



LIFE ENHANCEMENT OF INDUSTRIAL COMPONENTS

—
43RD ANNUAL REPORT 2017-18



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

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

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

CORPORATE INFORMATION

THE BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Geetha D

MANAGEMENT TEAM

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

COMPLIANCE OFFICER

Mr. Gagandeep Singh

REGISTERED AND CORPORATE OFFICE

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

GOODS AND SERVICES TAX REGISTRATIONS

Bengaluru 29AABCA1724H1ZY
Nagpur 27AABCA1724H1Z2
Gurgaon 06AABCA1724H2Z5

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

SHARE TRANSFER AGENT

Integrated Registry Management Services Private Limited
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

AUDITORS

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

BANKERS

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

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

BOARD OF DIRECTORS



Mr. A T Malkani
Chairman



Mr. H P Ledwani
Managing
Director



Mrs. N Malkani Nagpal
Promoter
Director



Mr. N S Marshall
Independent
Director



Mr. Santosh Janakiram
Independent
Director



Mr. Rafique Abdul Malik
Independent
Director

CONTENTS

04

Notice

12

Directors'
Report

22

Annexures to the
Directors' Report

60

Auditors' Report
(Standalone)

70

Financial Statements
(Standalone)

76

Notes to the Financial
Statements (Standalone)

118

Auditors' Report
(Consolidated)

126

Financial Statements
(Consolidated)

132

Notes to the Financial
Statements (Consolidated)

167

Five years at a glance

Notice is hereby given that the **43rd Annual General Meeting** (AGM) of the Members of the Company will be held at Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001 on Thursday, August 2, 2018 at 11.30 hours to transact the following business:

ORDINARY BUSINESS

1. Adoption of accounts

To consider and adopt the audited financial statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. Declaration of dividend

To declare dividend of Rs. 3/- (Rupees three only) per equity share for the financial year ended March 31, 2018.

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

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

4. Ratify the appointment of Statutory Auditors

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

Resolved that pursuant to Section(s) 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s Srinivas and Subbalakshmi, Chartered Accountants, Bengaluru (Firm Registration No. 011350S) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 47th Annual General Meeting of the Company to examine and audit the accounts upto the financial year 2021-22 at a remuneration, as may be mutually agreed upon between the Board of Directors and the Auditors.

Resolved further that the Board of Directors of the Company (including any Committee thereof) and/or the Company Secretary be and are hereby severally authorised to do all such acts as may be considered necessary, proper or expedient to give effect to this resolution.

SPECIAL BUSINESS

5. Appointment of Branch Auditors

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

Resolved that pursuant to Section(s) 139, 143 and other applicable provisions of the Companies Act, 2013 read with rules made there under, the accounts for the year ending March 31, 2019 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.

6. Cost Auditors and their remuneration

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

Resolved that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of M/s. Rao, Murthy and Associates (Firm registration no. 000065) at a remuneration of rupees one lakh and twenty five thousand plus applicable taxes thereon, be and is hereby approved and ratified for conducting Cost Audit of the Company for the financial year 2018-19.

7. Service of documents to Members

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 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as 'the Act'), consent of the Company be and is hereby accorded to the Board of Directors to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address or by such electronic or other mode prescribed under the Act and as may be desired by the Member(s), from time to time.

Resolved further that upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in that particular mode.

Resolved further that the Board of Directors of the Company be and is hereby authorised to do all such acts as may be deemed necessary, proper or expedient to give effect to this resolution.

NOTES

- A Member entitled to attend and vote at the Annual General Meeting (the 'meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. A person can act as proxy on behalf of a maximum of 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy, for any other person or shareholder.
- Corporate members intending to send their authorised representatives to attend are requested to send a certified copy of the Board resolution to the Company or upload it on the e-Voting portal, authorising their representative to attend and vote on their behalf at the meeting.
- Instrument appointing proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
- Statement pursuant to Section 102 of the Companies Act, 2013 and explanations relating to business to be transacted at the meeting are annexed hereto.
- Register of Members and Share Transfer Books will remain closed from July 27, 2018 to August 2, 2018 (both days inclusive). Eligibility for dividend will be reckoned as on July 26, 2018; if declared at the Annual General Meeting.
- Members are requested to note that dividend(s) not claimed within seven years from the due date are required to be transferred to the Investor Education and Protection Fund. As such, Shareholders who have not

encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years.

- In terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of dividends on the website of the Company 'www.adorfon.com' to enable Shareholders to check for their unclaimed dividend(s), if any.
- Amount of unclaimed dividend as at March 31, 2018 for the years 2010-11 to 2016-17 aggregate to Rs.113 lakhs (previous year Rs.108 lakhs).
- Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all equity shares of the Company on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF). The Company has also written to the concerned Shareholder(s) intimating them, their particulars of equity shares due for transfer. These details are also available on the Company's website 'www.adorfon.com'. Shareholders are requested to claim dividend on these equity shares at the earliest to avoid transfer of the aforesaid shares. No claim shall lie against the Company in respect of these equity shares post their transfer to IEPF. However, upon transfer, the Shareholders will be able to claim these equity shares from the IEPF Authority by making an online application, the details of which are available at www.iepf.gov.in.
- Member(s) whose shareholding is/are in electronic mode are requested to direct change of address and update details of bank account with their respective Depository Participant(s).
- Member(s) are requested to send all share transfer lodgements (physical mode) to Integrated Registry Management Services Private Limited, marking on the envelope-Unit-Ador Fontech Limited.

- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
- Copies of Annual Report 2017-18 including Notice to the 43rd Annual General Meeting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company, unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses or if e-mail sent bounces back, physical copies of the Annual Report are being sent by the permitted mode.
- Members may also note that the Notice to the 43rd Annual General Meeting and Annual Report 2017-18 will be available on the Company's website 'www.adorfon.com'. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days.
- The Company has provided e-Voting as an option. E-Voting will commence from July 30, 2018 at 9:00 hours and end on August 1, 2018 at 17:00 hours. Instructions for the same have been made available as part of addendum to this Annual Report. Further, voting rights will be reckoned on the paid-up value of shares registered in the name of the Member(s) as on July 26, 2018. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 26, 2018 may obtain Login Id & Password by sending a request to NSDL - evoting@nsdl.co.in.
- All documents referred to, in the Annual Report will be available for inspection at the Company's Registered Office during normal business hours on all working days up to the date of the AGM.

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

Item No. 3

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

The Board recommends the resolution set out at item no. 3 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution except Mrs. N Malkani Nagpal, as it pertains to her appointment.
- (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- (c) Other than relatives of the person mentioned in the sub clause (a) above, comprising Mrs. Gulshan Gulu Malkani and Ms. Michelle Gulu Malkani (holding shares in Ador Fontech Limited) none of the relative(s) of KMP and other Director(s), is/are concerned or interested in the resolution.

Item No. 4

In terms of the Companies Amendment Act, Ministry of Corporate Affairs notification dated May 7, 2018; the proviso of year on year ratification of appointment of Statutory Auditors has been omitted. However, the terms of resolution passed at the 42nd AGM had provided for the same and hence the Company has subjected the resolution for consent of the Members. On approval, the Statutory Auditors shall hold office up to the conclusion of the 47th AGM to be held in 2022.

The Board recommends the resolution set out at item no. 4 for approval. Nature of concern or interest, financial or otherwise, if any:

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

Item No. 5

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 143(8) read with Section 141 of the Companies Act, 2013 and such other regulations/ notifications, to audit the accounts, for the year ending March 31, 2019 and fix their remuneration.

The Board recommends the resolution set out at item no. 5 for approval. Nature of concern or interest, financial or otherwise, if any:

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

Item no. 6

Keeping in line the best practices of Corporate Governance, the Board has appointed M/s. Rao, Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2018-19 and finalised their remuneration. The same is placed for ratification of the Members.

The Board recommends the resolution set out at item no. 6 for approval. Nature of concern or interest, financial or otherwise, if any:

- (a) No Director of the Company is concerned or interested in the said resolution.

(b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.

(c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

Item No. 7

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same by post or by registered post or by speed post or by courier or by delivering it at his/her/their office or residential address, or by such electronic or other mode as may be prescribed. However, the proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she/they shall pay such fees as may be determined by the Company at its Annual General Meeting (AGM).

Further, listed companies are required to send financial statements:

(a) By electronic mode to such Members whose shareholding is in demat form and whose email are registered with the depository for communication purposes.

(b) Where shareholding is held otherwise than by demat form, to such Members who have positively consented in writing for receiving by electronic mode and

(c) By dispatch of physical copies through any recognised mode of delivery as specified under Section 20 of the Act, in all other cases.

The Board recommends the resolution set out at item no. 7 for approval. Nature of concern or interest, financial or otherwise, if any:

(a) No Director of the Company is concerned or interested in the said resolution.

(b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.

(c) None of the relative(s) of the persons mentioned in sub-clauses (a) and (b) is concerned or interested in the resolution.

ADDITIONAL INFORMATION

General

NATURE OF INDUSTRY: Life enhancement of industrial components / Repairs and refurbishment (Genesis – Welding and allied applications).

DATE OF COMMENCEMENT OF

COMMERCIAL PRODUCTION: The Company was incorporated on August 22, 1974 and commercial production is on-going, both in Peenya and Nagpur factories.

FINANCIAL PERFORMANCE BASED

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

Others

REASONS FOR LOSS OR INADEQUATE PROFITS: Stagflation in external business environment, particularly in respect of repair welding segment.

STEPS TAKEN OR PROPOSED TO BE TAKEN FOR

IMPROVEMENT: The Company is endeavouring to align resources and lower overheads.

EXPECTED INCREASE IN PRODUCTIVITY AND

PROFITS IN MEASURABLE TERMS: The Company endeavours to enhance sales and profits in tranches reckoned on the basis of economic and industrial growth.

PECUNIARY RELATIONSHIP DIRECTLY OR

INDIRECTLY WITH THE COMPANY OR

RELATIONSHIP WITH MANAGERIAL PERSONNEL,

IF ANY: Mr. A T Malkani and Mrs. N Malkani Nagpal belong to the promoter group – J B Advani and Company Private Limited. They hold interest to the extent of

(i) Shareholding of self and their family members (Details made available as part of the shareholding pattern).

(ii) Salary to Mr. A T Malkani as per the terms of

appointment approved at the Annual general meeting of the Company.

(iii) Sitting fees to Mrs. N Malkani Nagpal.

(iv) Reimbursement of expenses inter-alia conveyance/board and lodging/daily allowance/per diem allowance to meet official expenses and offices commensurate to the position in general.

COMPARATIVE REMUNERATION, PROFILE WITH RESPECT TO INDUSTRY, SIZE OF THE COMPANY, PROFILE OF THE POSITION AND REMUNERATION TO THE WHOLE TIME DIRECTORS IN COMPARISON WITH GENERAL INDUSTRIAL STANDARDS: In companies of similar size, extrapolated in aggregate and singly, remuneration ranges between rupees one hundred and fifty to two hundred lakhs. The Directors qualifications, experience and expertise largely substantiates their compensation package(s).

COMPLIANCE: In terms of the provisions of the Companies Act, 2013 and as per the terms of employment, any payments/reimbursements, in excess of Statutory limits/regulations/permissions (if any), will at all times, be subject to reimbursement by the Director(s).

INFORMATION ABOUT THE APPOINTEE

Mrs. N Malkani Nagpal
(DIN 00031985)

BACKGROUND DETAILS: Mrs. N Malkani Nagpal is a graduate in Commerce with a Master's degree in Business Administration from the Imperial College, UK. She has also attained BSc in Business and Economics from Lehigh University, PA, USA. Her career started with Alliance Capital Asset Management in New York and she has nearly twenty years of experience with Ador Group of Companies.

Mumbai
May 29, 2018
CIN: L31909KA1974PLC020010

JOB PROFILE AND SUITABILITY:

Mrs. N Malkani Nagpal will oversee general business functions. Her educational qualifications entail her to discharge her duties in the best possible manner.

RECOGNITION AND AWARDS: While in particular she has not received any award, the organisations where she has been associated, have been bestowed with awards by industrial confederations.

REMUNERATION: She will be entitled to sitting fees for attending Board and Committee meetings.

General

DATE OF BIRTH: July 6, 1971

SPECIFIC AREA OF EXPERTISE: General Management

DIRECTORSHIP IN COMPANIES (OTHER THAN ADOR FONTECH):

- Public Limited Companies: Ador Welding Ltd., Piem Hotels Ltd. and Ador Multiproducts Ltd.
- Private Limited Companies: J B Advani and Company Pvt. Ltd., Ador Green Energy Pvt. Ltd., 3 D Future Technologies Pvt. Ltd. and 1908 E-Ventures Pvt. Ltd.

COMMITTEE POSITIONS AND CHAIRMANSHIP:

Member of Stakeholders' Relationship Committee of Ador Welding Ltd. and Ador Multiproducts Ltd.

DATE OF FIRST APPOINTMENT: July 27, 2006

NUMBER OF SHARES HELD IN THE COMPANY:
27,350

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

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

As the Managing Director of Ador Fontech Limited, I hereby declare and certify that all the Board Members and Senior Management Personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2017-18.

**COMPLIANCE CERTIFICATE PURSUANT TO SEBI (LODR) REGULATIONS, 2015
REGULATION 17 (7) AND 17(8) READ WITH SCHEDULE II**

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

**DISCLOSURE PURSUANT TO SEBI (LODR) REGULATIONS, 2015
REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2)**

The Company has complied with disclosure requirements of Corporate Governance and has made submissions to the BSE, besides details have been uploaded on the website of the Company.

Mumbai
May 29, 2018

For ADOR FONTECH LIMITED
H P LEDWANI
Managing Director
DIN: 00040629

**DECLARATION PURSUANT TO SEBI (LODR) REGULATIONS, 2015
REGULATION 34(3) READ WITH SCHEDULE V (C) (5) (A)**

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

REGULATION 34(3) AND 36(3)(C) READ WITH SCHEDULE V (C) (2) (E)

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

Mumbai
May 29, 2018

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

INVESTOR EDUCATION AND PROTECTION FUND

All equity shares of the Company on which dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to Investor Education and Protection Fund (IEPF) in pursuance of statutory regulations. Details of unclaimed dividend are made available on the website of the Company, besides individual mailers have been sent to the Shareholders at their registered address, whose shares are likely to be transferred to the IEPF Account. The Company has also issued newspaper publication in this regard.

However, any Shareholder whose unclaimed amount has been transferred by the Company to IEPF, may claim their refunds from the IEPF authority. For claiming such amount, claimant needs to file form IEPF-5 along with requisite documents.

Form-IEPF-5 can be downloaded from the website of the Ministry of Corporate Affairs.

Procedure to claim refund

- Download form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for refund. Kindly read instructions provided on the website/instruction kit along with the e-form carefully, before filling the form.
- After filling the form, save it on your computer and submit the duly filled form by following instructions given in the upload link, on the website. On successful uploading, an acknowledgement will be generated indicating the Service request number (SRN). Please note the SRN for future tracking of the form.
- Take a printout of the duly filled IEPF-5 and acknowledgement issued after uploading the form.
- Submit indemnity bond in original, copy of acknowledgement and self-attested copy of e-form along with other documents, as mentioned in Form IEPF-5 to the Nodal Officer (IEPF) of the Company/Compliance Officer, addressed to the registered office - Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042 - in an envelope marked 'Claim for refund from IEPF Authority'.
- Claim forms completed in all aspects will be verified by the Company and on the basis of Company's verification report; refund will be released by the IEPF Authority in favor of claimant's Aadhaar linked bank account, through electronic transfer.



DIRECTORS' REPORT

To the Members,

The Directors are delighted to present the 43rd Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2018.

At the outset, the year 2017-18 will remain historic with the introduction of GST (Goods and Services Tax), which subsumes many of the indirect tax legislations, thereby enabling simplified structures and easier compliances. Coupled with this, in terms of the mandate of the Ministry of Corporate Affairs and Listing Requirements, the financial statements for the year ended March 31, 2018 have been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs as at March 31, 2018 besides profits and cash flows for the year ended on that date.

FINANCIAL HIGHLIGHTS

Rupees In Lakhs

Details	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue	15,474	14,890	15,602	14,924
EBITDA*	1,728	1,635	1,535	1,413
Finance cost/Interest	-	-	15	12
Depreciation	302	326	346	376
Operating Profit	1,426	1,309	1,174	1,025

*EBITDA - Earnings before interest, tax, depreciation and amortisation

DIVIDEND

The Directors are happy to recommend a dividend of Rs. 3/- (rupees three only) per share, being one hundred and fifty percent and same as in the previous year.

TRANSFER TO RESERVES

The Directors propose to transfer rupees one crore, same as in the previous year to the General Reserve.

REVIEW OF BUSINESS OPERATIONS

Standalone

During the first quarter of the financial year, there was deferment of revenue, with most customers and dealers opting to take a very conservative approach during the transition phase to the Goods and Services Tax (GST). Nonetheless, to a great extent this was made up in the balance of the quarters and the Company surpassed its previous year's achievement, both in terms of revenue and profitability.

Further, the economy has begun to rebound and it is hoped that it may have a positive impact on the business of the Company, besides internal improvement measures such as upgradation of Enterprise Resource Management

(ERM) and robust Performance Management System (PMS), are believed to provide enhanced value addition to ensure long term sustained development and growth.

Consolidated

There has been a reasonable enhancement in the growth of 3D Future Technologies Private Limited (3DFT). The business has expanded geographically and also in terms of the number of orthodontist associates. The total investment in equity in 3D Future Technologies Private Limited stood at rupees six crores and fifty lakhs as at March 31, 2018 of which rupees two crores and fifty lakhs was funded by Ador Fontech Limited during the financial year 2017-18. The Company has also provided lien mark on its investments to facilitate 3DFT to manage its working capital and remain self-sustaining.

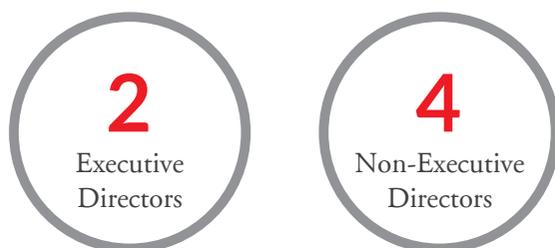
DISINVESTMENT OF DORMANT BUSINESS UNITS

The Company owned three units/galas in Ashok Service Industrial Estate, Mumbai. The place where the units were situated was not congenial for business operations and hence the Company had to re-locate its divisional operations to a new business centre. The existing three non-operational/dormant business units/galas admeasuring 300 sq.ft. each were sold for rupees one crore and thirty nine lakhs and profit thereon has been accounted under 'other income'. Details of transactions being in compliance

of Section 179 and 180 of the Companies Act, 2013 and within the permissible limits of the Board (with investment being less than twenty percent of the net-worth of the Company), information was disseminated through the BSE portal under corporate announcement, vide Regulation 30 of SEBI (LODR) Regulations, 2015 dated December 2, 2017 before undertaking the transactions.

