE CAPITAL**

## Reporting Period

| Reporting Period                                |  | Rupees In Lakhs   |   |  |  |
|---|--|---|---|--|--|
| Balances at the beginning of the current period | Changes in equity share capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |  |
| CURRENT PERIOD                                  |  |   |   |  |  |
| 700   | -  | -   | -   | 700  |  |
| PREVIOUS PERIOD                                 |  |   |   |  |  |
| 700   | -  | -   | -   | 700  |  |

**EQUITY SHARE CAPITAL**

## Other Equity As At March 31, 2022

| Particulars   | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus |                    |                |                   | Other Comprehensive Income (OCI)      |                     |                    | Money received against Share Warrants | TOTAL  |
|---|---|--|----------------------|--------------------|----------------|-------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|--------|
|   |   |  | Capital Reserve      | Securities Premium | Other Reserves | Retained Earnings | Effective portion of cash flow hedges | Revaluation Surplus | Other items of OCI |                                       |        |
| Balance at the beginning of the current reporting period          | -   | -  | -                    | -                  | 7,489          | 2,549             | -                                     | -                   | 158                | -                                     | 10,196 |
| Net profit/(loss) for the year                                    | -   | -  | -                    | -                  | -              | 2,139             | -                                     | -                   | -                  | -                                     | 2,139  |
| Changes in accounting policy or prior period errors               | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Restated balance at the beginning of the current reporting period | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Total OCI for the current year                                    | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | 19                 | -                                     | 19     |
| Dividends   | -   | -  | -                    | -                  | -              | (770)             | -                                     | -                   | -                  | -                                     | (770)  |
| Transfer from retained earnings to general reserve                | -   | -  | -                    | -                  | 400            | (400)             | -                                     | -                   | -                  | -                                     | -      |
| Any other changes   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | (3)                | -                                     | (3)    |
| Balance at the end of the current reporting period                | -   | -  | -                    | -                  | 7,889          | 3,518             | -                                     | -                   | 174                | -                                     | 11,581 |



## EQUITY SHARE CAPITAL

## Other Equity As At March 31, 2021

Rupees In Lakhs

| Particulars   | Share application money pending allotment | Equity component of compound financial instruments | Reserves and Surplus |                    |                |                   | Other Comprehensive Income (OCI)      |                     |                    | Money received against Share Warrants | TOTAL  |
|---|---|--|----------------------|--------------------|----------------|-------------------|---------------------------------------|---------------------|--------------------|---------------------------------------|--------|
|   |   |  | Capital Reserve      | Securities Premium | Other Reserves | Retained Earnings | Effective portion of Cash Flow Hedges | Revaluation Surplus | Other items of OCI |                                       |        |
| Balance at the beginning of the current reporting period          | -   | -  | -                    | -                  | 7,189          | 1,845             | -                                     | -                   | 131                | -                                     | 9,165  |
| Net profit/(loss) for the year                                    | -   | -  | -                    | -                  | -              | 1,004             | -                                     | -                   | -                  | -                                     | 1,004  |
| Changes in accounting policy or prior period errors               | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Restated balance at the beginning of the current reporting period | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Total OCI for the current year                                    | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | 27                 | -                                     | 27     |
| Dividends   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Transfer from retained earnings to general reserve                | -   | -  | -                    | -                  | 300            | (300)             | -                                     | -                   | -                  | -                                     | -      |
| Any other changes   | -   | -  | -                    | -                  | -              | -                 | -                                     | -                   | -                  | -                                     | -      |
| Balance at the end of the current reporting period                | -   | -  | -                    | -                  | 7,489          | 2,549             | -                                     | -                   | 158                | -                                     | 10,196 |

## DETAILS OF PROMOTER'S HOLDING

| Particulars                      | As at March 31, 2021 |                   | As at March 31, 2022 |                   | % change during the year |
|----------------------------------|----------------------|-------------------|----------------------|-------------------|--------------------------|
|                                  | No. of shares        | % of total shares | No. of shares        | % of total shares |                          |
| PROMOTER OF ADOR FONTECH         |                      |                   |                      |                   |                          |
| J B Advani And Company Pvt. Ltd. | 92,13,301            | 26.32%            | 92,13,301            | 26.32%            | -                        |
| PROMOTER GROUP                   |                      |                   |                      |                   |                          |
| Mr. Aditya Tarachand Malkani     | 15,86,452            | 4.53%             | 15,86,452            | 4.53%             | -                        |
| Mr. Ajit T Mirchandani           | 1,47,460             | 0.42%             | 1,47,460             | 0.42%             | -                        |
| Ms. Aruna Bhagwan Advani         | 9,01,000             | 2.57%             | 9,01,000             | 2.57%             | -                        |
| Mr. Deep Ashda Lalvani           | 37,915               | 0.11%             | 39,774               | 0.12%             | 0.01%                    |
| Ms. Michelle Gulu Malkani        | 83,700               | 0.24%             | 83,700               | 0.24%             | -                        |
| Ms. Ninotchka Malkani Nagpal     | 54,700               | 0.16%             | 7,60,700             | 2.18%             | 2.02%                    |
| Ms. Rajbir Tarachand Malkani     | 5,21,327             | 1.49%             | 5,21,327             | 1.49%             | -                        |
| Mr. Ravin A Mirchandani          | 11,910               | 0.03%             | 11,910               | 0.03%             | -                        |
| Ms. Reshma Ashda Lalvani         | 97,000               | 0.28%             | 97,000               | 0.28%             | -                        |
| Ms. Shirin Aditya Malkani        | 1,81,918             | 0.52%             | 1,81,918             | 0.52%             | -                        |
| Ms. Tania Ajit Mirchandani       | 1,69,550             | 0.49%             | 1,50,000             | 0.43%             | (0.06%)                  |
| Ms. Vimla Ashda Lalvani          | 32,722               | 0.09%             | 32,722               | 0.09%             | -                        |
| Ms. Tanya Halina Advani          | -                    | -                 | 1,800                | 0.01%             | 0.01%                    |
| Ms. Gulshan Gulu Malkani         | 7,06,000             | 2.02%             | -                    | -                 | (2.02%)                  |
| TOTAL                            | 1,37,44,955          | 39.27%            | 1,37,29,064          | 39.23%            | (0.04%)                  |
| PROMOTER OF 3DFT                 |                      |                   |                      |                   |                          |
| Ador Fontech Limited             | 97,50,000            | 100%              | 97,50,000            | 100%              | -                        |

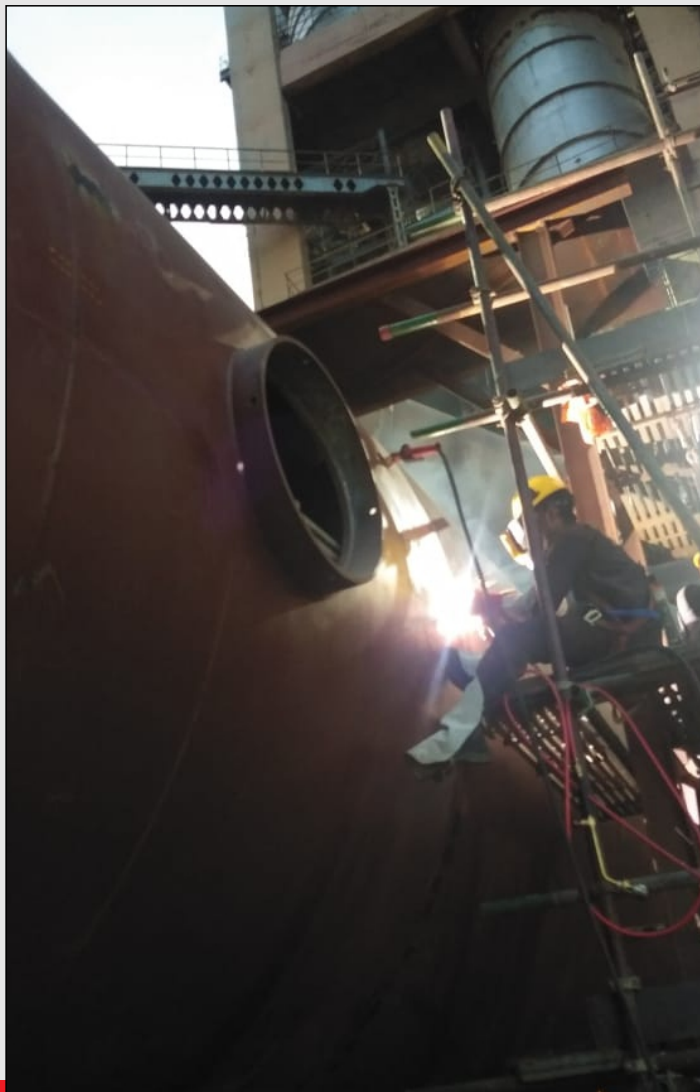
Notes:

Equity Share Capital/Total number of shares

Ador Fontech Limited: 3,50,00,000

3D Future Technologies Private Limited (3DFT): 97,50,000

Percent to total shares: Computed on the total share capital of the respective Companies



**AUTOMATED SAW PROCESS ENSURES HIGHEST  
PRODUCTIVITY WITH X-RAY QUALITY WELDING**



**Reduced shutdown time**



**100% radiographic quality  
joints for highest reliability**



**4 times faster than  
conventional MMAW process**



**Higher savings**

NOTES TO  
THE FINANCIAL  
STATEMENTS  
(CONSOLIDATED)

## Note 1

### COMPANY INFORMATION

#### 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 downtime and inventory costs. For more details about the Company kindly log on to [www.adorfon.com](http://www.adorfon.com).

#### 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 opportunities in three dimensional printing to support dental health care industry. Currently, the Company provides aligners and services related to Orthodontic treatment. For more details about the Company kindly log on to [www.3dfuturetechnologies.com](http://www.3dfuturetechnologies.com).

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### 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 the 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 13, 2022 and the consolidated results at the meeting of the Board of Directors of Ador Fontech Limited on May 19, 2022. The Chairman, Managing Director & CEO and Company Secretary & CFO have been authorised to execute their signatures in confirmation of the statements.

#### 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 a 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.

## 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, 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 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 as per Ind-AS 2 or value in use as per 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 nature, characteristics and risks of the asset or liability and level of fair value hierarchy as explained above.

## Functional and presentation currency

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

## SIGNIFICANT ACCOUNTING POLICIES

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

### 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.

### 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 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.

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 derecognition 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 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  |
| Lease hold land          | Over the period of lease   | Over the period of lease  |
| Other assets             | As per Companies Act, 2013 | As per Companies Act, 2013  |
| Management estimates     | Based on requirements      | Useful life of 3D dental printer machine is estimated to be eight years |

## 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 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 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.

## 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.



## Investments

Subsidiaries are entities that are controlled by the Company. The Company controls an entity when the Company is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted at cost less impairment, if any

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Investments in joint ventures are accounted at cost less impairment, if any.

Investments in subsidiary and joint venture are accounted at cost less impairment, if any, in accordance with Ind AS-27.

## Title deeds, valuation and verification

In respect of immovable properties owned by the Group, title deeds are held in the name of the Group.

The Group has not undertaken revaluation of properties during the financial year 2021-22.

The Group has undertaken physical verification of inventories during and at the end of the year. No major discrepancies were noticed.

## Investments and financial assets

### CLASSIFICATION

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model, for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The entity reclassifies debt investments when and only when its business model for managing those assets changes.

### MEASUREMENT

At initial recognition, the Group measures a financial asset at its fair value and in the case of a financial asset not at fair value through profit or loss at transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value are expensed in the profit and loss account.

### MEASUREMENT OF DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the entity's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(ii) Fair value through other comprehensive income (FVTOCI) : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

(iii) Fair value through profit or loss : Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach, permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset is derecognised only when:

- (i) The Group has transferred the rights to receive cash flows from the financial asset or,
- (ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

## 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.

## 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.

## 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.

## 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 & 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. In effect, they are valued at 'Standard Cost' with differences from actuals posted to variance account(s).

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 at net realisable value.