BOARD AND ITS COMPOSITION

The current policy is to have an appropriate mix of Executive and Independent Directors with distinctiveness in the functions of governance and management. At present, there are six Members on the Board.



Amongst the Non- Executive Directors, three of them are Independent and one woman Director. They represent varied fields of eminence including legal, marketing, technical, organisational development etc.

The Board and Audit Committee had met six times while Stakeholder Relationship Committee, Corporate Social Responsibility Committee, Management Development, Nomination and Remuneration Committee had met five times during the financial year 2017-18.

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Directors affirm the following:

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

DIRECTORS

Mrs. N Malkani Nagpal will retire by rotation at the ensuing Annual general meeting and is eligible for re-appointment. Further, all three Independent Directors have provided declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. Further, in terms of Section 149 none of the relatives of an Independent Director are:

- Indebted to the Company, its holding, subsidiary or associate company or their Promoters or Directors.
- Have given any guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their Promoters or Directors, at any time during the preceding financial years or during the current financial year.

DETAILS OF CHANGES IN DIRECTORS AND/OR KEY MANAGERIAL PERSONNEL

There were no changes in the Board during the financial year 2017-18.

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

The policy and procedure of evaluation is categorised into two folds:

- Board and its Members
- Employees of the Company

Evaluation of the Board is undertaken in terms of achievement of set agreed targets comprising amongst others:

- (i) Business strategies
- (ii) Corporate budget
- (iii) Capital expenditure
- (iv) Performance of products
- (v) Committee wise reviews
- (vi) Other financial and business parameters

Each of the Board Member contribute in terms of their expertise and undertake think-tank-measures for organisational development, legal and compliance requirements, development of wholly owned subsidiary etc. The Board is confident that collectively and individually best possible efforts have been drawn.

Senior management of the Company and all other employees including shop floor personnel have been covered under the gamut of Performance Management System (PMS). This encompasses setting of corporate

goals at the beginning of the year and synchronising corporate goals with departmental and individual goals. At the end of the year appraisal is conducted and percentage performance is arrived, which is mapped to a band and based on the band, compensation gets determined. The whole process is devoid of any bias and employees are provided freedom to work with their role and goal congruence aligned.

INTERNAL CONTROL SYSTEMS

The Company has in place well defined and adequate internal controls including financial controls commensurate with the size of the Company and the same has been operating effectively. The policies and procedures have been designed to ensure proper and efficient conduct of business, safeguarding of assets, prevention and detection of frauds and errors, as also accuracy and completeness of accounting records and timely preparation of reliable financial information. The Company has appointed external Auditors to conduct internal audits. Observations emanating from the reports are discussed, analysed and solutions are facilitated by the Board and Management team through - Plan, Do, Check and Act - approach. Further, the Statutory Auditors have also carried out an audit and their report on internal financial controls forms part of the Annual Report.

AUDITS

Statutory Audit

In respect of the financial year 2017-18, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) specified in the audit reports. Hence explanations or comments on the same do not become applicable.

Secretarial Audit

The Secretarial Audit Report for the financial year 2017-18 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 suo motto ensures conduct of cost audit.

Internal Financial Controls

Quarterly audits at the corporate, manufacturing units and major business locations are being conducted to ensure internal financial controls are adhered effectively.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has 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.

AUDITORS

Statutory Audit

The Board recommends ratification of appointment of Statutory Auditors, M/s. Srinivas and Subbalakshmi, Chartered Accountants (Firm Registration No. 011350S), having office at No. 237, 2nd cross, Cambridge Layout, Halasuru, Bengaluru 560 008. Further, the audit firm in compliance of law, has consented to continue with the assignment.

Secretarial Audit

The Board has appointed Ms. Manjula Narayan, Company Secretary (ACS Membership No. 28374 & CP No.10150), having office at No.22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru - 560 036 as the Secretarial Auditor of the Company for the financial year 2018-19.

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 ratification of remuneration have been placed before the Members.

JOINT VENTURE AND SUBSIDIARY

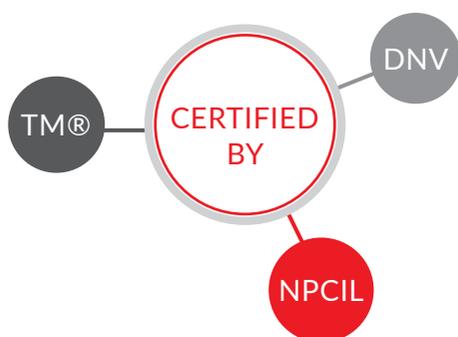
In terms of intimation provided to the (i) Stock Exchange vide Regulation 30 of SEBI (LODR) Regulations, 2015 dated January 30, 2017. (ii) Ministry of Corporate Affairs/Registrar of Companies – MGT-14 – SRN G52452992 and (iii) As informed in the Annual Report of 2016-17, the Company has started the process of exiting from the joint venture – Dualrank Fontech (M) Sdn. Bhd. To reiterate, the exit was essential to stop further and future recurring losses as also to focus on the Indian market, where potential is on an uphill. The process of exit is expected to be completed during the financial year 2018-19. On closure, the Company will file necessary documents, subject to the consent of the Board, with the Reserve Bank of India, which had facilitated investment under automatic approval route, in terms of unique identification number (UIN BGJAZ20120643). It may also be pertinent to note that as per Ind-AS fair value requirements, the Company has already provided for in its books of accounts towards equity (rupees seventy six lakhs) and loan including interest (rupees two hundred and nine lakhs), thereby ensuring that implication of financial requirements has been fully addressed. Further, with neither controlling interest nor an investment proposition subsisting as at the beginning of the financial year, consolidation of accounts has not been warranted.

As far as 3D Future Technologies Private Limited (3DFT), a strong base has been set and it is deemed that in the world over, 3D printing will be the in-thing of the future and the Company deems that it has an early advantage of entry in to this segment. To recapitulate, 3DFT has been formed as a Private limited company (CIN U74999MH2015PTC261114) with entire contribution to equity subscribed by Ador Fontech Limited, in terms of Section 179(3)(h)) read with

sub-clause (e) of the Companies Act, 2013. Further, in terms of Section 179(3)(f) read with the Companies (Meetings of the Board and its Powers) Rules, 2014; the Company has provided lien by way of guarantee to the borrowings effected by 3DFT, of which charge has been registered with the Ministry of Corporate Affairs (MCA) vide ID no. 100038046 dated Oct 29, 2015 in favour of the HDFC Bank Limited.

PRODUCTS

The Company's products are manufactured to international standards with adherence to quality systems and marketed under registered trade marks (TM).



FIXED DEPOSITS

The Company has not accepted fixed deposits and as such no amount was outstanding as on the date of the Balance Sheet.

LIQUIDITY

During the last few years, the Company has been funding 3D Future Technologies Private Limited in tranches, besides serving its own capex requirements. Further, all efforts are being made to ensure that debtors collection remains speeded up and payment towards its suppliers and creditors are maintained well on time. As always, the Company has endeavoured to maintain annual employee compensation by way of investment in fixed deposits and investments in mutual funds are earmarked for dividend payout and funding towards capital expenditure.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS

In the financial year 2017-18, the Company made an equity investment of rupees two crores and fifty lakhs in its wholly owned subsidiary – 3D Future Technologies Private Limited.

Inter-corporate-deposit (ICD) to Ador Powertron Limited (APL) was facilitated during the year, of which principal along with interest was duly repaid. The reckoning of interest was a clear four percent above the bank rate and safety of investment was covered through legal documentation, entailing rights over the assets of APL next only to their banker's charge. Details of ICD was duly filed with the Registrar of Companies/Ministry of Corporate Affairs vide SRN G52452992 dated September 8, 2017.

Further, while details about APL are available on the website, it may be pertinent to state that APL is into digital electronics. They are a leading manufacturer of high voltage rectifier and transformer sets, power solution provider and design customised equipment. They have been in operation since 1995. The purpose for which ICD was requested by APL was to bridge finance their short term working capital requirements.

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

TRANSACTIONS WITH RELATED PARTIES

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

Details of related parties and transactions executed in aggregate with them during the financial year, forms part of the financial statements.

MATERIAL CHANGES, COMMITMENTS & ORDERS

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

EMPLOYEES AND WORKPLACE CULTURE

The Company takes pride in the commitment, competence and dedication of its employees in all areas of business operations. Industrial relations with the employees of the Company continue to be harmonious and cordial. The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees irrespective of caste, creed, gender and socio-economic status.

The Company has vigil mechanism (whistleblower) to provide a channel to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct. During the financial year 2017-18 there were no grievances or complaints received in this regard.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company's Policy on Prevention of Sexual Harassment at workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. Internal Complaint Committee has also been set up to redress complaints received regarding sexual harassment. During the financial year 2017-18, there were no complaints received under this category. Further, the Company is committed to provide a safe and helpful work environment to all employees.

HEALTH AND SAFETY

Health and safety of every employee is one of the essential parameters of the organisation. Placards are displayed at vantage points, both in English and Vernacular, including pictorial representations to ensure awareness regarding safety. In respect of the factories/business units, the Chief Operating Officer (COO) and Plant-in-charge(s)/Unit head(s) will jointly be responsible to ensure industrial and safety law compliance(s). The Company makes available necessary health and safety equipment to its employees and there are no let or hindrance whatsoever on this account. The 'Health and Safety' policy also places a high personal responsibility on every individual employee of the Company at all levels to ensure safe working conditions

● for themselves ● in their respective work areas ● customer/supplier locations ● while on business travel

RISK MANAGEMENT

The Company has formulated a 'Risk Management Policy' to identify, reduce and prevent undesirable outcomes and to review past incidents and implement changes to prevent or reduce future occurrence, in the day to day operations of the Company. Some of the risks that the Company is exposed to include:

(i) Financial risks

- Risk on exchange rate fluctuations – While the Company does not have a hedging policy, it ensures that the duration between purchase and payment/remittance are kept close, thereby purchase decisions are more conscientious and need based.
- Risk of the wholly owned subsidiary's deferment period to become financially independent – The Company is closely monitoring the activities of 3D Future Technologies Private Limited and is facilitating steady incremental growth.

(ii) Commodity price risks

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The Company manages these risks proactively through purchase and inventory management besides, robust vendor development practices.

(iii) Regulatory risks

The Company is exposed to risks attached to various statutes, laws and regulations. The Company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

(iv) Human resource risks

Attract and retention of new incumbents into this profession is and will be a major challenge. The HR policies and practices are constantly re-aligned to meet the requirements of both new and existing employees.

INSURANCE

The Company has sufficient insurance coverage encompassing Assets, Inventories, Transit covering movement of materials, Vehicles etc.

Generally they are all risk cover policies. Besides, the employees are also covered for Personnel accident, Workmen compensation policy and Employees deposit linked insurance. It has been a general policy of the Company to have insurance cover renewed ahead of the commencement of each financial year.

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 & outgo
- Particulars of arrangements/transactions made with related parties
- Particulars of employees
- Details of Subsidiary, Associates and Joint venture

All requisite policies including:

- Nomination and remuneration policy
- Extract of annual return

have been duly uploaded on the website of the Company.

The web link is : 'Ador Fontech Limited - Investors Info - Corporate Governance'
(<http://www.adorfon.com/corporate-governance.html>)

ACKNOWLEDGEMENTS

The Board wishes to place on record their deep sense of appreciation to the contribution made by employees at all levels and also extend special thanks to all the stakeholders and various Government agencies for their continued patronage and support.

Mumbai
May 29, 2018

For ADOR FONTECH LIMITED
A T MALKANI
Chairman
DIN: 01585637

TOWARDS A GREENER AND CLEANER ENVIRONMENT

Going green is no longer just an option, it is a necessity!

Ador Fontech Limited provides products and solutions which help conserve mineral resources through recycling of components. The customer benefits in terms of superior performance, reduced operating cost and increased return on investment.

**Low Heat
Input Welding
Alloys**

Reduced heat and carbon emission

**Life
Enhancement
Solution**

Mineral preservation through recycling
of industrial components

**IGBT Inverter
Based Welding
Machines**

Low power consumption

**Thermal
Insulation
Solutions**

Controls wastage of heat



ANNEXURE TO
THE DIRECTORS'
REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Annexure 1

THE ECONOMY

The size of India's economy is about USD 2.5 trillion currently, making it the sixth largest in the world. It is expected that the country is on the track of doubling the size of its economy to USD 5 trillion by 2025. After a period of subdued growth, the Indian economy has entered a phase of recovery. India has regained as the fastest-growing major economy tag with an expected growth rate of over seven percent. Most reassuringly, the manufacturing sector has shown an uptick with the latest data pointing to an improvement in industrial production. However, as a word of caution, the economy continues to be critical as the recent developments in the banking sector, including stricter non-performing-loans and large scale frauds, pose a sizeable downside risk to growth.

INDUSTRY STRUCTURE AND DEVELOPMENT

Structural materials are required to have a wide variety of properties based on factors such as use, environment, design and the same is true with weld joints of materials. Therefore, metal materials must satisfy widely varied and demanding quality requirements of welded structures. The requirements for metal materials and welding consumables have become increasingly sophisticated and demanding since 1995. Recent data analysis indicate that the welding industry in India is worth Rs. 4,000 crores, out of which the share of welding consumables is 71% and welding equipment is 29%. The former is expected to grow at a CAGR 10-11% over the next five years from Rs. 2,800 crores to Rs. 4,250 crores, while the latter is expected to grow at a CAGR of 6-7% over the next five years from Rs. 1,150 crores to Rs. 1,507 crores. While there are no radical changes both in the fabrication and repair welding sectors, nonetheless the incremental growth within the

industry in terms of demand and availability of improvised products, will provide formidable sustenance to the growth of the industry and well established organisation(s) within the sector.

CURRENT YEAR OUTLOOK

Increased FDI equity inflow in India has contributed to a rise in projects particularly in heavy machinery industries, automotive, offshore activities and shipbuilding. This is expected to raise positive impact on the business of the Company with particular emphasis on consumables. Further, the Union Budget 2018 has brought in much needed relief in terms of reduction in the corporate tax to twenty five percent for companies with a turnover of less than Rs.250 crores. Ador Fontech Limited being in the mid-sized-segment will be one of the beneficiaries. Further, the Government of India at both Central and State level have allocated sizeable amounts to the development of infrastructure, which relatively is expected to boost long term growth in the welding industry.

Performance of the Company has been provided as part of Standalone Financial Statements. Further, Consolidated Financial Statements are an aggregate of the Company's performance and its wholly owned subsidiary. Details of aggregation has been provided as part of the 'Notes to the Financial Statements'. The Company constantly endeavours to increase revenue and optimise costs.

OPPORTUNITIES

There is a window of opportunity in terms of repair welding services. The key underlying factor is the extent of repairable wear and corrosion in the product and the extent of risk that can be taken up to ensure that components remain secured during the refurbishment process. All said and done, the demand for welding consumables and equipment are always to stay, right from the time of metallic age, till civilisation may transition to any other structural change in the usage of materials and the probability of such is remote, in the near future.

RISK, THREATS AND CONCERNS

Fourfold concerns emanate from:

- Overseas organisations setting up business in India.
- Indian organisations consolidating business through mergers and acquisitions.
- Foreign collaborations between multi-nationals and Indian entities.
- Narrowing of gap in terms of organisational working between fabrication and repair welding.

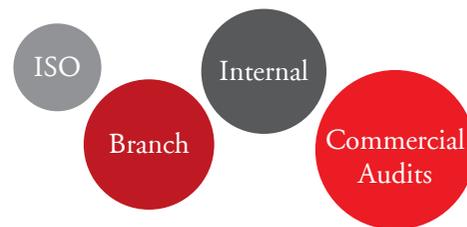
While these may be short term, in the long run, entry of qualified professionals in to this sector will be a source of major concern.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has a robust system of internal controls in place to ensure achievement of goals, evaluation of risks and the process of reporting is reliable. The internal control procedures are driven by a system of checks and balances to ensure safeguarding of assets, compliance with all regulatory norms, procedures and systematic improvements on a regular basis.

The Company's operations will get moved into a new ERM (Enterprise Resource Management) during 2018-19.

In its introduction, a thorough re-validation of processes and systems akin to the best in class will be benchmarked and re-calibrated. Simultaneously, other control systems:



as well as monthly reviews in each area of business operations will remain continued.

HUMAN RESOURCE DEVELOPMENT

The Company believes that people are key enablers for organisational success and aims at developing progressive human resource values to improve performance and accountability at work, resulting in personal and professional development of the employees. Further, through the aegis of DOTES (Documentation, Training and Educational Services) – a centre of learning at Ador Fontech Limited, the Company provides in-depth training to its employees both in technical and soft skills development. There were 200 employees on the muster roll of the Company as at March 31, 2018.

The Company has best endeavoured its thrust on learning to facilitate employee development and enhance productivity.

REPORT ON CORPORATE GOVERNANCE

Annexure 2

The Company believes that good corporate governance is essential to ensure a healthy growth of business organisation. It has always been the endeavour to ensure utmost transparency and comply with the best of legal and regulatory norms.

POLICIES AND DOCUMENTATION AS PART OF CORPORATE GOVERNANCE

In consonance with SEBI guidelines and Listing Requirements, the Company has adopted various policies, which are uploaded on the website: <http://www.adorfon.com/corporate-governance.html>

BOARD OF DIRECTORS

Broad terms of reference and functions of the Board

The following are generally provided to the Board of Directors:

- Annual strategies and operating plans.
- Capital budgets and updates thereon.
- Quarterly and half yearly unaudited financial results of the Company, its subsidiary and joint venture.
- Audited financial results of the Company.
- Minutes of the meetings of the Board Committees.
- Information on recruitment and remuneration of Senior Executives, just below the level of the Board.
- Risk mitigation plans and updates.
- Show cause, demand, prosecution and penalty notices, which are materially important.