## 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 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(s) 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.

## 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.

## 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 the 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.

## 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 in to 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 'Other Comprehensive Income'.

## Dividend

Dividends declared or paid by the Group is in compliance with Section 123 of the Companies Act, 2013.

## 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.

## 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 and are off-setting in nature. 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.

## 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 increase.

### 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.

## Realisation

The Board of Directors of the Group is of the opinion that assets including property, plant & equipment, intangible assets and non-current-investments are realisable at their carrying amount in the ordinary course of business.

## Estimation of uncertainties relating to the Covid-19 pandemic

The Group has considered possible effects that may result from the pandemic relating to Covid-19 (which is still ongoing and has not yet become an endemic) on the carrying amounts of receivables, unbilled revenues, assets etc. In developing assumptions relating to possible future uncertainties because of the pandemic, the Group as at the date of approval of these financial statements has used internal and external sources of information, including reports of reputed organisations and their economic forecasts etc. to perform sensitivity analysis and based on current estimate expects that the carrying amount of assets will be recovered. The impact of Covid-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

## Note 2 PROPERTY, PLANT AND EQUIPMENT

### TANGIBLE ASSETS

Rupees In Lakhs

| Description                      | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2022 |
|----------------------------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|                                  | As at 01.04.2021      | Additions  | Deductions /Adj. | As at 31.03.2022 | As at 01.04.2021                      | For the year | Deductions /Adj. | As at 31.03.2022 |                                     |
| Land - Freehold                  | 644                   | 86         | -                | 730              | -                                     | -            | -                | -                | 730                                 |
| Land - Leasehold                 | 502                   | -          | -                | 502              | 10                                    | 5            | -                | 15               | 487                                 |
| Factory buildings                | 1,081                 | 18         | -                | 1,099            | 681                                   | 38           | -                | 719              | 380                                 |
| Office premises                  | 575                   | -          | -                | 575              | 206                                   | 18           | -                | 224              | 351                                 |
| Office premises - Land component | 9                     | -          | -                | 9                | -                                     | -            | -                | -                | 9                                   |
| Plant and machinery              | 1,789                 | 59         | -                | 1,848            | 1,177                                 | 121          | -                | 1,298            | 550                                 |
| Electrical installations         | 93                    | -          | -                | 93               | 82                                    | 2            | -                | 84               | 9                                   |
| Computers                        | 109                   | 42         | 6                | 145              | 92                                    | 31           | 5                | 118              | 27                                  |
| Office equipment                 | 92                    | 3          | -                | 95               | 77                                    | 6            | -                | 83               | 12                                  |
| Furniture and fixtures           | 102                   | 1          | -                | 103              | 84                                    | 5            | -                | 89               | 14                                  |
| Vehicles                         | 538                   | 110        | 83               | 565              | 371                                   | 62           | 76               | 357              | 208                                 |
| <b>TOTAL</b>                     | <b>5,534</b>          | <b>319</b> | <b>89</b>        | <b>5,764</b>     | <b>2,780</b>                          | <b>288</b>   | <b>81</b>        | <b>2,987</b>     | <b>2,777</b>                        |

### INTANGIBLE ASSETS

Rupees In Lakhs

| Description  | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2022 |
|--------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|              | As at 01.04.2021      | Additions  | Deductions /Adj. | As at 31.03.2022 | As at 01.04.2021                      | For the year | Deductions /Adj. | As at 31.03.2022 |                                     |
| Software     | 17                    | 158        | -                | 175              | 16                                    | 17           | -                | 33               | 142                                 |
| <b>TOTAL</b> | <b>17</b>             | <b>158</b> | <b>-</b>         | <b>175</b>       | <b>16</b>                             | <b>17</b>    | <b>-</b>         | <b>33</b>        | <b>142</b>                          |

### RIGHT OF USE ASSET

Rupees In Lakhs

| Description  | Gross Carrying Amount |           |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2022 |
|--------------|-----------------------|-----------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|              | As at 01.04.2021      | Additions | Deductions /Adj. | As at 31.03.2022 | As at 01.04.2021                      | For the year | Deductions /Adj. | As at 31.03.2022 |                                     |
| Leasehold    | 15                    | 27        | (4)              | 38               | 1                                     | 6            | -                | 7                | 31                                  |
| <b>TOTAL</b> | <b>15</b>             | <b>27</b> | <b>(4)</b>       | <b>38</b>        | <b>1</b>                              | <b>6</b>     | <b>-</b>         | <b>7</b>         | <b>31</b>                           |

Notes: (i) Out of rupees two hundred and forty four lakhs held under capital work-in-progress during the previous financial year, rupees eighty six lakhs has been capitalised under freehold land and rupees one hundred and fifty eight lakhs under intangible assets (Enterprise Resource Planning) during the financial year 2021-22. (ii) Depiction of assets in horizontal columns to facilitate readability.



**TANGIBLE ASSETS**

Rupees In Lakhs

| Description                      | Gross Carrying Amount |            |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2021 |
|----------------------------------|-----------------------|------------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|                                  | As at 01.04.2020      | Additions  | Deductions /Adj. | As at 31.03.2021 | As at 01.04.2020                      | For the year | Deductions /Adj. | As at 31.03.2021 |                                     |
| Land - Freehold                  | 644                   | -          | -                | 644              | -                                     | -            | -                | -                | 644                                 |
| Land - Leasehold                 | 502                   | -          | -                | 502              | 5                                     | 5            | -                | 10               | 492                                 |
| Factory buildings                | 1,081                 | -          | -                | 1,081            | 638                                   | 43           | -                | 681              | 400                                 |
| Office premises                  | 575                   | -          | -                | 575              | 187                                   | 19           | -                | 206              | 369                                 |
| Office premises - Land component | 9                     | -          | -                | 9                | -                                     | -            | -                | -                | 9                                   |
| Plant and machinery              | 1,621                 | 168        | -                | 1,789            | 1,058                                 | 120          | -                | 1,178            | 611                                 |
| Electrical installations         | 93                    | -          | -                | 93               | 77                                    | 4            | -                | 81               | 12                                  |
| Computers                        | 105                   | 6          | 2                | 109              | 77                                    | 17           | 2                | 92               | 17                                  |
| Office equipment                 | 93                    | 4          | 5                | 92               | 70                                    | 11           | 4                | 77               | 15                                  |
| Furniture and fixtures           | 101                   | 3          | 2                | 102              | 82                                    | 5            | 3                | 84               | 18                                  |
| Vehicles                         | 557                   | 29         | 48               | 538              | 350                                   | 63           | 42               | 371              | 167                                 |
| <b>Total</b>                     | <b>5,381</b>          | <b>210</b> | <b>57</b>        | <b>5,534</b>     | <b>2,544</b>                          | <b>287</b>   | <b>51</b>        | <b>2,780</b>     | <b>2,754</b>                        |

Note: An amount of Rs. 244 lakhs was held under capital work-in-progress.

**INTANGIBLE ASSETS**

Rupees In Lakhs

| Description         | Gross Carrying Amount |           |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2021 |
|---------------------|-----------------------|-----------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|                     | As at 01.04.2020      | Additions | Deductions /Adj. | As at 31.03.2021 | As at 01.04.2020                      | For the year | Deductions /Adj. | As at 31.03.2021 |                                     |
| Software            | 17                    | -         | -                | 17               | 13                                    | 3            | -                | 16               | 1                                   |
| Product development | 66                    | -         | -                | 66               | 60                                    | 6            | -                | 66               | -                                   |
| <b>TOTAL</b>        | <b>83</b>             | <b>-</b>  | <b>-</b>         | <b>83</b>        | <b>73</b>                             | <b>9</b>     | <b>-</b>         | <b>82</b>        | <b>1</b>                            |

**RIGHT OF USE ASSET**

Rupees In Lakhs

| Description  | Gross Carrying Amount |           |                  |                  | Accumulated Depreciation & Impairment |              |                  |                  | Net carrying value as at 31.03.2021 |
|--------------|-----------------------|-----------|------------------|------------------|---------------------------------------|--------------|------------------|------------------|-------------------------------------|
|              | As at 01.04.2020      | Additions | Deductions /Adj. | As at 31.03.2021 | As at 01.04.2020                      | For the year | Deductions /Adj. | As at 31.03.2021 |                                     |
| Assets       | -                     | 15        | -                | 15               | -                                     | 1            | -                | 1                | 14                                  |
| <b>TOTAL</b> | <b>-</b>              | <b>15</b> | <b>-</b>         | <b>15</b>        | <b>-</b>                              | <b>1</b>     | <b>-</b>         | <b>1</b>         | <b>14</b>                           |

## Notes

- (i) In respect of immovable properties owned by the Group, title deeds are held in the name of the Group.
- (ii) The Group had not undertaken revaluation of properties during FY 2021-22.
- (iii) The Group had undertaken physical verification of inventories during and at the end of the year. No major discrepancies were noticed.
- (iv) Right to use asset is exclusive in the books of the subsidiary.
- (v) Amortisation to the extent of rupees thirty lakhs provided in the consolidated accounts, in respect of lease rentals pertaining to the Holding Company to be set-off in subsequent year(s).

**Note 3 INVESTMENTS**

Rupees In Lakhs

| Particulars   | As at 31.03.2022 |           | As at 31.03.2021 |            |
|---|------------------|-----------|------------------|------------|
|   | Quantity (Nos.)  | Amount    | Quantity (Nos.)  | Amount     |
| <b>NON CURRENT INVESTMENTS</b>                                  |                  |           |                  |            |
| INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)           |                  |           |                  |            |
| Centre for Technology Assisted Reconstructive Surgery Pvt. Ltd. | 2,345            | 15        | 2,345            | 15         |
| SUB-TOTAL   | -                | 15        | -                | 15         |
| INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)              |                  |           |                  |            |
| Aditya Birla Sun Life FTP 1135 days                             | -                | -         | 5,00,000         | 60         |
| Aditya Birla Sun Life Corporate Bond                            | -                | -         | 10,00,000        | 128        |
| SUB-TOTAL   | -                | -         | -                | 188        |
| <b>TOTAL NON-CURRENT INVESTMENTS</b>                            | -                | <b>15</b> | -                | <b>203</b> |
| Aggregate amount of quoted investments and market value thereof | -                | -         | -                | 188        |
| Aggregate amount of unquoted investments                        | -                | 15        | -                | 15         |

**Note 4 OTHER FINANCIAL ASSETS**

Rupees In Lakhs

| Particulars       | As at 31.03.2022 | As at 31.03.2021 |
|-------------------|------------------|------------------|
| SECURITY DEPOSITS |                  |                  |
| Others            | 5                | 1                |
| TOTAL             | 5                | 1                |

**Note 5 OTHER NON-CURRENT ASSETS**

Rupees In Lakhs

| Particulars                  | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------|------------------|------------------|
| Advance for capital purchase | 1                | 1                |
| TOTAL                        | 1                | 1                |

**Note 6 DEFERRED TAX ASSET**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| DEFERRED TAX LIABILITY ON ACCOUNT OF   |                  |                  |
| Difference between book and tax balance of fixed assets                        | (165)            | (315)            |
| Fair market value of increase in investments in mutual funds & actuarial gains | (7)              | (9)              |
| DEFERRED TAX ASSETS ON ACCOUNT OF  |                  |                  |
| Difference in WDV as per Companies Act and Income Tax Act                      | 14               | 13               |
| Provision for employee benefits  | 11               | 72               |
| Provision for warranties   | 95               | 84               |
| Diminution in the valuation of shares of the erstwhile joint venture           | 26               | 26               |
| Provision for doubtful debts   | 5                | 45               |
| Service tax disallowance U/S 43B   | 37               | 37               |
| Unused tax losses  | 559              | 428              |
| Others   | 9                | 13               |
| <b>TOTAL</b>   | <b>584</b>       | <b>394</b>       |

**Note 7 INVENTORIES**

Rupees In Lakhs

| Particulars      | As at 31.03.2022 | As at 31.03.2021 |
|------------------|------------------|------------------|
| Raw materials    | 851              | 731              |
| Work-in-progress | 73               | 226              |
| Traded goods     | 1,057            | 1,206            |
| Finished goods   | 368              | 404              |
| <b>TOTAL</b>     | <b>2,349</b>     | <b>2,567</b>     |

**Note 8 INVESTMENTS**

Rupees In Lakhs

| Particulars                                       | As at 31.03.2022 |              | As at 31.03.2021 |              |
|---|------------------|--------------|------------------|--------------|
|   | Quantity (Nos.)  | Amount       | Quantity (Nos.)  | Amount       |
| INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUND) |                  |              |                  |              |
| Franklin India Corporate Bond Opportunities Fund  | 21,557           | 5            | 2,07,387         | 43           |
| HDFC Mutual Fund                                  | 33,976           | 1,422        | -                | -            |
| HDFC Corporate Bond Fund                          | 7,760            | 2            | -                | -            |
| HDFC FMP 1208 days                                | -                | -            | 13,73,803        | 176          |
| HDFC Liquid Fund                                  | -                | -            | 23,981           | 970          |
| ICICI Liquid Fund                                 | 1,85,870         | 586          | -                | -            |
| ICICI Prudential Regular Savings Fund             | -                | -            | 98,571           | 300          |
| Nippon India Fixed Horizon Fund-XXVII-Series 3    | -                | -            | 6,55,525         | 83           |
| <b>TOTAL CURRENT INVESTMENTS</b>                  | <b>2,49,163</b>  | <b>2,015</b> | <b>-</b>         | <b>1,572</b> |

## Note 9 TRADE RECEIVABLES

Rupees In Lakhs

| Particulars                  | Outstanding as at March 31, 2022 |                 |           |           |                   | Total        |
|------------------------------|----------------------------------|-----------------|-----------|-----------|-------------------|--------------|
|                              | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |              |
| UNDISPUTED TRADE RECEIVABLES |                                  |                 |           |           |                   |              |
| Considered goods             | 2,451                            | 364             | -         | -         | -                 | 2,815        |
| Considered doubtful          | -                                | -               | 3         | 1         | 2                 | 6            |
| Provision for doubtful debts | -                                | -               | -         | -         | -                 | -            |
| DISPUTED TRADE RECEIVABLES   |                                  |                 |           |           |                   |              |
| Considered goods             | -                                | -               | -         | -         | -                 | -            |
| Considered doubtful          | -                                | -               | -         | -         | -                 | -            |
| <b>TOTAL</b>                 | <b>2,451</b>                     | <b>364</b>      | <b>3</b>  | <b>1</b>  | <b>2</b>          | <b>2,821</b> |

Rupees In Lakhs

| Particulars                  | Outstanding as at March 31, 2021 |                 |           |           |                   | Total        |
|------------------------------|----------------------------------|-----------------|-----------|-----------|-------------------|--------------|
|                              | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |              |
| UNDISPUTED TRADE RECEIVABLES |                                  |                 |           |           |                   |              |
| Considered good              | 2,413                            | 328             | 8         | 5         | -                 | 2,754        |
| Considered doubtful          | -                                | -               | -         | -         | -                 | -            |
| Provision for doubtful debts | -                                | -               | -         | -         | -                 | -            |
| DISPUTED TRADE RECEIVABLES   |                                  |                 |           |           |                   |              |
| Considered good              | -                                | -               | -         | -         | -                 | -            |
| Considered doubtful          | -                                | -               | -         | -         | -                 | -            |
| <b>TOTAL</b>                 | <b>2,413</b>                     | <b>328</b>      | <b>8</b>  | <b>5</b>  | <b>-</b>          | <b>2,754</b> |

## Note 10 CASH AND BANK BALANCES

Rupees In Lakhs

| Particulars                             | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Balances with banks in current accounts | 46               | 56               |
| Cash on hand                            | 26               | 1                |
| <b>TOTAL</b>                            | <b>72</b>        | <b>57</b>        |

## Note 11 OTHER BANK BALANCES

Rupees In Lakhs

| Particulars                                       | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Fixed deposit with banks                          | 3,725            | 2,545            |
| Balance with banks in unclaimed dividend accounts | 96               | 103              |
| <b>TOTAL</b>                                      | <b>3,821</b>     | <b>2,648</b>     |

**Note 12 LOANS AND ADVANCES**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Unsecured, considered good                         |                  |                  |
| Deposits - Government departments                  | 26               | 25               |
| Deposits - Premises                                | 9                | 6                |
| Deposits - Security, performance and earnest money | 267              | 317              |
| Loans and advances to employees                    | 15               | 18               |
| <b>TOTAL</b>                                       | <b>317</b>       | <b>366</b>       |

Note: No loans and advances were paid to any of the Director(s) or Key Managerial Personnel.

**Note 13 OTHER FINANCIAL ASSETS**

Rupees In Lakhs

| Particulars                | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------|------------------|------------------|
| UNSECURED, CONSIDERED GOOD |                  |                  |
| Security deposits          | 1                | -                |
| <b>TOTAL</b>               | <b>1</b>         | <b>-</b>         |

**Note 14 OTHER CURRENT ASSETS**

Rupees In Lakhs

| Particulars                                    | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| ADVANCES OTHER THAN CAPITAL ADVANCES           |                  |                  |
| Advance to suppliers                           | 331              | 71               |
| Prepaid expenses                               | 84               | 73               |
| Balances with statutory/government authorities | 81               | 76               |
| <b>TOTAL</b>                                   | <b>496</b>       | <b>220</b>       |

**Note 15 CURRENT TAX ASSETS**

Rupees In Lakhs

| Particulars                                   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Advance income tax (net of provision for tax) | 325              | 414              |
| <b>TOTAL</b>                                  | <b>325</b>       | <b>414</b>       |

## Note 16 EQUITY SHARE CAPITAL

Rupees In Lakhs

| Particulars                             | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| AUTHORISED                              |                  |                  |
| 5,00,00,000 equity shares of Rs. 2 each | 1,000            | 1,000            |
| TOTAL                                   | 1,000            | 1,000            |
| ISSUED, SUBSCRIBED AND PAID-UP          |                  |                  |
| 3,50,00,000 equity shares of Rs. 2 each | 700              | 700              |
| TOTAL                                   | 700              | 700              |

Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Rupees In Lakhs

| Particulars                                     | 2021-22     |        | 2020-21     |        |
|---|-------------|--------|-------------|--------|
|   | In Nos.     | Amount | In Nos.     | Amount |
| Shares outstanding at the beginning of the year | 3,50,00,000 | 700    | 3,50,00,000 | 700    |
| Shares outstanding at the end of the year       | 3,50,00,000 | 700    | 3,50,00,000 | 700    |

Details of shares in the Company held by each Shareholder holding more than 5% shares

Rupees In Lakhs

| Particulars  | 2021-22               |              | 2020-21               |              |
|--------------|-----------------------|--------------|-----------------------|--------------|
|              | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| JBA in ADFL  | 92,13,301             | 26.32%       | 92,13,301             | 26.32%       |
| ADFL in 3DFT | 97,50,000             | 100%         | 97,50,000             | 100%         |

Notes: In view of J B Advani and Company Private Limited's (JBA) shareholding being 26.32% and Directors of JBA are also Directors of Ador Fontech and/or its Associate Companies, the accounts of Ador Fontech and its subsidiary are being consolidated by JBA on the basis of significant influence in terms of Ind-AS Regulations.

Legend: JBA-J B Advani & Company Private Limited, ADFL-Ador Fontech Limited and 3DFT-3D Future Technologies Private Limited.

### As on the date of the Balance Sheet

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

### 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 into equity/preference shares.

**Note 17 OTHER EQUITY**

Rupees In Lakhs

| Particulars                | As at 31.03.2022 | As at 31.03.2021 |
|----------------------------|------------------|------------------|
| General reserve            | 7,889            | 7,489            |
| Retained earnings          | 3,518            | 2,549            |
| Other comprehensive income | 174              | 158              |
| <b>TOTAL</b>               | <b>11,581</b>    | <b>10,196</b>    |

**GENERAL RESERVE**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Opening balance  | 7,489            | 7,189            |
| Transferred from surplus in the statement of profit and loss | 400              | 300              |
| Closing balance  | 7,889            | 7,489            |

**RETAINED EARNINGS**

Rupees In Lakhs

| Particulars                    | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------|------------------|------------------|
| Opening balance                | 2,549            | 1,845            |
| Net profit / loss for the year | 2,139            | 1,004            |
| Dividend and dividend tax      | (770)            | -                |
| Transfer to general reserve    | (400)            | (300)            |
| Closing balance                | 3,518            | 2,549            |

**OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

| Particulars                            | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Opening balance                        | 158              | 131              |
| Net amount transferred during the year | 16               | 27               |
| Closing balance                        | 174              | 158              |

**Note 18 LEASE LIABILITIES**

Rupees In Lakhs

| Particulars       | As at 31.03.2022 | As at 31.03.2021 |
|-------------------|------------------|------------------|
| Lease liabilities | 20               | 6                |
| <b>TOTAL</b>      | <b>20</b>        | <b>6</b>         |

**Note 19 PROVISIONS**

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Provision for gratuity             | 13               | 9                |
| Provision for compensated absences | 27               | 94               |
| <b>TOTAL</b>                       | <b>40</b>        | <b>103</b>       |

## Note 20 LEASE LIABILITIES

Rupees In Lakhs

| Particulars       | As at 31.03.2022 | As at 31.03.2021 |
|-------------------|------------------|------------------|
| Lease liabilities | 12               | 8                |
| TOTAL             | 12               | 8                |

## Note 21 BORROWINGS

Rupees In Lakhs

| Particulars    | As at 31.03.2022 | As at 31.03.2021 |
|----------------|------------------|------------------|
| SECURED        |                  |                  |
| Bank overdraft | -                | 177              |
| TOTAL          | -                | 177              |

## Note 22 TRADE PAYABLES

Rupees In Lakhs

| Particulars | Outstanding as at March 31, 2022 |                 |           |           |                   | Total |
|-------------|----------------------------------|-----------------|-----------|-----------|-------------------|-------|
|             | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |       |
| UNDISPUTED  |                                  |                 |           |           |                   |       |
| MSME        | 133                              | -               | -         | -         | -                 | 133   |
| Others      | 2,050                            | -               | -         | -         | -                 | 2,050 |
| DISPUTED    |                                  |                 |           |           |                   |       |
| MSME        | -                                | -               | -         | -         | -                 | -     |
| Others      | -                                | -               | -         | -         | -                 | -     |
| TOTAL       | 2,183                            | -               | -         | -         | -                 | 2,183 |

Rupees In Lakhs

| Particulars | Outstanding as at March 31, 2021 |                 |           |           |                   | Total |
|-------------|----------------------------------|-----------------|-----------|-----------|-------------------|-------|
|             | Less than 6 months               | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years |       |
| UNDISPUTED  |                                  |                 |           |           |                   |       |
| MSME        | 121                              | -               | -         | -         | -                 | 121   |
| Others      | 1,780                            | -               | -         | -         | -                 | 1,780 |
| DISPUTED    |                                  |                 |           |           |                   |       |
| MSME        | -                                | -               | -         | -         | -                 | -     |
| Others      | -                                | -               | -         | -         | -                 | -     |
| TOTAL       | 1,901                            | -               | -         | -         | -                 | 1,901 |

Notes: (i) There were no unbilled dues as at March 31, 2022 and March 31, 2021 (ii) MSME - Micro, Small and Medium Enterprises (iii) MSMED - Micro, Small and Medium Enterprises Development Act.