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligation by the Company/substantial non-payment of goods sold by the Company.
- Details of any joint venture/collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Any issue, which involves possible public or product liability, claims of substantial nature, including any order/judgement/strictures on the Company or any adverse view regarding another enterprise, that can have negative impact on the Company.
- Significant labour problems & 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 and joint venture.

Composition of the Board

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

Director's identification number (DIN)

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

Meetings

During the financial year 2017-18, six Board Meetings were held on

May **08** 2017 Aug **30** 2017 Sept **14** 2017 Nov **01** 2017 Dec **02** 2017 Feb **07** 2018

Attendance and directorships

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

Name of the Director	Financial Year 2017-2018		As on March 31, 2018		
	Attendance at		Nos.	Other Directorships	
	Board Meetings	AGM 02.08.2017		No. of Membership	Chairmanships
Mr. A T Malkani	Six	Present	One	-	-
Mrs. N Malkani Nagpal	Six	Present	Three	Two	-
Mr. H P Ledwani	Five	Present	-	-	-
Mr. N S Marshall	Six	-	Two	One	-
Mr. Santosh Janakiram	Five	Present	-	-	-
Mr. Rafique Abdul Malik	Five	-	Two	Four	Two

Notes:

- Directorship excludes private limited companies and alternate directorship.
- Directors have affirmed compliance w.r.t. the applicable number of Committee positions and Chairmanship as per Regulation 26 of SEBI (LODR).

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 & remuneration of Auditors.
- Solicit professional guidance & support, wherever required.
- Review & 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 & deposits.
- Soliciting professional and legal opinions, wherever required.
- All other applicable matters.

Meetings

During the financial year 2017-18, six Audit Committee Meetings were held on

May 08 2017	Aug 30 2017	Sept 14 2017	Nov 01 2017	Dec 02 2017	Feb 07 2018
--------------------------	--------------------------	---------------------------	--------------------------	--------------------------	--------------------------

Composition and attendance

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

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

Vigil mechanism/Whistleblower policy

Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires a listed entity to formulate a 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, except that it holds and operates EEFC accounts.

MANAGEMENT DEVELOPMENT, NOMINATION AND REMUNERATION COMMITTEE

Terms of reference and policy

Management Development Programmes are addressed through an in-house-educational institute called 'DOTES-Documentation, Training and Educational Services. This department has an earmarked 'Training Head' and supporting team members, who manage all related activities pertaining to 'Employee Development and Training'. Need based assessments are conducted and programmes are organised throughout the year, in various facets comprising 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.

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

Objectives and purpose

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

Recommendations by the Committee to the Board

Size and composition of the Board

Succession plans

Evaluation of performance

Remuneration framework and policies

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

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

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

(ii) Be reasonable and fair in consonance with the best of governance practices & legal requirements.

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

Meetings

During the financial year 2017-18, five Management Development, Nomination & Remuneration Committee Meetings were held on

May 08 2017	Aug 30 2017	Sept 14 2017	Nov 01 2017	Feb 07 2018
--------------------------	--------------------------	---------------------------	--------------------------	--------------------------

Composition and attendance

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

Appointments, responsibilities and remuneration

- The Committee shall identify and ascertain qualifications, expertise, experience and integrity of the person for appointment as Director, KMP or in the level of Senior Management positions. Further, as regards the appointment of Executive Directors, recommendations of the Committee are validated by the Board and thereafter placed for the approval of the shareholders.
- Any person chosen to be appointed as a Director should possess impeccable reputation of integrity, deep expertise and insights in sectors/areas relevant to the Company,

ability to contribute to the Company's growth and complement skills in relation to other Board Members.

- The Company shall appoint or 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 responsibility of positions below the line of CEO is guided by their individual performance management and metrics.
- Non-Executive Directors and Independent Directors appointment are based on their qualifications, experience and approved by the Shareholders on the recommendation of the Board. Sitting fees for Board, Audit and Stakeholders Relationship committee meetings are Rs. 8,000/- (Rupees eight thousand only), Rs.5,000/- (Rupees five thousand only) and Rs.4,000/- (Rupees four thousand only) respectively.
- No sitting fees is paid for:
 - (i) Corporate social responsibility committee
 - (ii) Management development, nomination and remuneration committee
- Directors in general will also be entitled towards travel expenditure/travel fare/board and lodging/daily allowance/per diem allowance (as may become applicable) to enable discharge of official duties.
- Remuneration to whole time Directors for the Financial Year 2017-18

Rupees In Lakhs

Names	Salary	Benefits	Total
Mr. A T Malkani	83	11	94
Mr. H P Ledwani	138	30	168

Notes:

- The agreements with the Whole Time Director(s) are for a period of three years w.e.f. April 1, 2017.

- Either party may terminate the agreement by giving six month's notice to the other party.
- In the event of loss of office, remuneration shall be paid for the remaining period of the contract, except in case where there is no profit or profits are inadequate.
- Salary includes basic, house rent and other allowances.
- Benefits includes contribution to provident and superannuation fund, which are above the taxable limits and reimbursements of medical, insurance, electricity, education, leave travel allowance and leave encashment.
- Performance linked incentive is applicable to the Managing Director on a graded scale on the profits. However, in view of the ceiling limit prescribed under Schedule V to the Companies Act, 2013, the same stands restricted.
- No stock option has been provided.
- Remuneration is in terms of appointment as per the Shareholders' approval dated August 2, 2017 and reckoned as per the Companies Act, 2013 read with Schedule V, subject to amendments and modifications, duly notified.
- Remuneration to the non-executive Directors

Sitting fees Amount In Rupees

Name of the Director	2017-18	2016-17
Mrs. N Malkani Nagpal	85,000	68,000
Mr. N S Marshall	65,000	39,000
Mr. Santosh Janakiram	68,000	68,000
Mr. Rafique Abdul Malik	85,000	17,000
Total	3,03,000	1,92,000

- Remuneration to employees
Remuneration to the employees of the Company is 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

A Board needs to make timely strategic decisions, to ensure operations are in line with business plans, ensure

integrity of financial information, robustness of financial and other controls to oversee management of risk, review effectiveness of risk management processes and ensure that right people are in place and coming through. Non-Executive Directors are expected to provide an effective monitoring role and provide advice as a sounding board to the Executive Directors.

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

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

The evaluation process takes place through self-evaluation of Directors and by peers.

Independent Directors

During the year under review, Independent Directors had met on 07.02.2018, to inter-alia discuss on the following:

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

Familiarisation programme

Screening of corporate movie, visit to the factory(ies), presentations by Heads of Department, Review meetings form part of the familiarisation programmes of the Directors. On December 1, 2018 new website of the Company was released, which has all the necessary information including products, processes and solutions.

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 a quick response.

Meetings

During the financial year 2017-18, five Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on

May 08 2017	Aug 30 2017	Sept 14 2017	Nov 01 2017	Feb 07 2018
--------------------------	--------------------------	---------------------------	--------------------------	--------------------------

Composition and attendance

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

Compliance officer

The Board has designated Mr. Gagandeep Singh, Asst. Company Secretary as the Compliance Officer of the Company w.e.f. February 7, 2018 and the same has been duly notified to the Members through the Stock Exchange.

Twenty periodic sub-committee meetings were held during the year 2017-18.

Director's shareholding as on March 31, 2018

Name of the Director	Number of shares
Mr. A T Malkani	5,15,113
Mrs. N Malkani Nagpal	27,350
Mr. H P Ledwani	50,885
Mr. N S Marshall	3,099
Mr. Santosh Janakiram	-
Mr. Rafique Abdul Malik	-

GENERAL BODY MEETINGS

Dividend history

Rupees In Lakhs

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total
2016-17	One hundred & fifty	525	107	632
2015-16	One hundred & seventy five	613	125	738
2014-15	One hundred & seventy five	613	125	738
2013-14	One hundred & seventy five	613	104	717
2012-13	One hundred & seventy five	613	104	717
2011-12	One hundred & fifty	525	86	611
2010-11	One hundred & twenty five	438	73	511

Location and time of last three Annual General Meetings

Financial year	Date	Location of the meeting	Time (hrs.)
2016-17	02.08.2017	Hotel Woodlands, B'luru	11.30
2015-16	04.08.2016	Hotel Woodlands, B'luru	11.30
2014-15	26.08.2015	Hotel Woodlands, B'luru	11.30

SPECIAL RESOLUTIONS AND POSTAL BALLOT

Year	Particulars
2015	Adoption of new Articles of Association
2017	Appointment of Chairman & Managing Director

There were no postal ballots taken up during the last three years.

DISCLOSURES

Materially significant related party transactions

During the year 2017-18, there were no materially significant related party transactions with the Promoters/ Directors/Management etc. that had a potential conflict with the interest of the Company at large.

Compliances

The Company has complied with various rules and regulations prescribed by the Statutory Authorities relating to capital markets during the last three years. No penalty or strictures have been imposed by them on the Company.

Affirmation

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

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date & day : August 2, 2018-Thursday

Time : 11:30 Hours

Venue: Hotel Ajantha, Bengaluru

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 including for the financial year 2018-19.

Book closure dates

July 27, 2018 to August 2, 2018 (both days inclusive)

Dividend payment dates

August 3, 2018 and onwards

ISIN

INE853A01022

Scrip code

530431

Corporate/Head office

CIN: L31909KA1974PLC020010

Belview 7 Haudin Road Bengaluru 560 042

T (080) 25596045 / 73 F (080) 25597085

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-58

Share transfer agent

Integrated Registry Management Services Private Limited

CIN: U74900TN2015PTC101466;

30 Ramana Residency 4th Cross Sampige Road

Malleswaram Bengaluru-560 003

T (080) 23460815-18 F (080) 23460819

Share transfer system

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

92%

of the paid up share capital of the Company stands dematerialised as on March 31, 2018.

The Company has no outstanding GDRs/ADRs/Warrants or Convertible Instruments.

Reconciliation of share capital

During the financial year 2017-18, audits were carried out at the end of every quarter by a qualified Practising 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 are 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 Listing Agreement. The same has been uploaded on the Company's website.

Insider trading regulations

- In terms of the regulations, the Company has been intimating significant changes, if any, in the shareholding of Promoters, Directors, KMPs and Senior Management Personnel to the Stock Exchange (BSE).
- Trading windows are closed seven days prior to the Board meeting and two days thereafter, while unaudited quarterly financial results are being considered and in respect of consideration of audited results, the trading windows are closed thirty days in advance and will be re-opened forty eight hours after the Board meeting.

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 Whistleblower 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
- Methodology of familiarisation programme for Independent Directors
- Guidelines on Professional conduct, role, function and duties of an Independent Director
- Code of Ethics and Business principles applicable to Non- Executive Directors
- Code of Conduct for Board Members and Senior Management Personnel
- Guidelines on Safety standards for employees
- Remuneration to Non-Executive Directors
- Policy on Dividend
- Details of Unclaimed dividends and Unclaimed shares
- Financial results
- Shareholding pattern
- Corporate governance reports
- Annual reports
- Notices and documents addressed to the Members
- Business responsibility statement
- Details of Joint venture and Subsidiary
- General - Details of products, business partnerships, trade-marks, awards and accolades

EQUITY SHARES

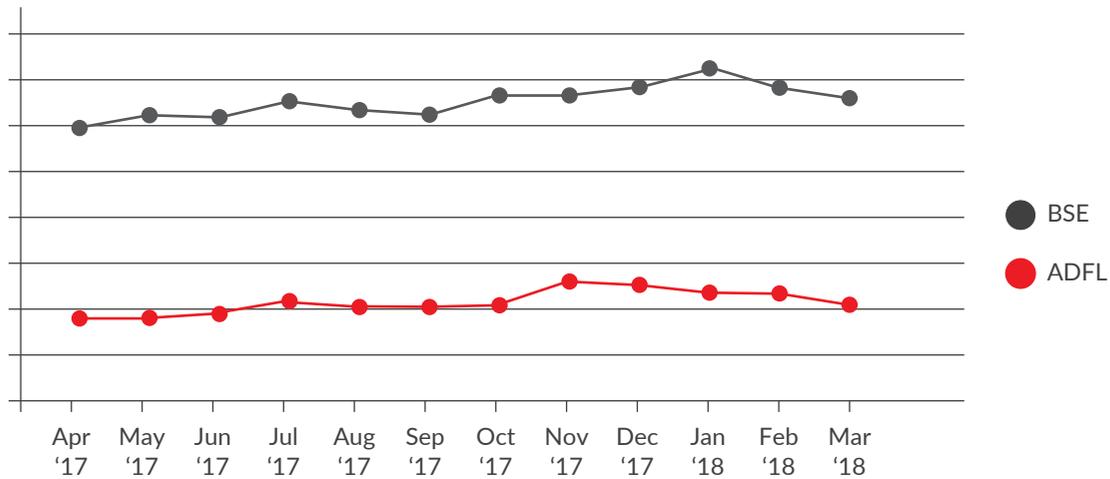
Distribution schedule as at March 31, 2018

Nominal value (Rs.)	Shareholders		Amount	
	No.	Percent	In Rs.	Percent
Up to Rs. 5,000	5,425	72.27	24,29,262	6.94
5,001-10,000	927	12.35	16,62,904	4.75
10,001-20,000	438	5.83	13,56,888	3.88
20,001-30,000	271	3.61	13,75,796	3.93
30,001-40,000	68	0.91	4,82,394	1.38
40,001-50,000	111	1.48	10,72,000	3.06
50,001-1,00,000	126	1.68	18,60,068	5.31
1,00,001 & above	141	1.87	2,47,60,688	70.75
Total	7,507	100.00	3,50,00,000	100.00

Stock price data: Bombay Stock Exchange, Mumbai

Month	Open	High	Low	Close
Apr 2017	85	95	83	89
May 2017	90	103	86	91
Jun 2017	95	104	91	95
Jul 2017	98	109	94	108
Aug 2017	109	109	97	100
Sept 2017	103	118	98	102
Oct 2017	104	116	100	103
Nov 2017	103	144	101	129
Dec 2017	135	135	113	126
Jan 2018	126	144	113	118
Feb 2018	120	124	102	117
Mar 2018	117	120	100	106

Comparative closing share prices



GENERAL

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

CONTACT PERSON(S)

Secretarial Department

Mr. Gagandeep Singh

Assistant Company Secretary & Compliance Officer

Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042

T: (080) 25596045/25596073 E: gagans@adorfon.com

Registrar and Share Transfer Agent

Mr. Harish

Integrated Registry Management Services Private Limited

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

T: (080) 23460815– 818 E: irg@integratedindia.in

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Ador Fontech Limited

We have examined the compliance of conditions of Corporate Governance by Ador Fontech Limited ('the Company') for the year ended March 31, 2018 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations').

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

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

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

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

OPINION - Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended March 31, 2018.

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 30, 2018

J H MADAN SRINIVAS
Partner [Membership No.021643]

FOR SRINIVAS AND SUBBALAKSHMI
Chartered Accountants
Firm Registration No.011350S

CORPORATE SOCIAL RESPONSIBILITIES (CSR)

Annexure 3

CSR POLICY

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

Meetings

During the financial year 2017-18, five CSR Committee Meetings were held on

May	Aug	Sept	Nov	Feb
08	30	14	01	07
2017	2017	2017	2017	2018

Composition and attendance

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

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

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

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

Average profit of the Company for the last three financial years

As per Section 198 of the Companies Act, 2013:
Rs.1,653 lakhs

Prescribed CSR spend for the financial year 2017-18

Two percent of Rs.1,653 lakhs: Rs.33 lakhs

Details of CSR spent during the financial year 2017-18

- Amount spent: Rs.12 lakhs (Rupees twelve lakhs only) directly by the Company.
- Amount unspent, if any: Rs.21 lakhs (Rupees twenty one lakhs only). Kindly also note that besides Rs.21 lakhs, an amount of Rs.6.5 lakhs has been spent through Ador Fontech Charitable Fund during 2017-18.

- Manner in which the amount was spent during the financial year

Project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay / budget program wise	Amount spent on projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly/ through implementing agency
As per Schedule VII of the Companies Act, 2013	<ul style="list-style-type: none"> • Sports • Basic necessities of life • Education • Humanities 	Programme wise details provided and the Company has best endeavoured to spread its activities in Karnataka and the rest of India.				Majority through implementing agencies

- Details of amount spent are as under

Programmes	Amount (in Rs.)	Activities
Training of Sportsmen	2,00,000	For the Common Wealth Games including paralympic through 'Go Sports Foundation'.
Ador Fontech Charitable Fund	10,00,000	To support the poorest of the poor.

Through Ador Fontech Charitable Fund

Programmes	Amount (in Rs.)	Activities
Medical support	5,04,650	Patients suffering from tuberculosis, blindness and malignancy/terminally ill.
Welfare of women	1,00,000	Self-employment-support for destitute women.
Education	10,000	Annual college fees to an academically good girl student with difficult financial background.
Special children	25,000	Organising disability day awareness programme/seminar.
Commemorating national heroes on their struggle to independence	10,000	Printing of patriotic calendars.

Notes:

- (i) Ador Fontech Charitable Fund has a corpus of Rs. 51 lakhs including current year's contribution by Ador Fontech Limited amounting to Rs. 10 lakhs. Fund is being accumulated year on year to make it self-sustaining and in all probability to get a dispensary made to support medical activities.
- (ii) The aim of the fund is to work on the poorest of the poor particularly, who get missed out from Governmental support, CSR programmes of other Corporates and NGOs.
- (iii) Willing employees voluntarily participate in the activities of the fund on holidays especially Sundays.
- (iv) Apart from payment of annual fees to facilitate completion of education, the Charitable Fund has a policy of not subscribing to the same organisation or institution or individual(s) year on year.

• Reasons for not spending the amount

As part of Life Enhancement of Industrial Components (Repairs & Refurbishment Operations), the Company itself is in to CSR activities and endeavours to conserve mineral resources for the world at large and provides value addition in all its endeavours.

As additional part to support welfare measures, the Company could not conclude on further areas of appropriate propositions/projects. It will in years to come, as always, strive towards enhancing its impact on the well being of the community at large.

Further, it also partakes to support welfare measures as part of organised /structured programme(s) predominantly through the aegis of the Charitable Fund.