**DISCLOSURE REQUIREMENT UNDER MSMED ACT, 2006**

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 133              | 121              |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | -                | -                |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | -                | -                |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                | -                |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                | -                |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made   | -                | -                |
| Further interest remaining due and payable for earlier years   | -                | -                |

**Note 23 OTHER FINANCIAL LIABILITIES**

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Deposit from dealers and employees | 205              | 250              |
| Other payables                     | 93               | 75               |
| Unclaimed dividends                | 96               | 103              |
| TOTAL                              | 394              | 428              |

**Note 24 OTHER CURRENT LIABILITIES**

Rupees In Lakhs

| Particulars            | As at 31.03.2022 | As at 31.03.2021 |
|------------------------|------------------|------------------|
| Statutory liabilities  | 177              | 121              |
| Deferred revenue       | 227              | -                |
| Advance from customers | 72               | 143              |
| Other payables         | 2                | -                |
| TOTAL                  | 478              | 264              |

**Note 25 PROVISIONS**

Rupees In Lakhs

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| PROVISION FOR EMPLOYEE BENEFITS    |                  |                  |
| Provision for compensated absences | (41)             | 71               |
| Due to gratuity trust              | 25               | 21               |
| OTHERS                             |                  |                  |
| Warranties                         | 380              | 335              |
| TOTAL                              | 364              | 427              |

**Note 26 REVENUE FROM OPERATIONS**

Rupees In Lakhs

| Particulars                       | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-----------------------------------|--------------------------|--------------------------|
| <b>SALE OF PRODUCTS</b>           |                          |                          |
| Manufactured goods (net of taxes) | 9,394                    | 8,925                    |
| Scrap sales                       | 55                       | 35                       |
| Traded goods                      | 8,296                    | 4,629                    |
| <b>SALE OF SERVICES</b>           |                          |                          |
| Job work income                   | 3,208                    | 1,356                    |
| Other operating revenue           | 1                        | 5                        |
| Export services                   | 1                        | 2                        |
| <b>TOTAL</b>                      | <b>20,955</b>            | <b>14,952</b>            |

**Note 27 OTHER INCOME**

Rupees In Lakhs

| Particulars                               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Interest income                           | 215                      | 164                      |
| Write back, discounts, foreign gains etc. | 227                      | 68                       |
| Profit/(loss) on sale of assets           | -                        | -                        |
| Profit/(loss) on sale of investments      | 8                        | 13                       |
| <b>TOTAL</b>                              | <b>450</b>               | <b>245</b>               |

**DETAILS OF INTEREST INCOME**

Rupees In Lakhs

| Particulars               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------------|--------------------------|--------------------------|
| <b>INTEREST INCOME</b>    |                          |                          |
| Interest on bank deposits | 157                      | 124                      |
| Others                    | 58                       | 40                       |
| <b>TOTAL</b>              | <b>215</b>               | <b>164</b>               |

**Note 28 COST OF MATERIALS CONSUMED**

Rupees In Lakhs

| Particulars         | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------|--------------------------|--------------------------|
| Opening stock       | 731                      | 790                      |
| Add: Purchases      | 4,570                    | 3,964                    |
| Less: Closing stock | 851                      | 731                      |
| <b>TOTAL</b>        | <b>4,450</b>             | <b>4,023</b>             |

**Note 29 PURCHASE OF STOCK-IN-TRADE**

Rupees In Lakhs

| Particulars                                       | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Welding consumables, equipment, spares and others | 6,248                    | 3,462                    |
| TOTAL   | 6,248                    | 3,462                    |

**Note 30 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE**

Rupees In Lakhs

| Particulars                  | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|------------------------------|--------------------------|--------------------------|
| AT THE BEGINNING OF THE YEAR |                          |                          |
| Work-in-progress             | 226                      | 667                      |
| Finished goods               | 404                      | 268                      |
| Traded goods                 | 1,206                    | 1,157                    |
| SUB-TOTAL (A)                | 1,836                    | 2,092                    |
| AT THE END OF THE YEAR       |                          |                          |
| Work-in-progress             | 73                       | 226                      |
| Finished goods               | 368                      | 404                      |
| Traded goods                 | 1,057                    | 1,206                    |
| SUB-TOTAL (B)                | 1,498                    | 1,836                    |
| TOTAL (A-B)                  | 338                      | 256                      |

**Note 31 EMPLOYEE BENEFIT EXPENSES**

Rupees In Lakhs

| Particulars                               | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Salaries, allowances and other benefits   | 2,503                    | 2,098                    |
| Contribution to provident and other funds | 360                      | 349                      |
| Staff welfare                             | 154                      | 143                      |
| TOTAL                                     | 3,017                    | 2,590                    |

## Note 32 OTHER EXPENSES

Rupees In Lakhs

| Particulars                                | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| Rent                                       | 149                      | 76                       |
| Insurance                                  | 40                       | 36                       |
| Rates and taxes                            | 92                       | 73                       |
| Consumables and stores                     | 86                       | 86                       |
| Power, fuel and utilities                  | 106                      | 80                       |
| Security charges                           | 29                       | 27                       |
| Product development, fabrication & welding | 1,344                    | 952                      |
| Labour charges                             | 70                       | 59                       |
| Books, printing and stationary             | 30                       | 27                       |
| Communication expenses                     | 66                       | 51                       |
| Repairs to building                        | 71                       | 41                       |
| Repairs to machinery                       | 107                      | 50                       |
| Office maintenance                         | 119                      | 123                      |
| Legal and professional fees                | 269                      | 203                      |
| Travelling and conveyance                  | 523                      | 184                      |
| Freight and forwarding                     | 273                      | 213                      |
| Sales commission and promotional expenses  | 320                      | 230                      |
| Seminar and conferences                    | -                        | -                        |
| Provision for warranties                   | 63                       | 57                       |
| Audit fees                                 | 7                        | 7                        |
| Bank and other charges                     | 18                       | 11                       |
| Corporate social responsibility            | 39                       | 34                       |
| Administrative expenses                    | 13                       | 37                       |
| General expenses                           | 17                       | 18                       |
| Bad debts written off                      | 70                       | 178                      |
| Provision for doubtful debts               | 6                        | -                        |
| Computer expenses                          | 3                        | 2                        |
| Software annual maintenance                | 75                       | 23                       |
| Website and portal development             | 24                       | 19                       |
| Loss on sale of assets                     | 2                        | 1                        |
| License fees                               | 1                        | 1                        |
| Lease rentals                              | -                        | -                        |
| <b>TOTAL</b>                               | <b>4,032</b>             | <b>2,899</b>             |

**AUDITORS REMUNERATION**

Rupees In Lakhs

| Particulars     | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-----------------|--------------------------|--------------------------|
| Statutory audit | 6                        | 5                        |
| Taxation        | -                        | -                        |
| Other services  | 1                        | 2                        |
| <b>TOTAL</b>    | <b>7</b>                 | <b>7</b>                 |

**Note 33 FINANCE COST**

Rupees In Lakhs

| Particulars                              | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| <b>INTEREST ON FINANCIAL LIABILITIES</b> |                          |                          |
| Interest on bank borrowings              | 13                       | 25                       |
| <b>TOTAL</b>                             | <b>13</b>                | <b>25</b>                |

**Note 34 TAX EXPENSES**

Rupees In Lakhs

| Particulars                         | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|-------------------------------------|--------------------------|--------------------------|
| <b>CURRENT TAX EXPENSE</b>          |                          |                          |
| Current tax for the year            | 1,025                    | 590                      |
| Short fall of the previous year     | -                        | (14)                     |
| <b>SUB-TOTAL</b>                    | <b>1,025</b>             | <b>576</b>               |
| <b>DEFERRED TAXES</b>               |                          |                          |
| Changes in deferred tax assets      | (133)                    | (88)                     |
| Changes in deferred tax liabilities | (65)                     | 153                      |
| <b>SUB-TOTAL</b>                    | <b>(198)</b>             | <b>65</b>                |
| <b>TOTAL</b>                        | <b>827</b>               | <b>641</b>               |

## TAX RECONCILIATION

Rupees In Lakhs

| Particulars                                    | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--|--------------------------|--------------------------|
| Tax on business and other incomes              | 875                      | 821                      |
| Tax on short term capital gains                | 312                      | 22                       |
| Tax effect of amounts which are not deductible |                          |                          |
| (a) Provision for retirement benefits          | (17)                     | (61)                     |
| (b) Provision for bad debts                    | (5)                      | (45)                     |
| (c) Provision for warranties                   | (95)                     | (84)                     |
| (d) Salary and bonus unpaid as at the year end | -                        | (13)                     |
| (e) Others                                     | (45)                     | (63)                     |
| (f) Interest U/S 234C & 234B                   | -                        | 13                       |
| Income tax expenses                            | 1,025                    | 590                      |

## Note 35 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

| Particulars                          | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--------------------------------------|--------------------------|--------------------------|
| Increase in the value of investments | 25                       | 36                       |
| Tax impact on the same               | (6)                      | (9)                      |
| TOTAL                                | 19                       | 27                       |

## Note 36 EARNINGS PER SHARE

Rupees In Lakhs

| Particulars              | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|--------------------------|--------------------------|--------------------------|
| Profit after tax         | 2,139                    | 1,004                    |
| Number of equity shares  | 350                      | 350                      |
| Earnings per share (EPS) | 6.1                      | 2.9                      |

## Note 37 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro and Small Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2022. 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 38 LEASE ARRANGEMENTS

Details of lease account in the books of the Holding Company is as under:

The Holding 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. 149 lakhs (Previous year Rs. 76 lakhs) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs

| Particulars                                       | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Lease payments for the year                       | 149                      | 76                       |
| <b>Minimum lease payments</b>                     | <b>As at 31.03.2022</b>  | <b>As at 31.03.2021</b>  |
| Not later than one year                           | 51                       | 48                       |
| Later than one year but not later than five years | -                        | -                        |
| Later than five years                             | -                        | -                        |

Details of lease account in the books of the subsidiary is as under:

The subsidiary has lease contracts for office premises, equipments and computers (desktop and laptops) used in its operations which have lease terms between 3 to 5 years. The subsidiary's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the subsidiary is restricted from assigning and subleasing the leased assets.

### DETAILS OF RIGHT OF USE ASSETS

Rupees In Lakhs

| Particulars                               | Gross carrying value | Accumulated depreciation | Net carrying value |
|---|----------------------|--------------------------|--------------------|
| AS AT 31 MARCH 2022                       |                      |                          |                    |
| Office premises, equipment and computers  | 143                  | 45                       | 98                 |
| AS AT 31 MARCH 2021                       |                      |                          |                    |
| Office premises, equipments and computers | 126                  | 16                       | 110                |

### MOVEMENT IN RIGHT-OF-USE ASSETS

Rupees In Lakhs

| Particulars                          | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| Balance at the beginning of the year | 126              | 22               |
| Additions                            | 28               | 104              |
| Deductions                           | (11)             | -                |
| Accumulated depreciation             | (45)             | (16)             |
| Net carrying value                   | 98               | 110              |

## LEASE LIABILITIES

Rupees In Lakhs

| Particulars                   | As at 31.03.2022 | As at 31.03.2021 |
|-------------------------------|------------------|------------------|
| Non-current lease liabilities | 66               | 77               |
| Current lease liabilities     | 36               | 35               |
| TOTAL                         | 102              | 112              |

## MOVEMENT IN LEASE LIABILITIES

Rupees In Lakhs

| Particulars                           | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------------------|------------------|------------------|
| Balance at the beginning of the year  | 112              | 22               |
| Additions                             | 28               | 104              |
| Finance cost accrued during the year* | 10               | 4                |
| Payment of lease liabilities          | (48)             | (18)             |
| Total                                 | 102              | 112              |

\*Note: The effective interest rate for lease liabilities is 9%, with maturity between 2022-2025

## AMOUNTS RECOGNISED IN THE PROFIT AND LOSS ACCOUNT

Rupees In Lakhs

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Depreciation expense of right-of-use assets            | 40               | 16               |
| Interest expense on lease liabilities                  | 10               | 4                |
| Total amount recognised in the profit and loss account | 50               | 20               |

## ROU as per consolidated statement of accounts

Rupees In Lakhs

| Particulars                                    | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Net Carrying value                             | 98               | 110              |
| Less: Value pertaining to the Holding Company  | 67               | 96               |
| Net value carried forward in the Balance Sheet | 31               | 14               |

## Lease liability as per consolidated statement of accounts

Rupees In Lakhs

| Particulars                                    | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Non-Current liability                          | 66               | 77               |
| Less: Value pertaining to the Holding Company  | 46               | 71               |
| Net value carried forward in the Balance Sheet | 20               | 6                |

Note: ROU-Right of use-lease assets



Rupees In Lakhs

| Particulars                                    | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Current liability                              | 36               | 35               |
| Less: Value pertaining to the Holding Company  | 24               | 27               |
| Net value carried forward in the Balance Sheet | 12               | 8                |

## Note 39 EMPLOYEE BENEFITS

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

### 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 (i) Provident fund (ii) Superannuation and (iii) 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 contribution made to provident and other funds

Rupees In Lakhs

| Particulars                           | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------------------|------------------|------------------|
| Provident fund                        | 124              | 127              |
| Superannuation fund                   | 100              | 93               |
| Leave encashment                      | 84               | 89               |
| Gratuity                              | 38               | 30               |
| National pension scheme               | 12               | 8                |
| Employees State Insurance Corporation | 2                | 2                |
| TOTAL                                 | 360              | 349              |

Note: The Group causes Actuarial Valuation of Gratuity and Leave encashment facilities year on year.