Detailed 'CSR Policy' has been uploaded on the Company's website
<http://www.adorfon.com/csr.html>

Responsibility statement

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

Mumbai
May 29, 2018

For ADOR FONTECH LIMITED
N MALKANI NAGPAL
Chairman of CSR Committee
DIN 00031985

For ADOR FONTECH LIMITED
A T MALKANI
Chairman
DIN 01585637

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

Annexure 4

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

- Efforts in brief made towards technology absorption and innovation: Locally available raw materials are utilised to gain maximum advantage.
- Benefits derived as a result of the above efforts
 - (i) Product improvement
 - (ii) Reduced cost of final products
 - (iii) Comparable quality and performance with products produced using imported materials.
- Details of technology imported during the last five years reckoned from the beginning of the financial year.
 - (i) Technology imported: Nil
 - (ii) Year of import: Not applicable
 - (iii) Has technology been fully absorbed. If not fully absorbed, areas where this has not taken place.
Give reasons for the same and explain future plan of action, if any: Not applicable

FOREIGN EXCHANGE EARNINGS AND OUTGO

Please refer notes to the financial statements.

RESEARCH AND DEVELOPMENT (R & D)

- Specific areas in which R & D has been carried out: Continual efforts are being made to improve the manufacture of equipment, besides development of newer types of electrodes & flux cored wires.
- Benefits derived as a result of the above R 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 at item nos. 1 and 2 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
 - (iv) Total R & D expenditure as a percent of total turnover: Not applicable

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

Annexure 5

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

Not applicable

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

- Name(s) of the Related Party and nature of relationship

Name of the Related Party	CIN/Reg. No. of the Related Party	Holding/Subsidiary/ Associate
J B Advani & Company Pvt. Ltd.	U51900MH1925PTC004217	Associate
Ador Welding Ltd.	L70100MH1951PLC008647	Associate
Ador Welding Academy Pvt. Ltd.	U74900PN2012PTC144148	Associate
Ador Powertron Limited	U31103PN1995PLC084268	Associate
Ador Multiproducts Ltd.	L85110KA1948PLC000545	Associate
Ador Green Energy Pvt. Ltd.	U74999MH2008PTC186104	Associate
3D Future Technologies Pvt. Ltd.	U74999MH2015PTC261114	Wholly owned subsidiary

- Nature of contracts/arrangements/transactions

Name of the Related Party	Nature of Contracts/Arrangements/Transactions
JB Advani and Company Pvt. Ltd.	Purchase and sale of materials in the ordinary course of business.
Ador Welding Ltd.	Purchase & sale of materials in the ordinary course of business and lease rentals of shared office premises.
Ador Welding Academy Pvt. Ltd.	Welding skill development programmes, purchase & sale of materials in the ordinary course of business.
Ador Powertron Ltd.	Purchase and sale of materials in the ordinary course of business and inter-corporate-deposit.
Ador Multiproducts Ltd	Purchase and sale of materials in the ordinary course of business. (Nil during 2017-18)
Ador Green Energy Pvt. Ltd.	Purchase and sale of materials in the ordinary course of business. (Nil during 2017-18)
3D Future Technologies Pvt. Ltd.	Contribution to capital, lien marking of mutual funds and lease rentals of equipment.

-
- 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 duration.
 - Salient terms of contracts or arrangements or transactions including value, if any:
 - (i) Purchase & sale transactions are based on purchase/sales invoices. Transactions are on arm's length basis, with pricing compatible with market quotes and transactions of similar nature of respective companies. The transactions are subject to transfer pricing requirements.
 - (ii) 3D Future Technologies Pvt. Ltd. was formed as a wholly owned subsidiary and registered in Mumbai.
 - (iii) The Company has lease rental agreements with Ador Welding Limited for sharing of office premises at Pune and Secunderabad.
 - (iv) 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 and lease rentals are approved and ratified by the Audit Committee and Board at annual/quarterly meetings.
 - Amount paid as advances, if any: As on date - Nil
 - The Board of Directors have decided to exit from the Joint Venture vide its meeting dated January 30, 2017. The exit process has commenced and in all probability is expected to be completed by the end of the financial year 2018-19.

PARTICULARS OF EMPLOYEES

Annexure 6

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

Ratio of remuneration of each director to the median remuneration of the employees of the company, for the financial year 2017-18

Name of the Director	Designation	Ratio
Mr. A T Malkani	Chairman	8.5
Mr. H P Ledwani	Managing Director	15.0
Mrs. N Malkani Nagpal*	Promoter Director	0.08
Mr. N S Marshall*	Independent Director	0.06
Mr. Santosh Janakiram*	Independent Director	0.06
Mr. Rafique Abdul Malik*	Independent Director	0.08

*Were paid sitting fees for Board & Committee Meetings.

Percentage increase in remuneration of the directors and kmp's

The increase in remuneration to the Chairman Mr. A T Malkani was twelve percent; Mr. H P Ledwani was ten percent and Ms. Geetha D, Company Secretary was thirteen percent on a comparative basis viz-a-viz 2016-17 with remuneration reckoned as per the provisions of the Companies Act, 2013 and net of payment in arrears.

There were no changes in the amount of sitting fees for each of the Board and Committee meetings, during the financial year 2017-18 in comparison with the financial year 2016-17.

The number of permanent employees on the rolls of the Company as on March 31, 2018: 200

The percentage increase in the median remuneration of employees during the financial year 2017-18 over 2016-17: Eight percent

Average percentile increase made in the salaries of employees other than the managerial personnel in FY 2017-18 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for an increase in the managerial remuneration

While there was a general increment to the staff members during 2017- 18 of approximately eight percentile, remuneration to the whole time Directors were subject to the provisions of the Companies Act, 2013 and as approved by the Shareholders at their meeting held on August 2, 2017 and was on an average of eleven percent. Further, payment of commission to the Managing Director was restricted.

Details of top ten employees in terms of remuneration during the financial year 2017-18

Names	Designation	Age	Nature of duties	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani Chairman	Promoter Group	37	Strategy & Operational Management	BA-Economics MBA	13 yrs.	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani	MD Professional	64	Organisation and Business Development	B.Sc (Hons.) DAM DTMM	44 Yrs.	01.12.1979	Group Leader	Ador Welding Limited
Mr. Deep A Lalvani	GM Promoter Group	37	Head-Processes and Functions-3DFT	B.Com MBA	11 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited
Mr. P Viswanathan	COO	57	Sales, Marketing, Production & Purchase	B.Sc Chemistry AMP	34 Yrs.	01.10.1984	-	First employment in Ador Fontech Limited
Mr. Melville Ferns	VP	58	Sales & Marketing (SBU-North, Central & West)	B.A AMP	36 Yrs.	01.03.1982	-	First employment in Ador Fontech Limited
Mr. R Krishnakumar	VP	51	Sales & Marketing (SBU-East, South I & II)	MBA Marketing	31 Yrs.	07.06.2010	General Manager	Technical Parts Est.
Mr. Rajesh V Joshi	VP	54	Strategy, IT, New Bus. & Thermal Spray	B.E Mechanical	31 Yrs.	29.10.1990	Senior Sales Executive	Lloyd Insulations Pvt. Ltd.
Mr. S V Puntambekar	VP	53	Sales and Marketing (LE-SERVICES)	DME PGDISM	35 Yrs.	01.09.2002	General Manager	Diffusion Engineers Pvt. Ltd.
Mr. P Gopakumar	Sr. General Manager	63	Accounts and Administration	B.A. Corporate Secretaryship	40 Yrs.	05.03.1984	Statistical Assistant	Carter Wallace Ltd.
Mr. S S Mohiuddin	Sr. General Manager	57	Plant-in-charge	DME, DMM EMP-ISB and IIM	35 Yrs.	16.10.2008	Asst. General Manager	Ador Welding Limited

Details of the whole time directors and employees with annual remuneration of Rs.102 lakhs or more who are 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 2017-18

Rupees In Lakhs

Name & Shareholding	Designation	Age	Remuneration	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani 2.94 percent	Chairman (Promoter Group)	37 yrs	94 Cur. year 84 Pre. Year	BA- Economics MBA	13 Yrs.	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.29 percent	Managing Director (Professional)	64 yrs	168 Cur. year 153 Pre. Year	B.Sc (Hons.) DAM DTMM	44 Yrs.	01.12.1979	Group Leader	Ador Welding Limited (Previously Advani Oerlikon Limited)
Mr. Deep A Lalvani 0.13 percent	General Manager (Promoter Group)	37 yrs	101 Cur. Year 103 Pre. year	B.Com, MBA	11 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited

Notes:

- Appointment of Chairman/Executive Director and Managing Director are contractual in nature and approved vide Shareholder's resolution dt. August 2, 2017.
- Appointment of other 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 and Allowances
- (b) Benefits include:
 - (i) Contribution to retiral funds (Provident and Superannuation) over and above the exempted limits under Income Tax (IT) Act.
 - (ii) Reimbursement of expenses includes payment towards electricity, leave travel allowance and leave encashment.
 - (iii) Perquisites as per IT Act. Note: Contribution to gratuity is not included as allocation is based on actuarial valuation covering all employees of the Company, considered as a group and not individualised.
- (c) Salary as above has been reckoned on payment basis during the financial year 2017-18.
- While the average/median remuneration of employees was Rs.30 lakhs, further details on remuneration shall be made available to any Shareholder on a specific request made in writing before or after the date of AGM within three to seven days, respectively from the date of receipt of such request(s).

Note: Request in writing duly signed to have the following enclosures: identity (Pan card) & 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 units; AMP - Advanced Management Programme from IIM, DME - Diploma in Mechanical Engineering, DAM - Diploma in Administrative Management, DTMM Diploma in Textile Management and Marketing, PGDBA - Post graduate diploma in Business Analytics, DMM - Diploma in Materials Management, EMP - Executive Management Programme, IIM – Indian Institute of Management, ISB - Indian school of business; MD - Managing Director, CEO - Chief Executive Officer, COO - Chief Operating Officer, VP - Vice President, GM - General Manager.

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2018

Annexure 7

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

REGISTRATION AND OTHER DETAILS

CIN	L31909KA1974PLC020010
Registration number and date	08/20010 and August 22, 1974
Name of the Company	Ador Fontech Limited
Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address and contact details	Belview 7 Haudin Road Bengaluru-42 T: 080-25596045/73 E: investorservice@adorfon.com
Whether listed company	Yes - Bombay Stock Exchange
Name, address and contact details	Integrated Registry Management Services Private Limited: 30 Ramana Residency 4th Cross Sampige Road Malleswaram Bengaluru 560 003 T: 080- 23460816/18 E: irg@integratedindia.in

PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Name and description of main products/services	NIC code of the products/services-group	Total turnover of the Company (percent)
Consumables	241-242	68
Equipment/Automation and ancillaries	271	21
Services	331	11

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Names	CIN/GLN	Subsidiary/associate	Shares held (percent)	Applicable section
3D Future Technologies Pvt. Ltd.	U74999MH2015PTC261114	Wholly owned subsidiary	100	Sec 2(87)
Dualrank Fontech (M) Sdn. Bhd.	905260-H Reg. in Malaysia	Associate*	48	Sec 2(6)
Addresses				
3D Future Technologies Pvt. Ltd.: Ador House 5th floor 6 K Dubash Marg Fort Mumbai 400 001 (Formed vide Board Meeting dt. Nov 11, 2014)				
*Dualrank Fontech (M) Sdn. Bhd.: A1-3 Jalan 2/142 A Megan Phoenix Cheras Kuala Lumpur KM 10 56000 (Exit decision vide Board Meeting dt. Jan 30, 2017)				

SHARE HOLDING PATTERN

Category wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percentage change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
A.Shareholding of the promoter and promoter group									
1. Indian									
a. Hindu Undivided Family	1735843	-	1735843	9.92	1806050	-	1806050	10.32	0.40
b. Central /State Government (s)									
c. Bodies Corporate	4606578	-	4606578	26.32	4606588	-	4606588	26.32	-
d. Financial Institutions/Banks									
Sub-total (A)(1)	6342421	-	6342421	36.24	6412638	-	6412638	36.64	0.40
2. Foreign									
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of the promoter and promoter group (A)= (A)(1)+(A)(2)	6342421	-	6342421	36.24	6412638	-	6412638	36.64	0.40
B. Public shareholding									
a. Mutual Funds/ UTI	-	-	-	-	-	-	-	-	-
b. Alternative Investment Fund	210275	-	210275	1.20	440990	-	440990	2.52	1.32
c. Foreign Institutional Investors	1064287	-	1064287	6.08	894016	-	894016	5.11	(0.97)
Sub-total (B)(1)	1274562	-	1274562	7.28	1335006	-	1335006	7.63	0.35
a. Bodies corporate	628359	35005	663364	3.79	455175	24005	479180	2.74	(1.05)
b. Individual shareholders holding nominal share capital up to Rs.1 lakh	5399911	1514535	6914446	39.52	5199196	1228775	6427971	36.73	(2.79)
c. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1910521	127700	2038221	11.65	2208247	127700	2335947	13.35	1.70
d. Clearing Members/Others	27012	-	27012	0.15	93897	-	93897	0.54	0.39
e. NRI	237642	-	237642	1.36	194703	-	194703	1.11	(0.25)
f. IEPF	-	-	-	-	218326	-	218326	1.25	1.25
g. Foreign Individuals	2332	-	2332	0.01	2332	-	2332	0.01	-
Sub-total (B)(2)	8205777	1677240	9883017	56.48	8371876	1380480	9752356	55.73	(0.75)
Total public shareholding (B)= (B)(1)+(B)(2)	9480339	1677240	11157579	63.76	9706882	1380480	11087362	63.36	(0.40)
Total (A)+(B)	15822760	1677240	17500000	100.00	16119520	1380480	17500000	100.00	-

Shareholding of promoters and promoter group

Names	Shareholding at the beginning of the year			Shareholding at the end of the year			Percentage change
	No. of shares	Percent	Share pledged/encumbered	No. of shares	Percent	Share pledged/encumbered	
M/s. J B Advani and Company Pvt. Ltd.	46,06,578	26.32	-	46,06,588	26.32	-	-
Mr. Aditya Tarachand Malkani*	5,15,113	2.94	-	5,15,113	2.94	-	-
Mr. Ajit T Mirchandani	73,730	0.42	-	73,730	0.42	-	-
Ms. Aruna B Advani*	4,50,500	2.57	-	4,50,500	2.57	-	-
Mr. Deep Ashda Lalvani*	20,305	0.12	-	22,050	0.13	-	0.01
Ms. Gulshan Gulu Malkani	3,53,000	2.02	-	3,53,000	2.02	-	-
Ms. Michelle Gulu Malkani	41,850	0.24	-	41,850	0.24	-	-
Mrs. Ninotchka Malkani Nagpal*	27,350	0.16	-	27,350	0.16	-	-
Ms. Rajbir Tarachand Malkani	1,06,515	0.61	-	1,37,357	0.78	-	0.17
Mr. Ravin A Mirchandani*	5,955	0.03	-	5,955	0.03	-	-
Ms. Reshma A Lalvani	48,500	0.28	-	48,500	0.28	-	-
Ms. Tania A Mirchandani	84,775	0.48	-	84,775	0.48	-	-
Ms. Vimla A Lalvani	8,250	0.05	-	8,250	0.05	-	-
Ms. Shirin Aditya Malkani	-	-	-	37,620	0.22	-	0.22
Total	63,42,421	36.24	-	64,12,638	36.64	-	0.40

Notes:

- By virtue of shareholding in J B Advani and Company Private Limited (JBA), the Directors and their family members have been categorised under 'Promoter group' and collectively hold beneficial interest/ownership in Ador Fontech Limited.
- Percentage of shareholding is computed on 1,75,00,000 number of equity shares.
- *First named Member/ Shareholder/ Director in J B Advani and Company Private Limited.

Shareholding of Directors and Key Management Personnel

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
Mr. A T Malkani	5,15,113	2.94	5,15,113	2.94
Mrs. N Malkani Nagpal	27,350	0.16	27,350	0.16
Mr. H P Ledwani	50,885	0.29	50,885	0.29
Mr. N S Marshall	3,099	0.02	3,099	0.02
Mr. Santosh Janakiram	-	-	-	-
Mr. Rafique Abdul Malik	-	-	-	-
Ms. Geetha D	-	-	-	-

Shareholding of top ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
M/s. Malabar India Fund Limited	8,50,000	4.86	8,50,000	4.86
M/s. Malabar Value Fund	2,10,275	1.20	4,40,990	2.52
Mr. Anil Kumar Goel	2,75,000	1.57	2,65,607	1.52
Mr. S Shyam	2,19,995	1.26	2,61,739	1.50
Ms. Sarla Chandna	1,81,000	1.03	1,75,000	1.00
Mr. Megh Ishwer Manseta	1,65,000	0.94	1,65,000	0.94
Mr. Vishal Satinder Sood	45,928	0.26	1,52,893	0.87
Ms. Rajni Bahl	1,45,000	0.83	1,45,000	0.83
Mr. Kiyomi Anant Talaulicar	1,14,371	0.65	1,14,371	0.65
Mr. J K Chandna	1,23,000	0.70	1,12,000	0.64

DETAILS OF CHANGES IN SHAREHOLDING OF THE PROMOTER GROUP

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2017					Cumulative shareholding during the year 31.03.2018	
		No. of shares	% to total shares of the company	Date	Increase/decrease in shareholding	Reason	No. of shares	Percentage to total shares of the company
1	M/s J B Advani and Company Pvt. Limited	46,06,578	26.32	01-04-17	-	-	46,06,578	26.32
				21-07-17	5	Purchase	46,06,583	26.32
				19-01-18	5	Purchase	46,06,588	26.32
				31-03-18	-	-	46,06,588	26.32
2	Ms. Rajbir Tarachand Malkani	1,06,515	0.61	01-04-17	-	-	1,06,515	0.61
				19-05-17	5,000	Purchase	1,11,515	0.64
				26-05-17	5,200	Purchase	1,16,715	0.67
				02-06-17	10,000	Purchase	1,26,715	0.72
				09-06-17	4,600	Purchase	1,31,315	0.75
				16-06-17	6,042	Purchase	1,37,357	0.78
				31-03-18	-	-	1,37,357	0.78
3	Mr. Deep Ashda Lalvani	20,305	0.12	01-04-17	-	-	20,305	0.12
				09-06-17	250	Purchase	20,555	0.12
				16-06-17	1,000	Purchase	21,555	0.12
				18-08-17	105	Purchase	21,660	0.12
				17-11-17	180	Purchase	21,840	0.12
				01-12-17	200	Purchase	22,040	0.13
				23-03-18	10	Purchase	22,050	0.13
				31-03-18	-	-	22,050	0.13
4	Ms. Shirin Aditya Malkani	-	-	01-04-17	-	-	-	-
				07-04-17	15,930	Purchase	15,930	0.10
				14-04-17	1,450	Purchase	17,380	0.11
				19-05-17	5,000	Purchase	22,380	0.14
				26-05-17	4,900	Purchase	27,280	0.17
				23-06-17	5,000	Purchase	32,280	0.19
				30-06-17	5,340	Purchase	37,620	0.22
				31-03-18	-	-	37,620	0.22

DETAILS OF SHAREHOLDING OF TOP TEN SHAREHOLDERS

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2017					Cumulative shareholding during the year 31.03.2018		
		No. of shares	% to total shares of the company	Date	Increase/decrease in shareholding	Reason	No. of shares	Percentage to total shares of the company	
1	Malabar India Fund Limited	8,50,000	4.86	01-04-17	No movement during the year				
				31-03-18	-	-	8,50,000	4.86	
2	Malabar Value Fund	2,10,275	1.20	01-04-17	-	-	2,10,275	1.20	
				19-05-17	74,950	Purchase	2,85,225	1.63	
				26-05-17	9,702	Purchase	2,94,927	1.69	
				09-06-17	31,277	Purchase	3,26,204	1.86	
				16-06-17	9,021	Purchase	3,35,225	1.92	
				23-06-17	4,392	Purchase	3,39,617	1.94	
				30-06-17	11,686	Purchase	3,51,303	2.01	
				07-07-17	2,841	Purchase	3,54,144	2.02	
				28-07-17	1,846	Purchase	3,55,990	2.03	
				04-08-17	85,000	Purchase	4,40,990	2.52	
				31-03-18	-	-	4,40,990	2.52	
3	Mr. Anil Kumar Goel	2,75,000	1.57	01-04-17	-	-	2,75,000	1.57	
				10-11-17	(8,998)	Sold	2,66,002	1.52	
				05-01-18	(395)	Sold	2,65,607	1.52	
				31-03-18	-	-	2,65,607	1.52	
4	Mr. S Shyam	2,19,995	1.26	01-04-17	-	-	2,19,995	1.26	
				07-07-17	38,944	Purchase	2,58,939	1.48	
				21-07-17	2,800	Purchase	2,61,739	1.50	
				31-03-18	-	-	2,61,739	1.50	
5	Ms. Sarla Chandna	1,81,000	1.03	01-04-17	-	-	1,81,000	1.03	
				02-06-17	(1,000)	Sold	1,80,000	1.03	
				24-11-17	(4,000)	Sold	1,76,000	1.01	
				01-12-17	(1,000)	Sold	1,75,000	1.00	
				31-03-18	-	-	1,75,000	1.00	

DETAILS OF SHAREHOLDING OF TOP TEN SHAREHOLDERS (CONTD.)

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 01.04.2017					Cumulative shareholding during the year 31.03.2018	
		No. of shares	% to total shares of the company	Date	Increase/decrease in shareholding	Reason	No of shares	Percentage to total shares of the company
6	Mr. Megh Ishwer Manseta	1,65,000	0.94	01-04-17				
				31-03-18	-	-	1,65,000	0.94
7	Mr. Vishal Satinder Sood	45,928	0.26	01-04-17	-	-	45,928	0.26
				29-12-17	4,212	Purchase	50,140	0.29
				19-01-18	24,203	Purchase	74,343	0.42
				25-01-18	26,303	Purchase	1,00,646	0.58
				02-02-18	15,320	Purchase	1,15,966	0.66
				09-02-18	36,927	Purchase	1,52,893	0.87
				31-03-18	-	-	1,52,893	0.87
8	Ms. Rajni Behl	1,45,000	0.83	01-04-17				
				31-03-18	-	-	1,45,000	0.83
9	Mr. Kiyomi Anant Talaulicar	1,14,371	0.65	01-04-17				
				31-03-18	-	-	1,14,371	0.65
10	Mr. J K Chandna	1,23,000	0.70	01-04-17	-	-	1,23,000	0.70
				04-08-17	(1,000)	Sold	1,22,000	0.70
				22-09-17	(2,000)	Sold	1,20,000	0.69
				06-10-17	(2,000)	Sold	1,18,000	0.67
				01-12-17	(4,000)	Sold	1,14,000	0.65
				08-12-17	(2,000)	Sold	1,12,000	0.64
				31-03-18	-	-	1,12,000	0.64

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING / ACCRUED BUT NOT DUE FOR PAYMENT

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
There was no indebtedness at the beginning, during and at the end of the financial year 2017-18.				

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to the Managing Director, Whole-time Directors and/or the Manager for the financial year 2017-18

Rupees In Lakhs

Particulars	Names of the Director(s) & details		Total amount
	Mr. A T Malkani	Mr. H P Ledwani	
1. Gross salary as per Form 16 and 12 BA			
a. Salary as per the provisions contained in Section 17(1) of Income-tax Act, 1961	83	94	177
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	11	41	52
2. Commission based on performance {As a percent of profit 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}	-	-	-
TOTAL	94	135	229

Remuneration to KMP other than MD/Manager/WTD-paid to CEO/CS/CFO-for the financial year 2017-18

Rupees In Lakhs

Particulars	Total amount
Gross salary to the Company Secretary as per Form 16 and 12 BA	
a. Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961	24
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	2
Total	26

Remuneration (Sitting fees for attending Board Meetings) to the Directors for the financial year 2017-18

Amount In Rupees

Particulars	Name of the Director(s) and details			
	Mrs. N Malkani Nagpal	Mr. N S Marshall	Mr. Santosh Janakiram	Mr. Rafique Abdul Malik
Independent Directors	-	65,000	68,000	85,000
Other Non-Executive Directors	85,000	-	-	-

Note: Remuneration as above (a and b) reckoned as per the Income Tax Act and Rules thereunder.

PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Note: The extract of Annual Return in Form No. MGT-9 for the financial year ended March 31, 2018 has also been uploaded on the website of the Company at <http://www.adorfon.com/investor-s-info.html>

CERTIFICATION TO THE ANNEXURES FORMING PART OF THE DIRECTORS' REPORT

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

Mumbai
May 29, 2018

For ADOR FONTECH LIMITED
H P LEDWANI
Managing Director
DIN: 00040629

For ADOR FONTECH LIMITED
A T MALKANI
Chairman
DIN: 01585637

SECRETARIAL AUDIT REPORT

Annexure 8

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

To the Members of ADOR FONTECH LIMITED

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

Based on my verification of Ador Fontech Limited's books, papers, minute books, forms and returns filed, other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2018 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, 2018 made available to me and according to the provisions of:

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

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

- (i) Buyback of Securities Regulations, 1998
- (ii) Issue and Listing of Debt Securities Regulations, 2008
- (iii) Delisting of Equity Shares Regulations, 2009
- (iv) Share based employee benefits Regulations, 2014

• Other Laws including Rules applicable specifically to the Company:

- (i) Factories Act, 1948
- (ii) Industrial Employment (Standing Orders) Act, 1946
- (iii) Employees Compensation Act, 1923
- (iv) Payment of Bonus Act, 1965
- (v) Minimum Wages Act, 1948
- (vi) Equal Employment Remuneration Act, 1976
- (vii) Child Labour (P&R) Act, 1986
- (viii) Sexual harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013
- (ix) Environment (Protection) Act, 1986
- (x) Air/Water/Noise (Prevention/Regulation and Control of Pollution) Act
- (xi) Payment of Wages Act, 1936
- (xii) Employees State Insurance Act, 1948
- (xiii) Employees PF and Miscellaneous Provisions Act, 1952
- (xiv) Contract Labour (Regulation and Abolition) Act, 1970
- (xv) Legal Metrology Act, 2009
- (xvi) Standards of Weights and Measures Act, 1976
- (xvii) Payment of Gratuity Act, 1972
- (xviii) Industrial Disputes Act, 1947
- (xix) Trade Marks Act, 1999
- (xx) Indian Contracts Act, 1872
- (xxi) Shops and Establishments Act.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered in to by the Company with the 'BSE'.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all the Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting 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 accounts 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 29, 2018

MANJULA NARAYAN
ACS No. 28374
CP No. 10150

CEO AND COO CERTIFICATION

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

- We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief, we state that:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

- We further state that to the best of our knowledge and belief, no transactions have been entered in to by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

- We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design and/or operation of internal controls, if any, of which we have been aware and steps that we have taken or proposed to be taken to rectify these deficiencies.

- We have indicated to the Auditors and the Audit Committee:

(i) significant changes, if any, in internal control over financial reporting during the year.

(ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and

(iii) instances of significant fraud which have surfaced and the involvement therein of any of the managerial or employee(s) of the Company – Nil for the financial year (2017-18).

Mumbai
May 29, 2018

For ADOR FONTECH LIMITED
P VISWANATHAN
Chief Operating Officer

For ADOR FONTECH LIMITED
H P LEDWANI
Chief Executive Officer



AUDITORS'
REPORT
(STANDALONE)

INDEPENDENT AUDITORS' REPORT

To The Members of ADOR FONTECH LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Ador Fontech Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, 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 then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended 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/detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind-AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018 and profit, total comprehensive income, changes in equity and cash flows for the year ended on that date.

Other Matters

The audited standalone financial statements for the year ended March 31, 2017, was carried out and reported by M/s. Amarnath Kamath and Associates (Firm registration no. 000099S), vide their unmodified audit report dated May 9, 2017, whose reports have been furnished to us by the Management and which has been relied upon by us for the purpose of our audit of the standalone financial statements. Our audit opinion is not qualified in respect of this matter.

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 purpose of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/units of the Company not visited by us. The Auditors' Reports of those branches/units have been forwarded to us and have been appropriately dealt with.
- (iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement

of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.

- (iv) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (v) On the basis of written representations received from the Directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 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 B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (d) The disclosure requirements relating to holdings as well as dealing in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 which are not relevant to these standalone financial statements. Hence reporting under this clause is not applicable.

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

Bengaluru
May 30, 2018

J H MADAN SRINIVAS
Partner
[Membership No.021643]

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

ANNEXURE 'A' TO THE AUDITORS' REPORT

The Annexure referred to in the Independent Auditors' Report to the Members of the Company on the standalone financial statements for the year ended March 31, 2018.

We report that:

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of freehold immovable properties and lease agreement in the case of leasehold land are held in name of the Company.
2. (i) We are informed that inventories have been physically verified by the Management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable.
(ii) In our opinion and according to the information and

explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(iii) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.

3. The Company has granted loans/guarantee to bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
 - Other than the Joint venture
(i) In our opinion, the rate of interest, other terms and conditions on which loans have been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
(ii) The schedule of repayment of principal and interest has been stipulated and repayment/receipts of the principal amount and interest are regular.
(iii) There is no overdue amount in respect of loans granted to such companies.
 - Joint venture
With the Company deciding to exit from the Joint venture, loan plus outstanding interest thereon has been provided for in full in the books of accounts.

4. 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, with respect to loans and investments made and securities offered as lien.
5. The Company has not accepted any deposits from the public.
6. We have broadly reviewed the records maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
7. (i) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, excise, goods and services tax, income tax, sales tax, value added tax, customs duty, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, excise, goods and services tax, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (ii) According to the information and explanations given to us, there are no material dues of customs duty, sales tax, goods and services tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount of base claim (Rs. in lakhs)	Period to which the amount relates	Forum where dispute/objection raised is pending
Central Excise Act, 1944	Excise duty	71	2002 to 2006	Appeal filed against the order at CESTAT. Hearing in progress.
Finance Act, 1994	Service tax	421	2008 to 2017	Appeal filed against various orders with CESTAT. The Tribunal has remanded the cases to the Jurisdictional Commissioner, Nagpur, Maharashtra for a consolidated and comprehensive hearing.
Karnataka Value Added Tax, 2003	Value added tax (VAT) on works contract	51	2006 to 2012	Appeal filed before the Joint Commissioner of Commercial Taxes, Appeals.
Income Tax Act, 1961	Income tax liability as per order passed u/s 143(3) of the Income Tax Act, 1961	37	AY 2014-15	Appeal filed before the Commissioner of Income Tax (Appeals-I) Bengaluru.
		283	AY 2013-14	

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

Bengaluru
May 30, 2018

J H MADAN SRINIVAS
Partner
[Membership No.021643]

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

ANNEXURE 'B' TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors/Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include 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 and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records which, 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the

Company are being made only in accordance with authorisations of Management and Directors of the Company and
(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 the risk that internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 30, 2018

J H MADAN SRINIVAS
Partner
[Membership No.021643]

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

RECLAIM, DO NOT REPLACE

The world has a limited supply of mineral resources. However, depletion rate—resulting from continuously improving economic growth—is very high. Reclamation and recycling of vital machinery components, therefore, assumes high priority.

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

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



While Ador Fontech has traversed decades in the direction of repair welding, its strength lies in:

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

The Company's shared values

Delighting customers is first and foremost

Employees who enjoy their work

Living up to our shared values

Innovateness and continuous improvements in all our work processes

Growth is our way of life

Honouring commitments top down

Technology will be a vital enabler in our day-to-day operations



FINANCIAL
STATEMENTS
(STANDALONE)

BALANCE SHEET (STANDALONE)

Rupees In Lakhs

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
1. NON-CURRENT ASSETS				
Property, plant and equipment	2	1,865	2,014	2,121
Capital work-in-progress		55	-	-
Intangible assets		-	-	69
Financial assets				
Investments	3	1,167	1,027	859
Deferred tax assets (net)	4	229	296	294
TOTAL		3,316	3,337	3,343
2. CURRENT ASSETS				
Inventories	5	2,180	2,472	2,489
Financial assets				
Investments	6	992	434	144
Trade receivables	7	2,578	3,047	2,443
Cash and bank balances	8	365	32	46
Bank balances other than cash and cash equivalents	9	2,291	2,456	2,917
Loans and advances	10	487	516	475
Other current assets	11	438	352	462
Current tax assets	12	550	433	139
TOTAL		9,881	9,742	9,115
TOTAL ASSETS		13,197	13,079	12,458
EQUITY AND LIABILITIES				
1. EQUITY				
Equity share capital	13	350	350	350
Other equity	14	10,055	9,112	8,861
TOTAL		10,405	9,462	9,211
2. LIABILITIES				
NON-CURRENT LIABILITIES				
Provisions	15	373	528	534
TOTAL		373	528	534
CURRENT LIABILITIES				
Financial liabilities				
Trade payables	16	1,347	1,986	1,620
Other financial liabilities	17	281	275	282
Other current liabilities	18	327	292	284
Provisions	19	464	536	527
TOTAL		2,419	3,089	2,713
TOTAL EQUITY AND LIABILITIES		13,197	13,079	12,458
Significant Accounting Policies	1			
Notes to the Standalone Financial Statements	1-43			

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

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

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

STATEMENT OF PROFIT & LOSS (STANDALONE)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
1. INCOME			
Revenue from operations	20	15,084	14,631
Other income	21	390	259
TOTAL		15,474	14,890
2. EXPENSES			
Cost of materials consumed	22	3,274	2,797
Purchase of stock-in-trade	23	4,984	5,826
Changes in inventories of work-in-progress, finished goods and stock-in-trade	24	364	(90)
Employee benefit expenses	25	2,381	2,286
Depreciation and amortisation expenses		302	326
Other expenses	26	2,743	2,436
TOTAL		14,048	13,581
3. OPERATING PROFIT		1,426	1,309
4. IMPAIRMENT OF ASSETS			
Write off of old stock inventories		(84)	-
5. PROFIT BEFORE TAXES		1,342	1,309
6. TAX EXPENSES	27		
Current tax		400	425
Deferred tax		44	1
TOTAL		444	426
7. NET PROFIT AFTER TAX (5-6)		898	883
8. OTHER COMPREHENSIVE INCOME	28		
Items that will not be re-classified to profit and loss			
Net (loss)/gain on fair market valuation of assets		35	-
Actuarial gains/(losses) on retirement benefits		34	-
Less: Income tax effect on the above		(24)	-
TOTAL		45	-
9. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (7+8)		943	883
10. EARNINGS PER EQUITY SHARE	37		
Basic and diluted (in Rs.)		5.4	5.1
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the Standalone Financial Statements	1-43		

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

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

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

CASH FLOW STATEMENT (STANDALONE)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	1,426	1,309
ADD/(LESS): Depreciation, amortisation and impairment	302	326
Taxes paid	(400)	(425)
Non-operating income including interest income	(390)	(259)
Other non-cash-items	(16)	(3)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	922	948
Adjustments for:		
Trade receivables	469	(604)
Inventories	292	17
Current investments	(558)	(290)
Loans	29	(40)
Other current assets	(87)	110
Current tax assets	(117)	(294)
Trade payables	(639)	366
Other financial liabilities	6	(7)
Other current liabilities	35	8
Current provisions	(72)	9
NET CASH FROM OPERATING ACTIVITIES	280	223
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(152)	(150)
Advance towards capital work-in-progress	(55)	-
Purchase and sale of investments (net)	(140)	(168)
Interest, dividend and other operating income	390	259
NET CASH FROM INVESTING ACTIVITIES	43	(59)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	(155)	(6)
Dividend paid including tax	-	(632)
NET CASH FROM FINANCING ACTIVITIES	(155)	(638)
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	168	(474)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,488	2,962
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,656	2,488
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	364	31
Unclaimed dividend account	113	108
Fixed deposits with banks	2,178	2,348
Cash on hand	1	1
TOTAL	2,656	2,488

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

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

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	Note No.	Number of shares	Amount
As at April 1, 2017	13	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2018		1,75,00,000	350

OTHER EQUITY

Rupees In Lakhs

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
OPENING BALANCE AS AT APRIL 1, 2017	172	6,689	2,251	9,112
Transactions during the year				
Net profit/(loss) for the year	-	-	898	898
Other comprehensive income for the year	-	-	45	45
Proposed dividend and related tax	-	-	-	-
Transfer to general reserve	-	100	(100)	-
CLOSING BALANCE AS AT MARCH 31, 2018	172	6,789	3,094	10,055

EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	Note No.	Number of shares	Amount
As at April 1, 2016	13	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2017		1,75,00,000	350

OTHER EQUITY

Rupees In Lakhs

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
OPENING BALANCE AS AT APRIL 1, 2016	172	6,589	2,100	8,861
Transactions during the year				
Net profit/(loss) for the year	-	-	883	883
Other comprehensive income for the year	-	-	-	-
Proposed dividend and related tax	-	-	(632)	(632)
Transfer to general reserve	-	100	(100)	-
CLOSING BALANCE AS AT MARCH 31, 2017	172	6,689	2,251	9,112



NOTES TO
THE FINANCIAL
STATEMENTS
(STANDALONE)

Note 1 COMPANY OVERVIEW

Ador Fontech Limited ('the Company') was incorporated in India on August 22, 1974 under the provisions of the Companies Act applicable in India and is a frontrunner organisation that operates on the philosophy of 'partnering' with its clients in recommending and implementing value-added fusion, surfacing, spraying and environmental solutions. The Company is dedicated to the supply of products, services and solutions that meet and exceed the needs of its end-users under the broad gamut of 'Life enhancement of industrial components'.