## Gratuity

In accordance with the Payment of Gratuity Act of 1972, the Group contributes to a defined benefit plan (the 'Gratuity Plan'). The Gratuity Plan provides for a lump sum payment to vested employees 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 Group.

While the Holding company has a trust called 'Cosmics Employees Gratuity Trust' and has effected funding based on actuarial valuation year on year and covers all its employees, the Gratuity scheme of the Subsidiary is unfunded and covers select employees.

## PRINCIPAL ACTUARIAL ASSUMPTIONS

Principal actuarial assumptions used to determine the present value of the defined benefit obligation and for the year ended are as follows:

| Particulars  | Ador Fontech             |                          | 3DFT                     |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
|  | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Discount rate  | 6.65%                    | 5.35%                    | 6.95%                    | 6.95%                    |
| Expected rate of increase in compensation level of covered employees | 8%                       | 6%                       | 7.50%                    | 7.50%                    |

Note: Assumptions regarding mortality rates are based on mortality tables of 'Indian Assured Lives Mortality (2012-2014)' published by the Institute of Actuaries of India.

## DETAILS OF ACTUARIAL VALUATION CARRIED OUT ON BALANCE SHEET DATE ARE AS UNDER

Amount recognised in the Balance Sheet consists of:

Rupees In Lakhs

| Particulars   | Ador Fontech             |                          | 3DFT                     |                          | Total                    |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Fair value of plan assets                             | 539                      | 507                      | -                        | -                        | 539                      | 507                      |
| Present value of defined benefit obligation           | 564                      | 528                      | 13                       | 9                        | 577                      | 537                      |
| Net liability arising from defined benefit obligation | (25)                     | (21)                     | (13)                     | (9)                      | (38)                     | (30)                     |

## MOVEMENT DURING THE YEAR OF THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION

Rupees In Lakhs

| Particulars   | Ador Fontech             |                          | 3DFT                     |                          | Total                    |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Defined benefit obligation at beginning of the period                           | 528                      | 507                      | 9                        | 6                        | 537                      | 513                      |
| Current service cost  | 29                       | 31                       | 4                        | 3                        | 33                       | 34                       |
| Interest on defined benefit obligation  | 23                       | 30                       | -                        | -                        | 23                       | 30                       |
| Re-measurement losses / (gains) arising from changes in financial assumptions   | 14                       | 22                       | -                        | -                        | 14                       | 22                       |
| Re-measurement losses / (gains) arising from changes in demographic assumptions | 5                        | 1                        | -                        | -                        | 5                        | 1                        |
| Re-measurement losses / (gains) arising from experience adjustments             | 27                       | 3                        | -                        | -                        | 27                       | 3                        |
| Benefits paid   | (62)                     | (66)                     | -                        | -                        | (62)                     | (66)                     |
| Present value of defined benefit obligation at end of the period                | 564                      | 528                      | 13                       | 9                        | 577                      | 537                      |

## MOVEMENT IN PLAN ASSETS

Rupees In Lakhs

| Particulars                       | Ador Fontech             |                          | 3DFT                     |                          | Total                    |                          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Opening fair value of plan assets | 507                      | 311                      | -                        | -                        | 507                      | 311                      |
| Employer's contribution           | 42                       | 44                       | -                        | -                        | 42                       | 44                       |
| Interest on plan assets           | 23                       | 19                       | -                        | -                        | 23                       | 19                       |
| Remeasurements                    | 29                       | 199                      | -                        | -                        | 29                       | 199                      |
| Benefits paid                     | (62)                     | (66)                     | -                        | -                        | (62)                     | (66)                     |
| Fair value at the end of the year | 539                      | 507                      | -                        | -                        | 539                      | 507                      |

## SENSITIVITY ANALYSIS

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

| Particulars                          | ADFL          |                        | 3DFT          |                        |
|--------------------------------------|---------------|------------------------|---------------|------------------------|
|                                      | Discount rate | Salary escalation rate | Discount rate | Salary escalation rate |
| PERIOD ENDED 31 MARCH 2022           |               |                        |               |                        |
| Impact of increase in 100 bps on DBO | (3.94%)       | 4.01%                  | -             | -                      |
| Impact of decrease in 100 bps on DBO | 4.36%         | 3.73%                  | -             | -                      |
| Impact of increase in 50 bps on DBO  | -             | -                      | (7.72%)       | 8.50%                  |
| Impact of decrease in 50 bps on DBO  | -             | -                      | 8.59%         | (7.72%)                |
| PERIOD ENDED 31 MARCH 2021           |               |                        |               |                        |
| Impact of increase in 100 bps on DBO | (3.22%)       | 3.35%                  | -             | -                      |
| Impact of decrease in 100 bps on DBO | 3.50%         | (3.19%)                | -             | -                      |
| Impact of increase in 50 bps on DBO  | -             | -                      | (7.86%)       | 8.65%                  |
| Impact of decrease in 50 bps on DBO  | -             | -                      | 8.74%         | (7.85%)                |

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.

## Provision for Gratuity in the consolidated books

Rupees In Lakhs

| Particulars                           | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---------------------------------------|--------------------------|--------------------------|
| Non-current/3DFT (Refer: Note no. 19) | 13                       | 9                        |
| Current/ADFL (Refer: Note no. 25)     | 25                       | 21                       |
| TOTAL                                 | 38                       | 30                       |

## Risk analysis

The group is exposed to a number of risks in the defined benefit plans. The most significant risks pertains to:

### SALARY GROWTH RISKS

The present value of the defined benefit plan liability is calculated by reference to future salaries of plan participants. Increase in salaries 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 by 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.

Note: The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount factors, estimated rate of return on plan assets, future salary escalation rate and assumed attrition rate. Valuation not being the domain area, Management and Auditors have relied on the expert/professional report/opinion of the Actuary.

## Compensated absences

| Particulars   | Rupees In Lakhs  |  |
|---|------------------|--|
|   | As at 31.03.2022 |  |
| Opening balance as at April 01, 2021                | 135              |  |
| Contribution to Life Insurance Corporation of India | (171)            |  |
| Interest credit less charges                        | (7)              |  |
| Closing balance as at March 31, 2022                | (43)             |  |

Note: The Holding Company has fully funded its liability towards compensated absences. The Subsidiary's scheme remains unfunded.

## Note 40 DETAILS PERTAINING TO WARRANTIES

| Particulars                           | Rupees In Lakhs          |                          |
|---------------------------------------|--------------------------|--------------------------|
|                                       | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
| Opening balance as at April 1, 2021   | 335                      | 290                      |
| Add: Provisions during the year       | 63                       | 57                       |
| Less: Amount defrayed during the year | 18                       | 12                       |
| Closing balance as at March 31, 2022  | 380                      | 335                      |

Note: No warranty provision has been made in respect of 3D Future Technologies Private Limited.

## Note 41 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

Rupees In Lakhs

| Particulars   | Year ended<br>31.03.2022 | Year ended<br>31.03.2021 |
|---|--------------------------|--------------------------|
| Guarantees (Bank and Corporate)                                       | 556                      | 611                      |
| Disputed excise duty demand under appeal                              | -                        | 71                       |
| Disputed income tax demands under appeal                              | 276                      | 283                      |
| Investments lien marked for facilitating working capital loan to 3DFT | 2                        | 237                      |
| Market value of lien marked investments                               | 2                        | 304                      |

Notes:

(i) Amount reflected as part of disputed liability pertains to the principal claim.

(ii) In the case of disputed excise duty liability, the Holding Company's stand was upheld by the Tribunal and the Department. Consequent to the closure of the case, the Holding Company has written back the provision in the books of accounts.

(iii) Income Tax Department has raised demand of rupees forty crores for the Assessment year 2021-22. The Holding Company has requested for correction, being mistake apparent on records and has filed an appeal before the Commissioner of Income Tax (Appeals).

(iv) As at March 31, 2022 there has been no contingent liability recognised by the Subsidiary..

(v) With repayment of loan of the Subsidiary (3D Future Technologies Private Limited) the requirement for providing lien on investment to the bank has got reduced.

## Note 42 SEGMENT REPORTING

The group has two segments (i) Life enhancement of industrial components and (ii) 3DFT dental care services/aligners.

Details of segmental revenue, results and capital are as under

Rupees In Lakhs

| Particulars                             | FY 2021-22    |            |               | FY 2020-21    |            |               |
|---|---------------|------------|---------------|---------------|------------|---------------|
|   | ADFL          | 3DFT       | Total         | ADFL          | 3DFT       | TOTAL         |
| SEGMENT REVENUE                         |               |            |               |               |            |               |
| Operations                              | 20,474        | 481        | 20,955        | 14,667        | 285        | 14,952        |
| Other income                            | 566           | 4          | 570           | 239           | 17         | 256           |
| <b>TOTAL</b>                            | <b>21,040</b> | <b>485</b> | <b>21,525</b> | <b>14,906</b> | <b>302</b> | <b>15,208</b> |
| Inter segment revenue                   | (120)         | -          | (120)         | (52)          | 41         | (11)          |
| <b>NET SEGMENT REVENUE</b>              | <b>20,920</b> | <b>485</b> | <b>21,405</b> | <b>14,854</b> | <b>343</b> | <b>15,197</b> |
| SEGMENT RESULTS                         |               |            |               |               |            |               |
| Segment results before interest and tax | 2,939         | (410)      | 2,529         | 1,770         | (304)      | 1,466         |
| Interest charges                        | -             | (13)       | (13)          | -             | (25)       | (25)          |
| Other income                            | 446           | 4          | 450           | 187           | 17         | 204           |
| Profit before tax                       | 3,385         | (419)      | 2,966         | 1,957         | (312)      | 1,645         |
| Tax expenses                            | (961)         | 134        | (827)         | (738)         | 97         | (641)         |
| Profit after tax                        | 2,424         | (285)      | 2,139         | 1,219         | (215)      | 1,004         |
| SEGMENT CAPITAL EMPLOYED                |               |            |               |               |            |               |
| Segment assets                          | 14,718        | 1,054      | 15,772        | 13,398        | 813        | 14,211        |
| Segment liabilities                     | (2,955)       | (536)      | (3,491)       | (2,797)       | (518)      | (3,315)       |
| <b>NET CAPITAL EMPLOYED</b>             | <b>11,763</b> | <b>518</b> | <b>12,281</b> | <b>10,601</b> | <b>295</b> | <b>10,896</b> |
| Capital expenditure                     | 305           | 14         | 319           | 183           | 27         | 210           |
| Depreciation and amortisation           | 271           | 70         | 341           | 247           | 50         | 297           |

Details based on geographical segments

Rupees In Lakhs

| Particulars   | FY 2021-22    |            |               | FY 2020-21    |            |               |
|---------------|---------------|------------|---------------|---------------|------------|---------------|
|               | ADFL          | 3DFT       | Total         | ADFL          | 3DFT       | TOTAL         |
| India         | 20,921        | 481        | 21,402        | 14,895        | 299        | 15,194        |
| Outside India | -             | 3          | 3             | -             | 3          | 3             |
| <b>Total</b>  | <b>20,921</b> | <b>484</b> | <b>21,405</b> | <b>14,895</b> | <b>302</b> | <b>15,197</b> |

Notes: (i) No single customer represents 10% or maximum of the Group's total revenue during and for the year ended March 31, 2022 and March 31, 2021. (ii) The above statements are after set off of inter-segment-assets/ liabilities/ revenue/ expenses in the respective books of accounts.