The Company is a public limited company [CIN: L31909KA1974PLC020010] domiciled in India and is listed on the Bombay Stock Exchange (BSE). The registered and corporate office of the Company is located at Belview 7 Haudin Road Bengaluru 560 042.

The financial statements were authorised for issue in accordance with the resolution of the Board of Directors on May 29, 2018.

BASIS OF PREPARATION

(i) Compliance with IND-AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 (the 'Act') and other applicable Enactments, Rules and Regulations.

The financial statements up to and for the year ended March 31, 2017 were prepared in accordance with accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Act (Indian GAAP/Previous GAAP).

These are the first set of financial statements of the Company prepared in accordance with Ind-AS and the 'First-time Adoption of Indian Accounting Standards' as per Ind -AS-101 has been applied. Kindly refer to detailed

explanation note on how the transition from Indian GAAP to Ind-AS, has effected the Company's financial position, financial performance and cash flows.

These financial statements have been prepared on a historical cost and accrual basis, except for certain financial assets & liabilities and defined benefit plan assets & liabilities, that are measured at fair value.

(ii) Use of estimates and critical accounting judgements

The preparation of financial statements is in conformity with Ind-AS which requires the Management to make estimates, assumptions and exercise judgements in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the 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. Differences between actual results and estimates are recognised in the periods in which the results are known or materialised.

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

(iii) Basis of measurements

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

FAIR VALUE MEASUREMENT

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

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

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

The fair value of an asset or a liability is measured using assumptions that market participants would use their economic best interest, when pricing the asset or liability. 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 to its highest and best use or by selling it to another market participant that would use the asset to its highest and best use.

Fair value for measurement and/or for disclosure purpose in these financial statements is determined on the above basis, except for share based payment transactions that are within the scope of Ind-AS-102, leasing transactions that are within the scope of Ind-AS-17 and 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.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

MEASUREMENT OF DEBT INSTRUMENTS

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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 profit or 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.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). 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 profit and loss

account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is re-classified from equity to 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.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI 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 profit or loss and presented 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.

FUNCTIONAL AND PRESENTATION CURRENCY

These Ind-AS financial statements are prepared in Indian Rupees which is the Company's functional currency and presented in lakhs.

Significant accounting policies

REVENUE RECOGNITION

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of goods and services tax. Income from conversion job is recognised on its completion and on its acceptance by the customers.

OTHER INCOME

Interest income for all debt instruments, is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in profit or loss only when the right to receive payment is established and it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably. Management and marketing fees are recognised as and when the services are rendered.

POST-SALE-CLIENT SUPPORT AND WARRANTIES

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

PROPERTY PLANT AND EQUIPMENT (INCLUDING CAPITAL WORK-IN-PROGRESS)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost are stated at cost of acquisition inclusive of all attributable cost of bringing the assets to their working condition, accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value & net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Schedule II to the Companies Act, 2013 prescribes useful lives for property, plant and equipment and allows Companies to use higher/lower useful lives and residual values, if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. Considering the applicability of Schedule II, the Management has re-estimated useful life and residual values of all its fixed assets. The Management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

The Company provides depreciation on all assets (except leasehold land) on written down basis and the leasehold land is being amortised on straight line basis over the period of lease.

Assets not yet ready for use are recognised as capital work-in-progress.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 and measured as per the previous GAAP as the deemed cost of property, plant and equipment.

INTANGIBLE ASSETS (INCLUDING UNDER DEVELOPMENT)

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

Intangible assets are amortised on a straight line basis over their estimated useful life of approximately four years, so as to effectively depreciate the assets over the specified useful life. Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the

net disposal proceeds and carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind-AS, the Company has elected to derecognise the carrying value of all of its existing intangible assets as at April 1, 2017 measured as per the previous GAAP.

Derecognition of intangible assets

A summary of the Company's derecognised intangible assets are as follows:

Rupees In Lakhs

Particulars	Amount
Video conference software	3
Technical collaboration fees for development of the following:	
Inverter based machines	22
Thyristor based machines	22
MIG machines	22

IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss, if any, is recognised in the statement of profit and loss, whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount.

The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use.

After impairment, depreciation/amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss, if any, is increased or reversed depending on changes in circumstances. However, the carrying value after reversal, if any, is not increased beyond the carrying value that would have prevailed by charging usual depreciation/amortisation, if there were no impairment.

FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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 financial assets and contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or 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 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.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or

- 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.

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 FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in the credit risk.

For trade receivables only, 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.

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 - Separate financial statements.

BORROWINGS AND OTHER FINANCIAL LIABILITIES

Borrowings and other financial liabilities, if any, are initially recognised at fair value (net of transaction costs incurred). Difference between fair value and transaction proceeds on initial stage, if any, is recognised as an asset/liability based on the underlying reason for the difference.

All financial liabilities, if any, are measured at amortised cost using the effective interest rate method.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Balance Sheet comprise cash at bank and on hand besides term deposits, which are subject to an insignificant risk of changes in value.

INVENTORIES

- Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower.
- Process stock: At cost or estimated realisable value, whichever is lower.
- Finished goods: At cost or net realisable value, whichever is lower. Note: Cost is determined on a weighted average basis.

TAXATION

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred income tax is provided in full, using the Balance Sheet approach, on temporary differences arising between the tax bases of assets & liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply, when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets & liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise asset and settle liability, simultaneously.

Current and deferred tax are recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In which case, tax is also recognised in other comprehensive income or directly in equity, respectively.

RETIREMENT AND OTHER EMPLOYEE BENEFITS

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 and wages, bonus, performance incentives and compensated absences 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 services are recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits and short term employee benefits) that are payable after the completion of employment. There are two types:

- Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contribution to a separate entity and has no obligation to pay any further amounts.
- Defined benefit plans
The entity's obligation is to provide the agreed benefits to current and former employees.

The Company's defined contribution plans include:

(i) Provident fund

Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the employee's salary. Employer's contribution to provident fund is charged to the Statement of Profit and Loss.

(ii) Gratuity

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 and managed through a trust, specially created and being managed for this purpose.

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. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 are never 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.

(iii) Superannuation

Employees in the managerial cadre are covered under Superannuation fund. It is a fund in which only the Company makes contribution to employees and managed through a specially created trust fund.

The Company's defined benefit plan comprise:

Compensated absences

Compensated absences accruing to employees and which can be carried to future periods, but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method. The Company undertakes actuarial valuation and provides for the liability in its books of accounts. Presently the scheme is unfunded but going forward, the Company is contemplating to manage it through the aegis of the Life Insurance Corporation of India and defray the contribution in tranches over a period of time.

For the purpose of presentation, the allocation between short term and the long term provisions has been made as determined by the Actuarial valuation.

PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Company has

- a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources will be required to settle the obligation and
- the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the Management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax-rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises

from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, shares split and reserve share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

SEGMENT REPORTING

Operating segments, if any, are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors has been identified as being the chief operating decision maker.

The Board of Directors of Ador Fontech Limited assesses the financial performance and position of the group and makes strategic decisions.

LEASES

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Further, the classification of a lease as either a finance lease or an operating lease is based on whether the risks and rewards of ownership shall pass to the lessee.

CASH FLOW STATEMENT

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

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

A. FIRST TIME ADOPTION OF IND-AS

Recognition in the financial statements

These are the Company's first separate financial statements prepared in accordance with Ind-AS applicable as at March 31, 2018.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018; the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind-AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind-AS Balance Sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of transition from the previous GAAP to Ind-AS, has affected the Company's financial position, financial performance and cash flows which are as follows:

OPTIONAL EXEMPTIONS AVAILED

Business combinations

The Company has availed business combination exemption on the first time adoption of Ind-AS and accordingly business combinations prior to the date of transition have not been restated to the accounting prescribed under Ind-AS-103.

The Company will apply the requirements of Ind-AS-103 – Business combinations occurring after the date of transition to Ind-AS.

Deemed cost

Ind-AS-101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind-AS, measured as per the previous

GAAP and use that as its deemed cost as on the date of transition, after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind-AS-38-intangible assets and investment property covered by Ind-AS-40-Investment Properties.

Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties at their previous GAAP carrying value.

Investment in subsidiaries and jointly controlled entities

Ind-AS-101 permits a first-time adopter to elect to continue with the carrying value of all of its subsidiaries and joint controlled entities as recognised in the financial statements, as at the date of transition to Ind-AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has elected to measure all of its investments in subsidiaries and joint venture at their previous GAAP carrying value.

MANDATORY EXCEPTIONS APPLIED

Estimates

An entity's estimates in accordance with Ind-AS as at the date of transition to Ind-AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind-AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP, except where Ind-AS required a different basis for estimates as compared to the previous GAAP.

De-recognition of financial assets and liabilities

Ind-AS-101 requires a first-time adopter to apply de-recognition provisions of Ind-AS-109 prospectively for transactions occurring on or after the date of transition to Ind-AS. However, Ind-AS-101 allows a first-time adopter to apply de-recognition requirements of Ind-AS-109 retrospectively from the date of the entity choosing to do so,

provided information needed to apply Ind-AS-109 to financial assets and financial liabilities, as a result of past transactions has been obtained and is available, as at the time of initially accounting for those transactions.

The Company has applied de-recognition provisions of Ind-AS-109 prospectively from the date of transition to Ind-AS.

Classification and measurement of financial assets

Ind- AS-101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist on the date of transition to Ind-AS.

B. FIRST TIME ADOPTION RECONCILIATIONS

Reconciliation of equity from Previous GAAP to Ind-AS

Rupees In Lakhs

Particulars	Note No.	Equity as at March 31, 2017	Equity as at April 1, 2016
EQUITY AS PER PREVIOUS GAAP		9,112	8,861
GAAP ADJUSTMENTS:			
Impact on account of reversal of proposed dividend (including tax)	B.1		
Impact of accounting for investment in mutual funds at fair value through profit and loss account	B.2	88	-
Impact on account of recognition of decommissioning liability as per the valuation report	B.3	(88)	-
Impact on account of creation of provision for expected credit loss	B.4		
Impact of deferred taxes on the above adjustments	B.5		
TOTAL - GAAP ADJUSTMENTS		-	-
EQUITY AS PER IND-AS		9,112	8,861

Reconciliation of profit and loss for the year 2016-17

Rupees In Lakhs

Particulars	Note No.	Equity as at March 31, 2017
NET PROFIT FOR THE PERIOD AS PER PREVIOUS GAAP		883
GAAP ADJUSTMENTS:		
Impact of accounting for investment in mutual funds at fair value through the profit and loss account	B.2	(88)
Impact on account of recognition of decommissioning liability as per the valuation report	B.3	88
Impact on account of creation of provision for expected credit loss	B.4	
Impact of deferred taxes on the above adjustments	B.5	
TOTAL - GAAP ADJUSTMENTS		
PROFIT AND LOSS AS PER IND-AS		883

All the adjustments on account of Ind-AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows.

Explanations to reconciliations

B.1 IMPACT ON ACCOUNT OF REVERSAL OF PROPOSED DIVIDEND (INCLUDING TAX)

Previous GAAP

Proposed dividends were recognised as a liability as an adjusting event occurring after the Balance Sheet date.

Ind-AS

Proposed dividends of previous year are recognised as liability in the form of an adjusting event occurring after the Balance Sheet date as per Ind-AS-37 read with para 107 of Ind-AS-1. However, from the current year, it is a non-adjusting event occurring after the Balance Sheet date and hence not recognised in the books.

B.2 IMPACT OF ACCOUNTING FOR INVESTMENT AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

Previous GAAP

Non-current investment are measured at cost and current investments are measured at lower of cost or fair value.

Ind-AS

For the purposes of Ind-AS-109, mutual fund investments will be accounted at fair value through profit and loss and other financial instruments on a fair value basis, at each reporting date.

Rupees In Lakhs

Particulars	Fair value increase/(decrease) – March 31, 2017
Non-current investments	119
Current investments	3
Loans to JV based on fair valuation	(186)
Accrued interest on loans to JV based on fair valuation	(24)
TOTAL OF FVTPL GAIN/(LOSS)	(88)

B.3 IMPACT ON ACCOUNT OF RECOGNITION OF LOSS OR GAIN AS PER VALUATION REPORT

Rupees In Lakhs

Particulars	Fair value increase/(decrease) March 31, 2017
Land value in office premises	9
Increase in current tax assets	163
Increase in SAD (special additional duty) refund claims	64
Inventories - traded goods	(121)
Net fixed assets other than land and buildings	(20)
Trade receivables based on fair valuation of few of the long outstanding customers	(7)
TOTAL OF FVTPL GAIN/(LOSS)	88

B.4 IMPACT ON ACCOUNT OF CREATION OF PROVISION BASED ON EXPECTED CREDIT LOSS**Previous GAAP**

The Company provides for doubtful debts based on realisation period and policy framed by the Company, which in turn is based on incurred loss model i.e. when there is an objective evidence of impairment.

Ind-AS

As per Ind-AS- 109, impairment loss shall be recognised as per the expected credit loss model on all financial assets (other than those measured at fair value).

B.5 IMPACT ON ACCOUNT OF DEFERRED TAXES

The impact of transition adjustments together with Ind-AS mandate of using the Balance Sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred tax has not impacted the reserves as on date of transition as also the Statement of Profit and Loss account.

Note 2 PROPERTY, PLANT AND EQUIPMENT

Rupees In Lakhs

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

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	
Software	4	-	4	-	4	-	4	-	-
Product development	66	-	66	-	66	-	66	-	-
TOTAL	70	-	70	-	70	-	70	-	-

PROPERTY, PLANT AND EQUIPMENT

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2017
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land-Leasehold	2	-	-	2	-	-	-	-	2
Factory buildings	1,081	-	-	1,081	419	63	-	482	599
Office premises	601	-	-	601	116	24	-	140	461
Plant and machinery	1,350	36	4	1,382	705	116	-	821	561
Electrical installations	95	3	-	98	56	10	-	66	32
Computers	148	38	5	181	131	18	3	146	35
Office equipment	86	11	-	97	72	8	-	80	17
Furniture and fixtures	123	8	-	131	95	8	-	103	28
Vehicles	560	99	155	504	342	79	131	290	214
Increase in the fair value of office premises	-	-	-	-	-	-	-	-	9
Assets retired	-	-	-	-	-	-	-	-	(20)
TOTAL	4,122	195	164	4,153	1,936	326	134	2,128	2,014

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2017
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	
Software	4	-	-	4	4	-	-	4	-
Product development	66	-	-	66	66	-	-	66	-
TOTAL	70	-	-	70	70	-	-	70	-

Notes:

As part of Ind-AS transition provisions and fair value concept:

- An amount of rupees nine lakhs only has been enhanced in office premises and
- An amount of rupees nineteen lakhs, eighty six thousand, four hundred and eighty eight only has been retired from fixed assets as at 31.03.2017. However, as the books of accounts cannot be revised/changed, entries have been passed on April 01, 2017 as transitional adjustment.

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)						
Dualrank Fontech (M) Sdn. Bhd. (Joint venture)	-	-	-	-	-	-
3D Future Technologies Private Limited (Wholly owned subsidiary)	65,00,000	650	40,00,000	400	20,00,000	200
SUB-TOTAL	-	650	-	400	-	200
Rural Electrification Bond	-	-	-	-	500	50
IRFC Capital Gains Bond	500	50	-	-	-	-
SUB-TOTAL	-	50	-	-	-	50
TOTAL	-	700	-	400	-	250
INVESTMENT IN MUTUAL FUNDS (QUOTED)						
HDFC - FMP 370D - April 2014	-	-	10,93,230	139	10,93,230	109
HDFC- FMP 1218D - December 2016*	10,00,000	110	10,00,000	102	-	-
HDFC - FMP 1177D- March 2018	10,00,000	100	-	-	-	-
Aditya Birla Sun Life - Fixed term plan	5,00,000	50	-	-	-	-
Kotak Bond Fund*	1,47,750	70	1,47,750	68	1,47,750	50
HDFC Income Fund	-	-	3,63,958	136	3,63,958	100
SBI Dynamic Bond Fund*	3,40,120	72	3,40,120	70	3,40,120	50
Reliance Fixed Horizon Fund	5,00,000	65	5,00,000	60	5,00,000	50
Reliance Fund	-	-	-	-	10,00,000	100
Edelweiss Arbitrage Fund	-	-	4,24,139	52	4,83,161	50
Kotak Equity Arbitrage Fund	-	-	-	-	9,28,729	100
SUB-TOTAL	-	467	-	627	-	609
TOTAL	-	1,167	-	1,027	-	859
MARKET VALUE OF QUOTED INVESTMENTS	-	467	-	627	-	609
AGGREGATE AMOUNT OF UNQUOTED INVESTMENTS	-	700	-	400	-	250

Notes:

- The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/term loan) to 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited).
- As at March 31, 2018, 3D Future Technologies Private Limited had a liability of rupees one hundred and eighty nine lakhs (previous year rupees two hundred and twenty four lakhs) with regard to loan availed from the HDFC Bank Limited.

Note 4 DEFERRED TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
DEFERRED TAX LIABILITY ON ACCOUNT OF:			
Difference between book and tax balance of fixed assets	(100)	(62)	(79)
Fair market value of increase in investments of mutual funds and actuarial gains	(24)	-	-
SUB-TOTAL	(124)	(62)	(79)
DEFERRED TAX ASSETS ON ACCOUNT OF:			
Provision for compensated absences	196	272	275
Provision for warranties	93	96	90
Diminution in the value of shares of the joint venture	26	26	-
Provision for doubtful debts	1	20	2
Provision for asset retirement obligation	37	36	-
Others	-	(92)	6
SUB-TOTAL	353	358	373
TOTAL	229	296	294

Note 5 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Raw materials	970	814	800
Less: FMTPL adjustment	84	-	-
FAIR VALUE OF RAW MATERIALS	886	814	800
Work-in-progress	118	60	255
Traded goods	934	1,511	1,365
Less: FMTPL adjustment	-	121	-
FAIR MARKET VALUE OF TRADED GOODS	934	1,390	1,365
Finished goods	242	208	69
TOTAL	2,180	2,472	2,489

Note: FMTPL - Fair market value through profit and loss account.