## Note 43 RELATED PARTY TRANSACTIONS

As per IND-AS 24, transactions with related parties as defined in the Accounting Standard are given below:

Names of related parties and description of relationship with the Company

| Particulars   | Related parties                                |
|---|--|
| Promoter  | J B Advani and Company Private Limited         |
| Associate companies   | Ador Welding Limited                           |
|   | Ador Welding Academy Private Limited           |
|   | Ador Powertron Limited                         |
|   | Ador Multiproducts Limited                     |
|   | Ador Green Energy Private Limited              |
|   | Life Force Health Systems Private Limited      |
| Related personnel: (by virtue of shareholding in associate companies) | Ms. Tanya A Advani                             |
| Wholly owned subsidiary   | 3D Future Technologies Private Limited         |
| Key management personnel  | Mr. A T Malkani-Chairman                       |
|   | Mr. H P Ledwani-Managing Director              |
|   | Mr. P Gopakumar-CFO: Cessation on Sep 27, 2021 |
|   | Ms. Geetha D-Company Secretary & CFO           |
| Relatives of key management personnel                                 | Mrs. Sunila H Ledwani                          |
|   | Mrs. Shirin A Malkani                          |

## Transactions with related parties

Rupees In Lakhs

| Relationship/name of the related party    | Description of the nature of transactions             | Value of the transactions |                       |
|---|---|---------------------------|-----------------------|
|   |   | Year ended 31.03.2022     | Year ended 31.03.2021 |
| (i) Promoter                              |   |                           |                       |
| J B Advani and Company Private Limited    | Security deposit                                      | -                         | 2                     |
|   | License fees and common area maintenance charges paid | 4                         | 1                     |
|   | Rent paid   | 90                        | -                     |
|   | Business support charges paid                         | 2                         | 2                     |
| (ii) Associate Companies                  |   |                           |                       |
| Ador Welding Limited                      | Purchase of traded goods                              | 156                       | 93                    |
|   | Purchase of manufactured goods                        | 113                       | 61                    |
|   | Purchase of fixed assets                              | 12                        | -                     |
|   | Sale of traded goods                                  | 148                       | 45                    |
|   | Rent paid   | 3                         | 1                     |
| Ador Powertron Limited                    | Inter corporate deposit (Paid and repaid)             | 700                       | 500                   |
|   | Interest on inter corporate deposit                   | 58                        | 40                    |
|   | Purchase of fixed assets                              | -                         | -                     |
|   | Annual maintenance charges                            | 1                         | -                     |
|   | Rent received   | -                         | 1                     |
|   | Website maintenance and database development expenses | 21                        | 5                     |
|   | License fees and common area maintenance charges paid | 9                         | 7                     |
|   | Reimbursement of expenses                             | 12                        | 9                     |
| Ador Multiproducts Limited                | Purchase of materials                                 | 3                         | 2                     |
| 1908 E Ventures Private Limited           | Purchase of materials                                 | 1                         | -                     |
| Life Force Health Systems Private Limited | Consultancy fees paid                                 | 44                        | 17                    |
|   | Reimbursement of expenses                             | 2                         | -                     |
| (iii) Key Managerial Personnel (KMPs)     | Aggregate of salaries                                 | 354                       | 346                   |
| (iv) Related Personnel                    | Remuneration  | 89                        | 83                    |
| (v) Relatives of KMPs                     |   |                           |                       |
| Ms. Sunila Ledwani                        | Rent  | 28                        | 28                    |
| Ms. Shirin A Malkani                      | Consultancy fees paid                                 | 4                         | -                     |

Notes: (i) Associate Companies are determined by virtue of JB Advani and Company Private Limited being a common promoter across Ador Group of Companies. (ii) During the year, Ador Fontech had paid inter-corporate-deposit of rupees seven crores (previous year rupees five crores) towards short term working capital requirement of Ador Powertron, which was duly repaid along with interest. Details of MCA/ROC filing document reference numbers are: (a) SRN T1 7680240 dated 14.05.2021 (b) SRN T39288956 dated 31.08.2021.



## Balances to related parties

Rupees In Lakhs

| Particulars                            | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| J B Advani and Company Private Limited | 5                | 5                |
| Ador Welding Limited                   | -                | 9                |
| Ador Powertron Limited                 | 15               | 10               |
| Ador Multiproducts Limited             | -                | 1                |
| Ms. Shirin Malkani                     | 2                | -                |

## Balances of related parties receivable

Rupees In Lakhs

| Particulars                            | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| J B Advani and Company Private Limited | 10               | 2                |
| Ador Welding Limited                   | 2                | 4                |
| Ador Powertron Limited                 | 2                | 2                |
| Ador Multiproducts Limited             | 2                | -                |

## Transactions with the wholly owned subsidiary

Rupees In Lakhs

| Particulars   | Value of the transactions |                       |
|---|---------------------------|-----------------------|
|   | Year ended 31.03.2022     | Year ended 31.03.2021 |
| Contribution to equity share capital by Ador Fontech Limited (ADFL) | -                         | 125                   |
| Inter Corporate Deposits paid by ADFL                               | 641                       | 518                   |
| Lease rentals paid by 3D Future Technologies Private Limited (3DFT) | 41                        | 11                    |
| Security deposit paid by 3DFT                                       | -                         | 3                     |
| Interest received paid by 3DFT                                      | 78                        | 42                    |

## Details of MCA/ROC filing document reference numbers

| Reference Number | Date       |
|------------------|------------|
| T08416372        | 12.03.2021 |
| T17680240        | 04.05.2021 |
| T64916869        | 17.12.2021 |
| T72401722        | 15.01.2022 |

## Balance outstanding between Holding and Subsidiary

Rupees In Lakhs

| Particulars                                 | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Inter-corporate-deposit (Repayable by 3DFT) | 1,239            | 598              |
| Security deposit (Repayable by ADFL)        | 4                | 4                |

## Note 44 FINANCIAL INSTRUMENTS

### Fair value of assets and liabilities

Rupees In Lakhs

| Particulars                                      | As at 31.03.2022 |              |                |              | As at 31.03.2021 |              |                |              |
|--|------------------|--------------|----------------|--------------|------------------|--------------|----------------|--------------|
|  | FVTPL            | FVOCI        | Amortised cost | Total        | FVTPL            | FVOCI        | Amortised cost | Total        |
| <b>FINANCIAL ASSETS-NON-CURRENT</b>              |                  |              |                |              |                  |              |                |              |
| Non-current investments                          | 15               | -            | -              | 15           | 15               | 188          | -              | 203          |
| Loans  | -                | -            | 5              | 5            | -                | -            | 1              | 1            |
| <b>FINANCIAL ASSETS-CURRENT</b>                  |                  |              |                |              |                  |              |                |              |
| Investments                                      | -                | 2,015        | -              | 2,015        | -                | 1,572        | -              | 1,572        |
| Trade receivables                                | -                | -            | 2,821          | 2,821        | -                | -            | 2,754          | 2,754        |
| Cash and cash equivalents                        | -                | -            | 72             | 72           | -                | -            | 57             | 57           |
| Bank balances other than cash & cash equivalents | -                | -            | 3,821          | 3,821        | -                | -            | 2,648          | 2,648        |
| Loans and advances                               | -                | -            | 317            | 317          | -                | -            | 366            | 366          |
| Other financial assets                           | -                | -            | 1              | 1            | -                | -            | -              | -            |
| <b>TOTAL</b>                                     | <b>15</b>        | <b>2,015</b> | <b>7,037</b>   | <b>9,067</b> | <b>15</b>        | <b>1,760</b> | <b>5,826</b>   | <b>7,601</b> |
| <b>FINANCIAL LIABILITIES-CURRENT</b>             |                  |              |                |              |                  |              |                |              |
| Lease liabilities                                | -                | -            | 12             | 12           | -                | -            | 8              | 8            |
| Bank borrowings                                  | -                | -            | -              | -            | -                | -            | 177            | 177          |
| Trade payables                                   | -                | -            | 2,183          | 2,183        | -                | -            | 1,901          | 1,901        |
| Other financial liabilities                      | -                | -            | 394            | 394          | -                | -            | 428            | 428          |
| <b>TOTAL</b>                                     | <b>-</b>         | <b>-</b>     | <b>2,589</b>   | <b>2,589</b> | <b>-</b>         | <b>-</b>     | <b>2,514</b>   | <b>2,514</b> |

### Hierarchy of financial assets liabilities measured at fair value:

Rupees In Lakhs

| Particulars                         | As at 31.03.2022 |         | As at 31.03.2021 |         |
|-------------------------------------|------------------|---------|------------------|---------|
|                                     | Level 1          | Level 2 | Level 1          | Level 2 |
| <b>FINANCIAL ASSETS-NON-CURRENT</b> |                  |         |                  |         |
| Investments                         | -                | 15      | 188              | 15      |
| <b>FINANCIAL ASSETS-CURRENT</b>     |                  |         |                  |         |
| Investments                         | 2,015            | -       | 1,572            | -       |

### Fair value of financial assets & liabilities measured at amortised cost:

Rupees In Lakhs

| Particulars           | Hierarchy | As at 31.03.2022 |                 | As at 31.03.2021 |                 |
|-----------------------|-----------|------------------|-----------------|------------------|-----------------|
|                       |           | Fair value       | Carrying amount | Fair value       | Carrying amount |
| Financial assets      | Level 2   | 7,037            | 7,037           | 5,826            | 5,826           |
| Financial liabilities | Level 2   | 2,589            | 2,589           | 2,514            | 2,514           |

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

## Note 45 FINANCIAL RISK MANAGEMENT

The Group is exposed to risk from its new venture besides Credit risk, Liquidity risk, Commodity risk and Market risk. The Group's principal financial liabilities comprise deposits, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group'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 Group's Senior Management oversees the management of these risks and devices ways to mitigate the same.

### New business venture

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that chances of break-even-point may happen in the foreseeable future, (span of 3 to 5 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 investment.

### Credit risk

The Group is exposed to credit risk from its operating activities primarily in respect of trade receivables.

#### CREDIT RISK MANAGEMENT

To manage credit risk, the Group 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 Group is operating.

It may be pertinent to note that, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provisions are created accordingly.

### 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's management is responsible for liquidity, funding as well as settlement management. The net liquidity position is monitored through rolling forecasts on the basis of expected cash flows.

**Maturities of non-derivative financial liabilities**

As at 31.03.2022

Rupees In Lakhs

| Particulars                     | Less than one year | Between 1 to 5 years | Greater than 5 years | TOTAL |
|---------------------------------|--------------------|----------------------|----------------------|-------|
| FINANCIAL LIABILITIES - CURRENT |                    |                      |                      |       |
| Lease liabilities               | 12                 | 20                   | -                    | 32    |
| Borrowings                      | -                  | -                    | -                    | -     |
| Trade payables                  | 2,183              | -                    | -                    | 2,183 |
| Other financial liabilities     | 394                | -                    | -                    | 394   |
| TOTAL                           | 2,589              | 20                   | -                    | 2,609 |

As at 31.03.2021

Rupees In Lakhs

| Particulars                     | Less than one year | Between 1 to 5 years | Greater than 5 years | TOTAL |
|---------------------------------|--------------------|----------------------|----------------------|-------|
| FINANCIAL LIABILITIES - CURRENT |                    |                      |                      |       |
| Lease liabilities               | 8                  | 6                    | -                    | 14    |
| Borrowings                      | 177                | -                    | -                    | 177   |
| Trade payables                  | 1,901              | -                    | -                    | 1,901 |
| Other financial liabilities     | 428                | -                    | -                    | 428   |
| TOTAL                           | 2,514              | 6                    | -                    | 2,520 |

## Commodity risk

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

## Market risk

### FOREIGN CURRENCY RISK

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

### FOREIGN CURRENCY RISK MANAGEMENT

In respect of the foreign currency transactions, the Group does not hedge its exposures since the Management believes that the premium on hedge will off-set escalations as payment to foreign suppliers are structured for short durations and not beyond ninety days from the date of invoice.