Note 6 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17		As at 31.03.16	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED)						
HDFC-FMP 1208D-March 2018	13,73,803	138	-	-	-	-
LIC Savings Plus Fund	2,73,116	75	-	-	-	-
Franklin India Corporate Bond Opportunities Fund	2,77,125	50	-	-	-	-
Franklin India Low Duration Fund	2,56,560	51	-	-	-	-
ICICI Liquid Plan	16,176	42	6,89,360	335	-	-
ICICI Prudential Regular Savings Fund*	5,65,032	105	-	-	-	-
ICICI Prudential Short term Fund	3,66,171	138	-	-	-	-
HDFC Liquid Fund	-	-	1,466	47	14,134	144
ICICI Prudential Equity Arbitrage Fund	15,66,645	368	-	-	-	-
HDFC Arbitrage Fund	1,92,515	25	-	-	-	-
India Bulls Arbitrage Fund	-	-	4,39,367	52	-	-
TOTAL	-	992	-	434	-	144
AGGREGATE MARKET VALUE OF QUOTED INVESTMENTS	-	992	-	434	-	144
Aggregate amount of impairment in the value of investments	-	-	-	-	-	-

Notes:

- The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/term loan) to 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited).
- As at March 31, 2018, 3D Future Technologies Private Limited had a liability of rupees one hundred and eighty nine lakhs (previous year rupees two hundred and twenty four lakhs) with regard to loan availed from the HDFC Bank Limited.

Note 7 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Secured, considered good	-	-	-
Unsecured, considered good	2,578	3,047	2,443
Unsecured, considered doubtful	3	58	6
Less : Provision for doubtful debts	(3)	(58)	(6)
Unsecured and considered bad	91	-	-
Less: Bad debts written off	(91)	-	-
TOTAL	2,578	3,047	2,443

Note 8 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Balances with banks in current accounts	364	31	45
Cheques on hand	-	-	-
Cash on hand	1	1	1
TOTAL	365	32	46

Note 9 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Fixed deposit with banks	2,178	2,348	2,818
Balance with banks in unclaimed dividend accounts	113	108	99
TOTAL	2,291	2,456	2,917

Notes:

- Cash and cash equivalents as of March 31, 2018 and March 31, 2017 include restricted cash and bank balances of rupees three hundred and sixty one lakhs and rupees two hundred and eighty one lakhs, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends. The deposit maintained by the Company with banks comprise time deposit.
- Disclosure of specified bank notes: The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 are not relevant for the financial year 2017-18. Details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows: Closing cash in hand as on November 8, 2016: Rs.1 lakh, Permitted receipts: Rs.7 lakhs, Permitted payments: Rs.7 lakhs and amount deposited in banks: Nil, Closing cash in hand as on December 30, 2016: Rs.1 lakh.

Note 10 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
UNSECURED, CONSIDERED GOOD			
SECURITY DEPOSITS			
Deposits -Government departments	242	17	34
Deposits -Premises	10	8	7
Deposits -Security	23	18	17
Deposits- Performance guarantees	26	49	49
Deposits -Earnest money deposits	178	207	137
LOANS TO RELATED PARTY			
Loan and advances to the Joint venture entity	-	210	220
OTHER ADVANCES			
Loans and advances to employees and others	8	7	11
TOTAL	487	516	475

Note 11 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ADVANCES OTHER THAN CAPITAL ADVANCES			
Advance to suppliers	8	17	421
Prepaid expenses	81	30	44
Taxes, duties and input credits refund dues	349	305	(3)
TOTAL	438	352	462

Note 12 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Advance income tax (net of provision for tax)	550	433	139
TOTAL	550	433	139

Note 13 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
AUTHORISED			
2,50,00,000 equity shares of Rs. 2 each	500	500	500
TOTAL	500	500	500
ISSUED, SUBSCRIBED AND PAID-UP			
1,75,00,000 equity shares of Rs. 2 each	350	350	350
TOTAL	350	350	350

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

Rupees In Lakhs

Particulars	2017-18		2016-17	
	In Nos.	Amount	In Nos.	Amount
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

(ii) Rights, preferences and restrictions

The Company has only one class of shares, referred to as equity shares having a par value of Rs.2/- per share. Each holder of equity share is entitled to one vote per share and dividend as may be declared at the Annual General Meeting.

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

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17		As at 31.03.16	
	Number of shares held	Percent of holding	Number of shares held	Percent of holding	Number of shares held	Percent of holding
J B Advani and Company Private Limited (JBA)	46,06,588	26.32%	46,06,578	26.32%	46,06,578	26.32%

Note: In view of J B Advani and Company Private Limited's shareholding being 26.32%, it will be treated as an Associate by Ador Fontech Limited in terms of the Companies Act, 2013 and amendments thereon.

However, in view of Ind-AS regulations, we have been informed that JBA will aggregate the accounts of Ador Fontech Limited as a subsidiary for the purpose of its consolidated financial statements.

(iv) As on the date of the Balance Sheet

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

(v) Issue/conversion of equity shares

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

Note 14 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Securities premium	172	172	172
General reserve	6,789	6,689	6,589
Retained earnings	3,094	2,251	2,100
TOTAL	10,055	9,112	8,861

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	172	172	172
Transactions during the year	-	-	-
CLOSING BALANCE	172	172	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	6,689	6,589	6,389
Transferred from surplus in the Statement of Profit and Loss	100	100	200
CLOSING BALANCE	6,789	6,689	6,589

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	2,251	2,100	2,001
Transaction during the year			
Net profit/loss for the year	898	883	1,037
Other comprehensive income for the year	45	-	-
Equity dividend	-	(525)	(613)
Tax on equity dividend	-	(107)	(125)
Transfer to general reserve	(100)	(100)	(200)
CLOSING BALANCE	3,094	2,251	2,100

Note 15 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Provision for compensated absences	373	528	534
TOTAL	373	528	534

Note 16 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Micro, small and medium enterprises	-	-	-
Other than Micro, small and medium enterprises	1,347	1,986	1,620
TOTAL	1,347	1,986	1,620

Note: Trade payables include creditors for capital goods, raw materials, consumables, traded goods and other materials as well as expenses, be it in the nature of capital or revenue. The Company has not received any information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Hence, it is deemed that there are no amounts outstanding in respect of such entities to be categorised under 'MSME' in the books of accounts.

Note 17 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Deposit from dealers and employees	168	167	183
Unclaimed dividends	113	108	99
TOTAL	281	275	282

Note 18 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Advance from customers	29	17	16
Statutory liabilities	298	275	268
TOTAL	327	292	284

Note 19 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
PROVISION FOR EMPLOYEE BENEFITS			
Provision for compensated absences	126	258	266
Due to gratuity trust	68	-	-
OTHERS	-	-	-
Warranties	270	278	261
TOTAL	464	536	527

Note 20 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
SALE OF PRODUCTS		
Manufactured goods (net of excise duty and GST)	6,750	5,943
Scrap sales	12	13
Traded goods	6,738	7,278
SALE OF SERVICES		
Job work income	1,564	1,365
Export services	20	32
TOTAL	15,084	14,631

Note 21 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest income	181	186
Dividend	1	5
Other non-operating-income	67	66
Profit on sale of assets	131	2
Profit on sale of investments	10	-
TOTAL	390	259

DETAILS OF INTEREST AND DIVIDEND INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
INTEREST INCOME		
Interest on bank deposits	147	182
Others	34	4
SUB-TOTAL	181	186
DIVIDEND INCOME		
Dividend from mutual funds	1	5
SUB-TOTAL	1	5

Note 22 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Opening stock	814	800
Add: Purchases	3,430	2,811
Less: Closing stock	970	814
TOTAL	3,274	2,797

Note 23 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Welding consumables, equipment and spares	4,984	5,826
TOTAL	4,984	5,826

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

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
AT THE BEGINNING OF THE YEAR		
Work-in-progress	60	255
Finished goods	208	69
Stock-in-trade	1,390	1,365
SUB-TOTAL	1,658	1,689
AT THE END OF THE YEAR		
Work-in-progress	118	60
Finished goods	242	208
Stock-in-trade	934	1,511
SUB-TOTAL	1,294	1,779
TOTAL	364	(90)

Note 25 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, allowances and other benefits	1,959	1,892
Contribution to retiral funds (Provident fund, ESIC, Gratuity and Superannuation)	282	251
Staff welfare	140	143
TOTAL	2,381	2,286

Note 26 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Rent, rates, insurance and taxes	148	176
Consumables and stores	152	183
Power, fuel and utilities	127	113
Subcontracting of job works	819	692
Stationery, printing and communication	79	75
Repairs to building	41	4
Repairs to machinery	19	21
Office maintenance	83	73
Professional fees	95	49
Travelling and conveyance	515	471
Freight and forwarding	279	210
Sales commission and promotional expenses	246	212
Provision for warranties	60	5
Payment to auditors	6	6
Bank and other charges	10	23
Corporate social responsibility	10	16
General expenses	19	52
Bad debts written off	33	-
Earnest money deposit written off	2	-
Provision for doubtful debts	-	55
TOTAL	2,743	2,436

Auditors' remuneration (excluding service tax and GST)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Statutory audit	4	4
Limited review of quarterly financial statements	1	1
Branch audit	0.5	0.5
TOTAL	5.5	5.5

Note 27 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
CURRENT TAX EXPENSE		
Current tax for the year	400	425
DEFERRED TAXES		
Change in deferred tax assets	-	(14)
Change in deferred tax liabilities	44	15
SUB-TOTAL	44	1
TOTAL	444	426

TAX RECONCILIATION (FOR PROFIT AND LOSS)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before tax	1,342	1,309
Tax on operating profits	464	453
Tax on capital gains	2	-
TAX EFFECT OF AMOUNTS WHICH ARE NOT DEDUCTIBLE/ NOT TAXABLE IN CALCULATING TAXABLE INCOME		
TDS not deducted (30% of Rs. 17 lakhs)	5	-
Provision for retirement benefits	(76)	-
Provision for bad debts	(6)	18
Provision for warranties	(1)	6
Others	12	(52)
INCOME TAX EXPENSE	400	425

Note 28 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Increase in the value of investments	35	-
Actuarial gains / (losses) on defined benefit obligations	34	-
Tax impact on the same	(24)	-
TOTAL	45	-

Note 29 FAIR VALUE MEASUREMENTS

Rupees In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017	
	FVTPL	Amortised cost	FVTPL	Amortised cost
FINANCIAL ASSETS - NON-CURRENT				
Investments	1,167	-	1,027	-
FINANCIAL ASSETS - CURRENT				
Investments	992	-	434	-
Trade receivables	-	2,578	-	3,047
Cash and cash equivalents	-	365	-	32
Bank balances other than cash and cash equivalents	-	2,291	-	2,456
Loans and advances	-	487	-	516
FINANCIAL LIABILITIES - CURRENT				
Trade payables	-	1,347	-	1,986
Other financial liabilities	-	281	-	275

Notes:

- FVTPL - Fair value through profit and loss.
- (a) Fair value hierarchy

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Judgements and estimates are made in determining fair values of financial instruments. They are broadly classified in to

- recognised and measured at fair value and
- measured at amortised cost, for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments in to three levels prescribed under the Accounting Standards. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example: Listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (For example: traded bonds, over-the-counter derivatives) are determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

(b) Financial assets and liabilities measured at fair value hierarchy - recurring fair value measurement:

Rupees In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017	
	Level 1	Level 2	Level 1	Level 2
FINANCIAL ASSETS - NON-CURRENT				
Investments	467	700	627	400
FINANCIAL ASSETS - CURRENT				
Investments	992	-	434	-

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

The carrying amounts of trade receivables, cash and bank balances, other bank balances, non-current loans, current loans, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.

Note 30 FINANCIAL RISK MANAGEMENT

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

The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

(i) Credit risk

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

Credit risk management

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

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

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with Governmental agencies/public sector undertakings.

Age of receivables that are past due

Rupees In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017
Up to 30 days	953	1,364
30-60 days	485	557
60-90 days	187	213
More than 90 days	953	913
TOTAL	2,578	3,047
Expected credit loss	-	-

(ii) Liquidity risk

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

Liquidity risk management

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

Maturities of non-derivative financial liabilities

As at March 31, 2018

Rupees In Lakhs

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

As at March 31, 2017

Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	Total
FINANCIAL LIABILITIES - CURRENT			
Trade payables	1,986	-	1,986
Other financial liabilities	206	69	275
TOTAL	2,192	69	2,261

As at April 1, 2016

Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	Total
FINANCIAL LIABILITIES - CURRENT			
Trade payables	1,620	-	1,620
Other financial liabilities	211	71	282
TOTAL	1,831	71	1,902

(iii) Market risk

(A) FOREIGN CURRENCY RISK

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

FOREIGN CURRENCY RISK MANAGEMENT

In respect of the foreign currency transactions, the Company does not hedge the exposures since the Management believes that the same is insignificant in nature and also that it will offset to some extent, the corresponding receivables and payables. The Company's exposure to foreign currency risk at the end of reporting period are as under:

Rupees In Lakhs

Particulars	As at 31.03.2018			As at 31.03.2017			As at 31.03.2016		
	USD	EUR	SEK	USD	EUR	SEK	USD	EUR	SEK
FINANCIAL LIABILITIES									
Trade payables	291	30	-	410	127	7	394	137	81
Net exposure to foreign currency risk (liabilities)	291	30	-	410	127	7	394	137	81

SENSITIVITY TO FOREIGN CURRENCY RISK

The following table demonstrates the sensitivity to USD, EURO and SEK 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 date of the Balance Sheet.

Rupees In Lakhs

Currencies	31.03.2018		31.03.2017	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(15)	15	(21)	21
EUR	(1.5)	1.5	(6)	6
SEK	-	-	(0.3)	0.3

(B) PRICE RISK

The Company is exposed to price risk from its investment in mutual fund classified in the balance sheet at fair value through profit and loss.

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

Rupees In Lakhs

Sensitivity	31.03.2018	31.03.2017
Impact on profit after tax for 5% increase in NAV	73	53
Impact on profit after tax for 5% decrease in NAV	(73)	(53)

Note 31 CAPITAL MANAGEMENT**(i) Risk management**

The Company's objectives when managing capital are 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 and
- Maintain an optimal capital structure to reduce its cost of capital.

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

(ii) Dividends

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
EQUITY DIVIDEND		
Final dividend for the year ended March 31, 2017 of Rs.3/- per fully paid share		632
DIVIDENDS NOT RECOGNISED AT THE END OF THE REPORTING PERIOD		
The Directors have recommended a final dividend of Rs.3/- per equity share. This proposed dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting (AGM). On approval necessary entries will be passed in the books of accounts. To that extent, retained earnings are not fully comparable.	633	

(iii) General reserve

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board has elected to transfer an amount of rupees one crore to the General reserve for the financial year 2017-18, being the same as in the previous year.

Note 32 INVESTMENTS IN JOINT VENTURE & SUBSIDIARY

Subsidiary / Associate / Joint venture	Name of the Subsidiary / Associate / Joint venture	Principal place of business and country of incorporation	Proportion of ownership interest as at 31.03.18	Proportion of ownership interest as at 31.03.17	Proportion of ownership interest as at 31.03.16	Method of accounting	Remarks
Joint Venture	Dualrank Fontech (M) Sdn. Bhd.	India	48%	48%	48%	Fair value	Amount written off in full
Subsidiary	3D Future Technologies Private Limited	India	100%	100%	100%	Cost	-

As on the date of transition, the Company has measured investments at deemed cost i.e. previous GAAP carrying amounts.

Note 33 DETAILS OF JOINT VENTURE & SUBSIDIARY

Joint venture

In view of significant business performance and consistent year on year losses, the Board on the basis of commercial viability has decided to exit from the joint venture – Dualrank Fontech (M) Sdn.Bhd. vide meeting of the Board of Directors dated January 30, 2017. Further, the nominee Directors representing the Company also exited from the Board. Consequently, Ador Fontech Limited does not have any representation in the management of the joint venture. With only an investment proposition in terms of accounting standard, aggregation of accounts of Dualrank Fontech (M) Sdn.Bhd. has not been facilitated. The process for exit has been initiated and it is expected to be completed before the end of the financial year 2018-19.

(i) As per audited statement made available to the Company, details of financials of Dualrank Fontech (M) Sdn.Bhd. are as under:

Particulars	As at 31.12.2017		As at 31.12.2016		As at 31.12.2015	
	MYR in lakhs	INR in lakhs	MYR in lakhs	INR in lakhs	MYR in lakhs	INR in lakhs
Assets	5	84	26	381	19	321
External liabilities*	5	84	20	293	11	186
Net assets	-	-	6	88	8	135
Share capital	10	169	10	147	10	169
Accumulated losses	30	506	25	366	22	372
Conversion rate	-	16.85	-	14.65	-	16.92

Particulars	As at 31.12.2017		As at 31.12.2016		As at 31.12.2015	
	MYR in lakhs	INR in lakhs	MYR in lakhs	INR in lakhs	MYR in lakhs	INR in lakhs
Revenue	16.0	248	27.0	428	22.5	366
Expenses	21.0	325	30.0	476	29.0	472
Losses	(5.0)	(77)	(3.0)	(48)	(6.5)	(106)
Average exchange rate	-	15.48	-	15.87	-	16.29

Notes:

- *External liabilities are liabilities payable to other than the venture companies.
- MYR-Malaysian Ringgits
- Audited financial statements of Dualrank Fontech (M) Sdn. Bhd. as at December 31, 2017 has been uploaded on the website of the Company.