The Group's exposure to foreign currency risks at the end of the reporting period are as under:

Rupees In Lakhs

| Particulars           | As at 31.03.2022 |     |     | As at 31.03.2021 |     |     |
|-----------------------|------------------|-----|-----|------------------|-----|-----|
|                       | USD              | EUR | CNY | USD              | EUR | CNY |
| Financial liabilities | 281              | 9   | 101 | 354              | 47  | 169 |

**SENSITIVITY TO FOREIGN CURRENCY RISK**

The following table demonstrates the sensitivity to USD, EURO and CNY with all other variables held constant. The below impact on the Group'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.

| Currencies | As at 31.03.2022 |                | As at 31.03.2021 |                |
|------------|------------------|----------------|------------------|----------------|
|            | Increase by 5%   | Decrease by 5% | Increase by 5%   | Decrease by 5% |
| USD        | (14)             | 14             | (18)             | 18             |
| EURO       | (0.5)            | 0.5            | (2)              | 2              |
| CNY        | (5)              | 5              | (8)              | 8              |

**INVESTMENT IN MUTUAL FUNDS**

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

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

| Sensitivity                                       | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Impact on profit after tax for 5% increase in NAV | 101              | 79               |
| Impact on profit after tax for 5% decrease in NAV | (101)            | (79)             |

**INVESTMENTS IN BANK DEPOSITS**

As Indian Banks are fundamentally well structured and backed by the Reserve Bank of India and the Government, risk associated with fixed deposits may be considered negligible even though return may not be highly lucrative.

**Note 46 CAPITAL MANAGEMENT**

The Group'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, current and non-current liabilities there are no liabilities subsisting on the Group. The Treasury Management Team facilitates investment of surplus funds with banks and mutual funds in the best interest of all Stakeholders.

## Dividends

Rupees In Lakhs

| Particulars   | Appropriated in the accounts during the financial year 2021-22 | Appropriated in the accounts during the financial year 2020-21 |
|---|--|--|
| EQUITY DIVIDEND   |  |  |
| Interim dividend for the year ended March 31, 2020 of Rs.1.80 per fully paid share  |  | 759 (including dividend tax Rs.129 lakhs)                      |
| Final dividend for the year ended March 31, 2021 of Rs.2.20/- per fully paid share  | 770 (including TDS Rs.74 lakhs)                                |  |
|   |  |  |
| The Board of Directors of the Company have recommended a dividend of Rs. 4/- per equity share (being two hundred percent) of the nominal value of rupees two per equity share which inter-alia includes/ is inclusive of special additional dividend of Rs.1/- per equity share (fifty percent) to commemorate achievement of over rupees two hundred crores in revenue during the financial year 2021-22 | 1,400 (including applicable TDS)                               |  |

Notes: (i) There has been no dividend declared by the subsidiary. (ii) Dividends declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act, 2013.

## Note 47 GENERAL RESERVE

The Board of Ador Fontech Limited has elected to transfer an amount of rupees four crores to the General reserve for the financial year 2021-22. In the case of Subsidiary no transfer has been effected to the General reserve.

## Note 48 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

| 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 31.03.2022 | Proportion of ownership/investment interest as at 31.03.2021 | Method of accounting | Remarks |
|--------------------------------------|---|--|--|--|----------------------|---------|
| Subsidiary                           | 3D Future Technologies Private Limited          | India  | 100%   | 100%   | Fair value           | -       |

## Summary of assets, liabilities, income & expenditure of the subsidiary

| Particulars                            | Country of incorporation | Percentage of holding | As at 31.03.22/31.03.21 |                          |                        |                     | Year ended 31.03.22/31.03.21 |             |                   |
|--|--------------------------|-----------------------|-------------------------|--------------------------|------------------------|---------------------|------------------------------|-------------|-------------------|
|  |                          |                       | Assets                  | Liabilities & provisions | Contingent liabilities | Capital commitments | Income                       | Expenditure | Profit before tax |
| 3D Future Technologies Private Limited | India                    | 100%                  | 1,121                   | 1,841                    | -                      | -                   | 485                          | (1,031)     | (546)             |
| Previous year data                     | India                    | 100%                  | 906                     | 1,212                    | -                      | -                   | 302                          | (666)       | (364)             |

Notes: (i) Details provided in the above table are as per Financial Statements of 3DFT without set off of transactions between holding and subsidiary companies (ii) Commitment by 3D Future Technologies Pvt. Ltd. (Subsidiary) to Ador Fontech Limited (Holding Company): (a) Monthly rental payments for usage of leased equipment (i) For the period 09.06.2017 to 08.06.2022-Rs.50,726 (Rupees fifty thousand, seven hundred and twenty six only) (ii) For the period 01.02.2021 to 01.01.2025-Rs.2,40,500 (Rupees two lakh, forty thousand and five hundred only) plus applicable GST thereon. (b) Interest on inter corporate deposits.

## Note 49 INFORMATION ON JOINT VENTURE

The joint venture M/s. Dualrank Fontech which had ceased operations has been duly closed as per Malaysian Laws vide the process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020. The Company has through the HDFC bank (Authorised dealer) submitted closure documents to the Reserve Bank of India.

## Note 50 CONTRACTUAL LIABILITIES

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

## Note 51 UTILISATION OF BORROWED FUNDS & SHARE PREMIUM

(i) The Company is debt free. (ii) Balance in share premium account is nil.

## Note 52 REALISATIONS

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

## Note 53 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 54 DETAILS OF BENAMI PROPERTY HELD

There were no proceedings initiated or pending against the Group under Benami Transactions (Prohibitions) Act, 1988 and Rules there under.

## Note 55 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group did not have any relationship with struck off companies.

## Note 56 UNDISCLOSED INCOME

There were no proceedings initiated against the Group regarding undisclosed income which needs to be disclosed during the current year.

## Note 57 **BORROWINGS OBTAINED ON THE BASIS OF SECURITY**

The Group has working capital limit sanctioned by the HDFC Bank Limited based on the security of current assets and fixed deposits. As per the sanction, limits can be swapped between funded and non-funded requirements.

As on March 31, 2022 the Group has availed only bank guarantees and continues to be debt free. Therefore, submission of statement to the bank is not applicable to the Group.

## Note 58 **DISCREPANCY IN THE UTILISATION OF BORROWINGS**

As on March 31, 2022 the Group continues to be debt free. Therefore, discrepancy report is not applicable.

## Note 59 **CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The Group has not made any trade in crypto currency or virtual currency during the year.

## Note 60 **WILFUL DEFAULTERS**

The Group has not been declared as wilful defaulter by any bank/financial institution or any other lenders.

## Note 61 **REGISTRATION AND SATISFACTION OF CHARGES**

There is no charge pending for registration beyond the stipulated time period.

## Note 62 **COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

## Note 63 **FINANCIAL RATIOS**

Please refer 'Ratio Analysis' - Page numbers 41 and 42.

## Note 64 **AMOUNTS IN THE FINANCIAL STATEMENTS**

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

A T MALKANI  
Chairman  
DIN 01585637

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

GEETHA D  
Company Secretary & CFO  
Bengaluru, May 19, 2022

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

Praveen Kumar N-Membership No: 225884  
Firm Registration no.:011350S  
UDIN: 22225884AKMLNK5181  
Bengaluru, May 19, 2022



# SNAPSHOT OF THE FINANCIAL STATEMENTS OF ADOR FONTECH LIMITED AND ITS WHOLLY OWNED SUBSIDIARY

Rupees In Lakhs

| Particulars                          | As at March 31, 2022 |                |               | As at March 31, 2021 |                |               |
|--------------------------------------|----------------------|----------------|---------------|----------------------|----------------|---------------|
|                                      | ADFL                 | 3DFT           | TOTAL         | ADFL                 | 3DFT           | TOTAL         |
| <b>ASSETS</b>                        |                      |                |               |                      |                |               |
| <b>NON-CURRENT ASSETS</b>            |                      |                |               |                      |                |               |
| Property, plant and equipment        | 2,666                | 111            | 2,777         | 2,624                | 130            | 2,754         |
| Intangible assets                    | 142                  | -              | 142           | -                    | 1              | 1             |
| Right to use an asset                | -                    | 31             | 31            | -                    | 14             | 14            |
| Capital work-in-progress             | -                    | -              | -             | 244                  | -              | 244           |
| Financial Assets                     |                      |                |               |                      |                |               |
| (i) Investments                      | -                    | 15             | 15            | 188                  | 15             | 203           |
| (ii) Other financial assets          | -                    | 5              | 5             | -                    | 1              | 1             |
| Non-current assets                   | -                    | 1              | 1             | -                    | 1              | 1             |
| Deferred tax assets (net)            | -                    | 584            | 584           | (58)                 | 452            | 394           |
| <b>TOTAL NON-CURRENT ASSETS</b>      | <b>2,808</b>         | <b>747</b>     | <b>3,555</b>  | <b>2,998</b>         | <b>614</b>     | <b>3,612</b>  |
| <b>CURRENT ASSETS</b>                |                      |                |               |                      |                |               |
| Inventories                          | 2,273                | 76             | 2,349         | 2,523                | 44             | 2,567         |
| Financial Assets                     |                      |                |               |                      |                |               |
| (i) Trade receivables                | 2,754                | 67             | 2,821         | 2,722                | 32             | 2,754         |
| (ii) Cash and cash equivalents       | 27                   | 45             | 72            | 52                   | 5              | 57            |
| (iii) Bank deposits                  | 3,816                | 5              | 3,821         | 2,644                | 4              | 2,648         |
| (iv) Loans                           | 313                  | 4              | 317           | 363                  | 3              | 366           |
| (v) Other financial assets           | -                    | 1              | 1             | -                    | -              | -             |
| (vi) Investments                     | 2,015                | -              | 2,015         | 1,572                | -              | 1,572         |
| Other current assets                 | 387                  | 109            | 496           | 116                  | 104            | 220           |
| Current tax assets (Net)             | 325                  | -              | 325           | 414                  | -              | 414           |
| <b>TOTAL CURRENT ASSETS</b>          | <b>11,910</b>        | <b>307</b>     | <b>12,217</b> | <b>10,406</b>        | <b>192</b>     | <b>10,598</b> |
| <b>TOTAL ASSETS</b>                  | <b>14,718</b>        | <b>1,054</b>   | <b>15,772</b> | <b>13,404</b>        | <b>806</b>     | <b>14,210</b> |
| <b>EQUITY AND LIABILITIES</b>        |                      |                |               |                      |                |               |
| <b>EQUITY</b>                        |                      |                |               |                      |                |               |
| Equity share capital                 | 700                  | -              | 700           | 700                  | -              | 700           |
| Other equity                         | 13,270               | (1,689)        | 11,581        | 11,477               | (1,281)        | 10,196        |
| <b>TOTAL EQUITY</b>                  | <b>13,970</b>        | <b>(1,689)</b> | <b>12,281</b> | <b>12,177</b>        | <b>(1,281)</b> | <b>10,896</b> |
| <b>NON-CURRENT LIABILITIES</b>       |                      |                |               |                      |                |               |
| Lease liabilities                    | -                    | 20             | 20            | -                    | 6              | 6             |
| Provisions                           | -                    | 40             | 40            | 67                   | 36             | 103           |
| <b>TOTAL NON-CURRENT LIABILITIES</b> | <b>-</b>             | <b>60</b>      | <b>60</b>     | <b>67</b>            | <b>42</b>      | <b>109</b>    |
| <b>Current liabilities</b>           |                      |                |               |                      |                |               |
| Financial Liabilities                |                      |                |               |                      |                |               |
| (i) Lease liabilities                | -                    | 12             | 12            | -                    | 8              | 8             |
| (ii) Borrowings                      | -                    | -              | -             | -                    | 177            | 177           |
| (iii) Trade payables                 | 2,131                | 52             | 2,183         | 1,865                | 36             | 1,901         |
| (iv) Other financial liabilities     | 295                  | 99             | 394           | 324                  | 104            | 428           |
| Other current liabilities            | 167                  | 311            | 478           | 116                  | 148            | 264           |
| Provisions                           | 361                  | 3              | 364           | 424                  | 3              | 427           |
| <b>TOTAL CURRENT LIABILITIES</b>     | <b>2,954</b>         | <b>477</b>     | <b>3,431</b>  | <b>2,729</b>         | <b>476</b>     | <b>3,205</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>16,924</b>        | <b>(1,152)</b> | <b>15,772</b> | <b>14,973</b>        | <b>(763)</b>   | <b>14,210</b> |

# SNAPSHOT OF THE FINANCIAL STATEMENTS OF ADOR FONTECH LIMITED AND ITS WHOLLY OWNED SUBSIDIARY

Rupees In Lakhs

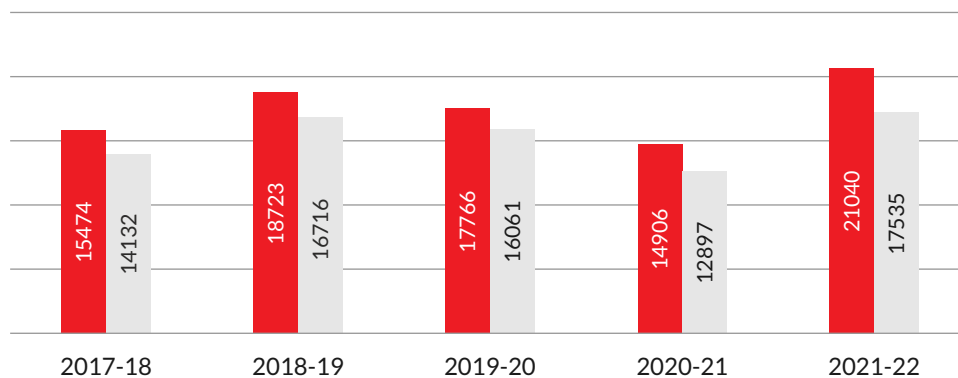
| Particulars   | As at March 31, 2022 |              |               | As at March 31, 2021 |              |               |
|---|----------------------|--------------|---------------|----------------------|--------------|---------------|
|   | ADFL                 | 3DFT         | TOTAL         | ADFL                 | 3DFT         | TOTAL         |
| <b>INCOME</b>   |                      |              |               |                      |              |               |
| Revenue from operations   | 20,474               | 481          | 20,955        | 14,667               | 285          | 14,952        |
| Other income/(Adj.)   | 446                  | 4            | 450           | 187                  | 58           | 245           |
| <b>TOTAL INCOME</b>   | <b>20,920</b>        | <b>485</b>   | <b>21,405</b> | <b>14,854</b>        | <b>343</b>   | <b>15,197</b> |
| <b>EXPENSES</b>   |                      |              |               |                      |              |               |
| Cost of materials consumed  | 4,278                | 172          | 4,450         | 3,935                | 88           | 4,023         |
| Purchase of stock in trade  | 6,243                | 5            | 6,248         | 3,458                | 4            | 3,462         |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 338                  | -            | 338           | 257                  | (1)          | 256           |
| Employee benefits expenses  | 2,762                | 255          | 3,017         | 2,386                | 204          | 2,590         |
| Finance cost  | -                    | 13           | 13            | -                    | 25           | 25            |
| Depreciation and amortisation cost  | 271                  | 70           | 341           | 247                  | 50           | 297           |
| Other expenses  | 3,643                | 389          | 4,032         | 2,614                | 285          | 2,899         |
| <b>TOTAL EXPENSES</b>   | <b>17,535</b>        | <b>904</b>   | <b>18,439</b> | <b>12,897</b>        | <b>655</b>   | <b>13,552</b> |
| <b>PROFIT BEFORE TAX</b>  | <b>3,385</b>         | <b>(419)</b> | <b>2,966</b>  | <b>1,957</b>         | <b>(312)</b> | <b>1,645</b>  |

## FORMS

For availing the following Investor Services, kindly send a written request in the prescribed form to the RTA of the Company - Integrated Registry Management Services either by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) or by post-No.30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003 Tel: (080) 2346 0815-18 Fax: (080) 2346 0819

| TYPE OF HOLDER | PROCESS TO BE FOLLOWED   |            |
|----------------|--|------------|
| PHYSICAL       | Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for shares held in physical mode    | Form ISR-1 |
|                | Update of signature of the Member  | Form ISR-2 |
|                | For nomination as provided in Rule 19 (1) of the Companies (Share capital and debenture) Rules, 2014   | Form SH-13 |
|                | Declaration to opt out of nomination   | Form ISR-3 |
|                | Cancellation of nomination by the Holder(s) (along with ISR-3) / Change of Nominee   | Form SH-14 |
|                | Form for requesting issue of duplicate certificate and other service requests for shares held in physical form   | Form ISR-4 |
|                | Forms for updating the above details are available at: <a href="https://www2.adorfon.com/investors-info/forms/">https://www2.adorfon.com/investors-info/forms/</a>     |            |
| DEMAT          | Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP. |            |

## FIVE YEARS AT A GLANCE-STANDALONE FINANCIAL STATEMENTS



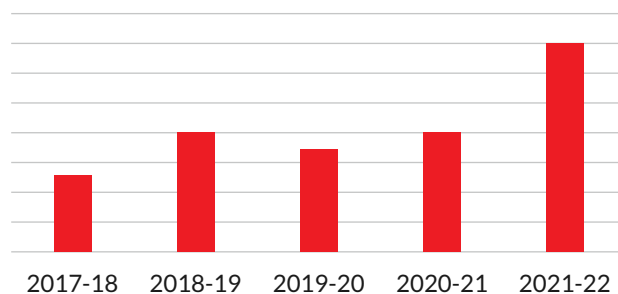
■ INCOME ■ EXPENDITURE

Rupees In Lakhs

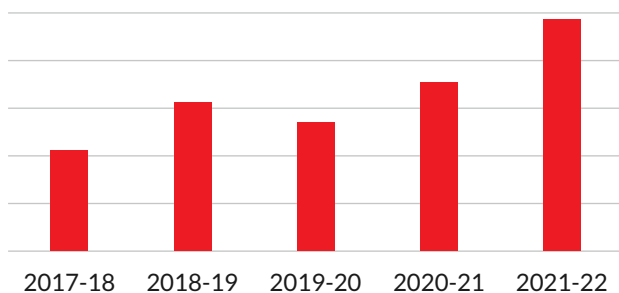
| Particulars | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|-------------|---------|---------|---------|---------|---------|
| Income      | 15,474  | 18,723  | 17,766  | 14,906  | 21,040  |
| Expenditure | 14,132  | 16,716  | 16,061  | 12,897  | 17,535  |

Rupees In Lakhs

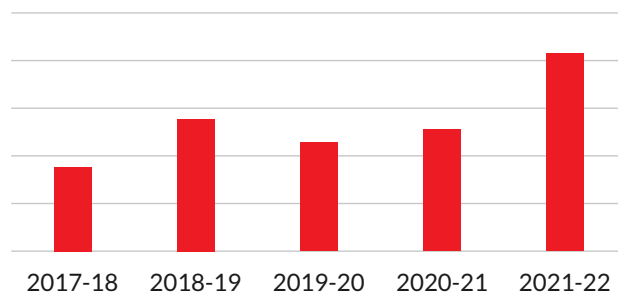
| Particulars | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|-------------|---------|---------|---------|---------|---------|
| PBT         | 1,342   | 2,007   | 1,705   | 2,009   | 3,505   |
| Tax         | 444     | 625     | 572     | 738     | 961     |
| PAT         | 898     | 1,382   | 1,133   | 1,271   | 2,544   |



PROFIT BEFORE TAX

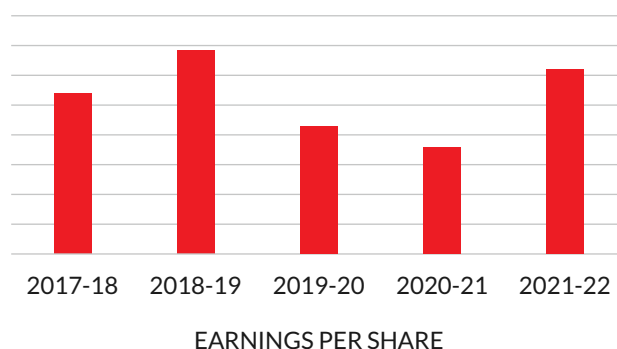
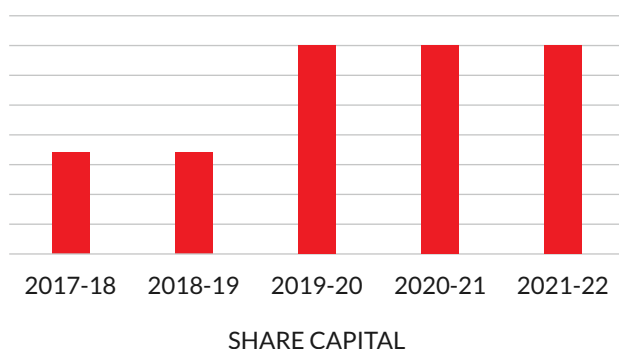


TAX



PROFIT AFTER TAX

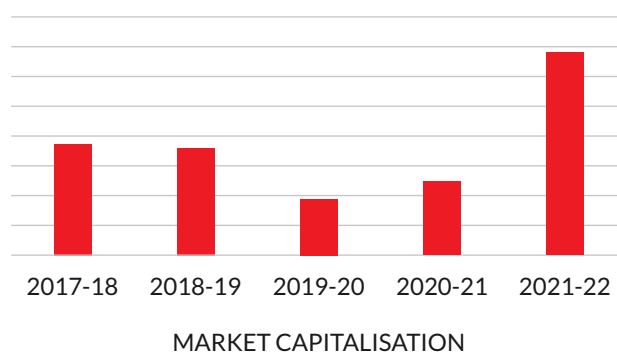
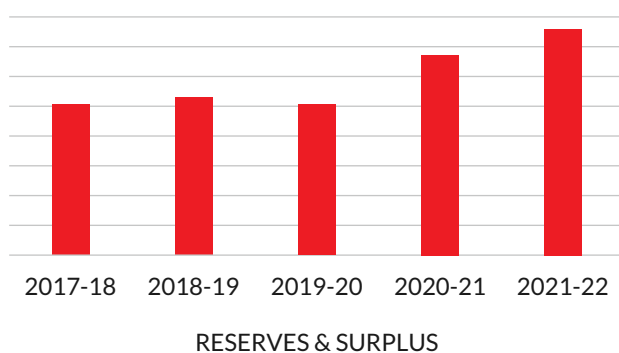
## FIVE YEARS AT A GLANCE-STANDALONE FINANCIAL STATEMENTS



Rupees In Lakhs

| Particulars        | 2017-18 | 2018-19 | *2019-20 | 2020-21 | 2021-22 |
|--------------------|---------|---------|----------|---------|---------|
| Share capital      | 350     | 350     | 700      | 700     | 700     |
| Earnings per share | 5.4     | 7.9     | 4.3      | 3.6     | 7.3     |

Note: Post bonus issue of 1:1 number of equity shares doubled and consequent earnings per share (EPS).



Rupees In Lakhs

| Particulars           | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|-----------------------|---------|---------|---------|---------|---------|
| Reserves and surplus  | 10,055  | 10,865  | 10,179  | 11,477  | 13,270  |
| Market capitalisation | 18,506  | 17,868  | 9,800   | 12,950  | 24,430  |

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# Notes

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## ADOR FONTECH LIMITED

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