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

Rupees In Lakhs

Particulars	Country of incorporation	Percentage of holding	As at 31.03.2018				Year ended 31.03.2018	
			Assets	Liabilities (External)	Contingent Liabilities	Capital Commitments	Income	Expenditure
3D Future Technologies Private Limited	India	100%	471	(299)	-	-	128	380
Previous year's data	India	100%	368	(244)	-	-	34	318

Note 34 CONTINGENT LIABILITIES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Guarantees (Bank and Corporate)	411	388
Disputed excise duty demand under appeal	71	71
Disputed service tax demands under appeal	421	303
Disputed income tax demands under appeal	320	320
Disputed VAT under appeal	51	-
Investments lien marked for facilitating working capital loan to 3DFT*	300	409
*Market value of lien marked investment	356	515

Note: As per Board resolution and current charge filed with the Ministry of Corporate Affairs, maximum value of guarantee/lien that can be facilitated is rupees five hundred lakhs.

Note 35 EMPLOYEE BENEFITS

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

Brief description of the plans

The Company has various schemes for employee benefits such as provident fund, gratuity and superannuation. In case of funded schemes, the funds are administered through Trustees/appropriate authorities.

- (i) The Company's defined contribution plans are provident fund and superannuation. The Company's defined benefit plan consists of gratuity. The Company has no further obligation beyond making the contributions.
- (ii) The employees of the Company are entitled to compensated absences as per the Company's policy, which is determined as per Actuarial valuation.

(i) Defined contribution plan

- Provident fund
- Superannuation fund

CONTRIBUTION RECOGNISED AS EXPENSE FOR THE YEAR

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Employer's contribution to provident and other funds	115	130
Employer's contribution to superannuation fund	93	100
Employer's contribution to gratuity fund	74	21
TOTAL	282	251

(ii) Defined benefit plan

GRATUITY

In accordance with Ind-AS-19, details of actuarial valuation are as under:

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
ACTUARIAL ASSUMPTIONS		
Discount rate (per annum)	8.1%	7.5%
Salary escalation rate	6.0%	6.0%
Mortality rate (% of IALM 06-08)	100%	100%
Ceiling limit for gratuity	20	10
ATTRITION RATE		
21-44 years	2.0%	2.0%
45-57 years	1.0%	1.0%
Normal retirement age	58 years	58 years
MAJOR CATEGORIES OF PLAN ASSETS		
Government of India securities	5%	5%
State Government securities	63%	65%
High quality corporate bonds	17%	13%
Equity shares of listed companies	2%	1%
Special deposit scheme	4%	4%
Other investments	9%	12%
TOTAL	100%	100%
ASSETS AND LIABILITY (BALANCE SHEET POSITION)		
Present value of obligation	407	346
Fair value of plan assets	315	321
Surplus/(deficit) – Non-current liability	(92)	(25)
EXPENSES RECOGNISED DURING THE PERIOD		
In Income statement	100	21
In other comprehensive income	(33)	-
TOTAL	67	21
CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION		
Present value of obligation at the beginning of the year	346	348
Interest cost	26	27
Service cost	18	21
Actuarial (gain) /loss	46	1
Benefits paid	(29)	(51)
Present value of obligation at the end of the year	407	346
CHANGES IN FAIR VALUE OF PLAN ASSETS		
Fair value of plan assets at the beginning of the year	320	344
Investment income	24	28
Benefits paid	(29)	(51)
Fair value of plan assets at the end of the year	315	321
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	18	21
Past service cost	80	-
Interest cost	2	-
NET GRATUITY COST RECOGNISED IN THE CURRENT YEAR	100	21
EXPENSES RECOGNISED IN THE STATEMENT OF OTHER COMPREHENSIVE INCOME		
Actuarial (gain)/loss recognised in the current year	(33)	1

Sensitivity analysis:

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

Rupees In Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017	
Defined Benefit Obligation (Base)	407		346	
Particulars	As at 31.03.2018		As at 31.03.2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	436	382	375	320
(% change compared to base due to sensitivity)	7.1%	(6.3%)	8.6%	(7.5%)
Salary growth rate (- / + 1%)	383	433	326	367
(% change compared to base due to sensitivity)	(5.9%)	6.3%	(5.8%)	6.2%
Attrition Rate (- / + 50% of attrition rates)	404	410	343	348
(% change compared to base due to sensitivity)	(0.9%)	0.8%	(0.8%)	0.8%
Mortality Rate (- / + 10% of mortality rates)	407	407	346	346
(% change compared to base due to sensitivity)	-	-	(0.1%)	0.1%

Please note that 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.

LEAVE ENCASHMENT

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Assets and liabilities (Balance sheet position)		
Present value of obligation	499	528
Surplus/(deficit)	(499)	(528)
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Present value of obligation at the beginning of the year	528	528
Present value of obligation at the end of the year	499	-
Benefit payment	(60)	-
Expenses recognised in the Income Statement	31	528

Note: The Company contemplates to move leave encashment from being unfunded to funded through the aegis of the Life Insurance Corporation of India, with a sixty day carry forward of earned leave for encashment being made available to the employees, during and from the financial year 2018-19.

Rupees In Lakhs

Particulars	As at 31.03.2018	
	Decrease	Increase
Discount rate (- / + 1%)	536	467
(% change compared to base due to sensitivity)	7.4%	(6.5%)
Salary growth rate (- / + 1%)	466	536
(% change compared to base due to sensitivity)	(6.7%)	7.5%
Attrition Rate (- / + 50% of attrition rates)	498	500
(% change compared to base due to sensitivity)	(0.2%)	0.2%
Mortality Rate (- / + 10% of mortality rates)	499	499
(% change compared to base due to sensitivity)	-	-

Note 36 RELATED PARTY TRANSACTIONS

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

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

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

(ii) Transactions with related parties during the year

Rupees In Lakhs

Relationship / Name of the related party	Description of the nature of transactions	Value of the transactions	
		March 31, 2018	March 31, 2017
ASSOCIATE COMPANIES			
J B Advani and Co. Private Limited	Purchase of traded goods	4	4
	Availment of services	3	-
Ador Welding Limited	Purchase of traded goods	39	47
	Purchase of manufactured goods	68	151
	Sale of manufactured goods		13
	Rent paid	3	4
Ador Powertron Limited	Sale of manufactured goods	50	-
	Inter corporate deposit	300	-
	Interest on Inter corporate deposit	32	-
Ador Welding Academy Private Limited	Sale of traded goods	2	6
Key Managerial Personnel (KMP's)	Remuneration	255	195
Relatives of KMP	Rent	25	24

(iii) Balances of related parties

Rupees In Lakhs

Particulars	As at 31.03.18	As at 31.03.17
Ador Welding Limited – Advance payment for supply of materials	5	-

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

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17	
	Dr.	Cr.	Dr.	Cr.
Ador Welding Academy Private Limited (Dr.)	5	-	-	-

Notes:

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

(v) Transactions with wholly owned subsidiary

Rupees In Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to equity share capital by Ador Fontech Limited	250	200
Security/lien mark provided by Ador Fontech Limited	300	409
Market value of lien marked investments (as above)	356	515
Deposit made by 3DFT	1	-
Lease rentals paid by 3DFT	5	-

Note 37 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Profit /(loss) after tax for the year	943	883
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHARE HOLDERS	943	883
Weighted average number of equity shares outstanding during the year	175	175
Basic and diluted earnings per share (Rs.)	5.4	5.1
Face value per share (Rs.)	2.0	2.0

Note: The Company does not have any outstanding dilutive potential equity shares as at March 31, 2018. Consequently, basic and diluted earnings per share of the Company remain the same.

Note 38 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.74,44,934/- (Previous year Rs. 68,40,437/-) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Lease payments for the year	74	68
MINIMUM LEASE PAYMENTS	As at 31.03.2018	As at 31.03.2017
Not later than one year	75	60
Later than one year but not later than five years	-	-
Later than five years	-	-

Note 39 CONTRACTUAL LIABILITIES

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

Note 40 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 41 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 42 SEGMENT REPORTING

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

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

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

Note 43 AMOUNTS IN THE FINANCIAL STATEMENTS

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



AUDITORS'
REPORT
(CONSOLIDATED)

INDEPENDENT AUDITORS' REPORT

To The Members of ADOR FONTECH LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ador Fontech Limited (hereinafter referred to as 'the Company') and its wholly owned subsidiary, 3D Future Technologies Private Limited, (the Company and its subsidiary together referred to as 'the Group'), comprising the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of changes in Equity and consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors/Management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for

preventing/detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind-AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, its consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

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

Rupees In Lakhs

Particulars	3D Future Technologies Private Limited (3DFT)	
	2017-18	2016-17
Net worth	172	124
Revenue	128	34
Profit/(loss) after tax	(203)	(163)

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 report has 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 report of the other Auditors.

The audited consolidated financial statements for the year ended March 31, 2017, was carried out and reported by M/s Amarnath Kamath and Associates (Firm Registration

No. 000099S), vide their unmodified audit report dated May 9, 2017, whose reports have been furnished to us by the Management and which has been relied upon by us for the purpose of our audit of the consolidated financial statements.

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 accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches/units/subsidiary of the Company not visited by us. The Auditors' report of those branches/units/subsidiary have been forwarded to us and have been appropriately dealt with.
- 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 accounts maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- On the basis of written representations received from the Directors of the Company as on March 31, 2018 and taken on record by the Board of Directors as also representations received from the Directors of the subsidiary incorporated in India and the reports of the statutory auditors of the subsidiary company, none of the

Directors of the Group incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the 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 (Ind-AS), 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.
 - (iv) The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

Bengaluru
May 30, 2018

J H MADAN SRINIVAS
Partner
[Membership No.021643]

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

ANNEXURE 'A' TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as 'the Company') and its wholly owned subsidiary, 3D Future Technologies Private Limited, (the Company and its subsidiary together referred to as 'the Group'), as at March 31, 2018 in conjunction with our audit of the consolidated financial statements for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors of the wholly owned subsidiary incorporated in India, are sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

The Group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Group's internal financial control over financial reporting includes those policies and procedures that:

- (i) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (ii) 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 Group are being made only in accordance with authorisations of Management and Directors of the respective companies; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its wholly owned subsidiary, which are companies incorporated in India, have in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Group 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.

Others

Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, on matters specified in paragraphs 3 and 4 of the Order is not applicable on the consolidated financial statements and hence the same has not been furnished.

Bengaluru
May 30, 2018

J H MADAN SRINIVAS
Partner
[Membership No.021643]

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

THE FUTURE OF 3-D PRINTING

3-D printing is an unstoppable force. Not too long ago, the printing speed and limited output of 3-D printers made them suitable only for rapid prototyping. But in the coming years, 3-D printers will be at the heart of full scale production capabilities. Manufacturing as we know it, will never be the same. The stage for this change wasn't set overnight. Decades of innovation is leading to the precipice of a 3-D printing industrial revolution.

Recent trends

Selective laser sintering (SLS) with usage of a variety of nylon materials is gaining prominence.

Newer technologies have enabled capabilities for continuously printing photo-curable polymers at very high speeds - 40 or 50 times - the speed of a conventional stereolithography 3-D printing system.

Complex and highly detailed products critical for the aerospace, automotive, medical and mechatronic industries will soon be available for production at a fraction of the cost. Further, if your car needs a repair, you'll soon be able to purchase a shift knob or fuel door hinge pin that gets quickly and inexpensively printed. Aerospace engineers will use the same technology to produce jigs and fixtures for spacecraft. Intraoral digital scanning technology in conjunction with intraoral scanners has given the orthodontists, ability to eliminate unpleasant impressions, while providing patients with more accurate appliances and reduced treatment times.

How innovations will shape the future

Perhaps most importantly, another trend that is taking shape is that 3-D printers are now becoming mainstream presences in schools and public libraries. Children aren't just learning how to use 3-D printing hardware and design software; they're expecting to be able to use it.

(Referential Source: Forbes CommunityVoice™)



FINANCIAL
STATEMENTS
(CONSOLIDATED)

BALANCE SHEET (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ASSETS				
1. NON-CURRENT ASSETS				
Property, plant and equipment	2	2,039	2,144	2,258
Capital work-in-progress		55	-	69
Intangible assets		12	15	-
Financial assets				
Investments	3	567	677	659
Loans and advances	4	3	2	2
Deferred tax assets	5	394	412	289
TOTAL		3,070	3,250	3,277
2. CURRENT ASSETS				
Inventories	6	2,191	2,485	2,491
Financial assets				
Investments	7	997	457	160
Trade receivables	8	2,592	3,051	2,443
Cash and bank balances	9	371	37	50
Bank balances other than cash and cash equivalents	10	2,295	2,459	2,919
Loans and advances	11	487	516	485
Other current assets	12	465	359	469
Current tax assets	13	550	433	139
TOTAL		9,948	9,797	9,156
TOTAL ASSETS		13,018	13,047	12,433
EQUITY AND LIABILITIES				
1. EQUITY				
Equity share capital	14	350	350	350
Other equity	15	9,577	8,836	8,746
TOTAL		9,927	9,186	9,096
2. LIABILITIES				
NON-CURRENT LIABILITIES				
Provisions	16	380	531	534
TOTAL		380	531	534
CURRENT LIABILITIES				
Financial liabilities				
Trade payables	17	1,354	1,989	1,620
Other financial liabilities	18	541	508	371
Other current liabilities	19	352	296	285
Provisions	20	464	537	527
TOTAL		2,711	3,330	2,803
TOTAL EQUITY AND LIABILITIES		13,018	13,047	12,433
Significant accounting policies	1			
Notes to the Consolidated Financial Statements	1-36			

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

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

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

STATEMENT OF PROFIT & LOSS (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2018	Year ended 31.03.2017
1. INCOME			
Revenue from operations	21	15,204	14,655
Other income	22	398	269
TOTAL INCOME		15,602	14,924
2. EXPENSES			
Cost of materials consumed	23	3,319	2,814
Purchase of stock-in-trade	24	4,987	5,827
Changes in inventories of work-in-progress, finished goods and stock-in-trade	25	364	(91)
Employee benefit expenses	26	2,503	2,389
Finance cost	27	15	12
Depreciation and amortisation expenses		346	376
Other expenses	28	2,894	2,572
TOTAL		14,428	13,899
3. OPERATING PROFIT		1,174	1,025
4. IMPAIRMENT OF ASSETS			
Write off of old stock inventories		(84)	-
5. PROFIT BEFORE TAXES		1,090	1,025
6. TAX EXPENSES	29		
Current tax		400	425
Deferred tax		(6)	(120)
TOTAL		394	305
7. NET PROFIT AFTER TAX (5-6)		696	720
8. OTHER COMPREHENSIVE INCOME	30		
Items that will not be reclassified to Profit or Loss			
Net (loss)/gain on fair market valuation of assets		35	-
Actuarial gains/(losses) on retirement benefits		34	-
Less: Income tax effect on the above		(24)	-
TOTAL		45	-
9. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (7+8)		741	720
10. EARNINGS PER EQUITY SHARE	31		
Basic and diluted (in Rs.)		4.2	4.1
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the Consolidated Financial Statements	1-36		

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

For SRINIVAS AND SUBBALAKSHMI
Chartered Accountants
Firm Registration No.0113505

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

CASH FLOW STATEMENT (CONSOLIDATED)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	1,174	1,025
ADD/(LESS):		
Depreciation, amortisation and impairment	346	376
Taxes paid	(400)	(425)
Non-operating income including interest income	(398)	(269)
Other non-cash-items	(16)	(3)
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	706	704
Adjustments for:		
Trade receivables	459	(608)
Inventories	294	6
Current investments	(540)	(297)
Loans	28	(30)
Other current assets	(107)	111
Current tax assets	(117)	(294)
Trade payables	(635)	370
Other financial liabilities	34	137
Other current liabilities	56	12
Current provisions	(72)	7
NET CASH FROM OPERATING ACTIVITIES	106	118
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(237)	(277)
Advance towards capital work-in-progress	(55)	69
Purchase and sale of investments (net)	110	(18)
Loans and advances	(1)	-
Interest, dividend and other operating income	398	269
NET CASH FROM INVESTING ACTIVITIES	215	43
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	(151)	(2)
Dividend paid including tax	-	(633)
NET CASH FROM FINANCING ACTIVITIES	(151)	(635)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	170	(474)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,496	2,970
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,666	2,496
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	370	35
Unclaimed dividend account	113	108
Fixed deposits with banks	2,182	2,351
Cash on hand	1	2
TOTAL	2,666	2,496

For and on behalf of the Board of Directors

ADITYA T MALKANI
Chairman
DIN 01585637

H P LEDWANI
Chief Executive Officer and Managing Director
DIN 00040629

GEETHA D
Company Secretary
Mumbai, May 29, 2018

As per our report of even date attached

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

J H MADAN SRINIVAS
Partner (Membership No. 021643)
Bengaluru, May 30, 2018

EQUITY SHARE CAPITAL

Rupees In Lakhs

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

OTHER EQUITY

Rupees In Lakhs

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
OPENING BALANCE AS AT APRIL 1, 2017	172	6,689	1,975	8,836
Transactions during the year				
Net profit/(loss) for the year	-	-	696	696
Other comprehensive income for the year	-	-	45	45
Proposed dividend and related tax	-	-	-	-
Transfer to general reserve	-	100	(100)	-
CLOSING BALANCE AS AT MARCH 31, 2018	172	6,789	2,616	9,577

EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
As at April 1,2016	14	1,75,00,000	350
Changes during the year		-	-
AS AT MARCH 31, 2017		1,75,00,000	350

OTHER EQUITY

Rupees In Lakhs

Particulars	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
OPENING BALANCE AS AT APRIL 1, 2016	172	6,589	1,987	8,748
Transactions during the year				
Net profit/(loss) for the year	-	-	720	720
Other comprehensive income for the year	-	-	-	-
Proposed dividend and related tax	-	-	(632)	(632)
Transfer to general reserve	-	100	(100)	-
CLOSING BALANCE AS AT MARCH 31, 2017	172	6,689	1,975	8,836



NOTES TO
THE FINANCIAL
STATEMENTS
(CONSOLIDATED)

Note 1

COMPANY OVERVIEW

Details of Ador Fontech Limited have been provided as part of the standalone financial statements.

3D Future Technologies Private Limited (3DFT) is a company on a mission to revolutionise the healthcare industry especially medical-pre-surgical planning. By introducing India to its own home-grown-3D printed anatomical models, the company has begun its journey to offer customised, accurate medical models and surgical guides for improved pre surgical planning. The company prides itself on being an experiential Indian company, providing medical solutions of the highest quality standards and to be pioneers in manufacturing 3D printed pre-surgical guides, mechanical bone replicas, teaching aids, customised surgical implants and guides using 3D printing technology. Further, before undertaking business operations, the Company had made presentation on 3DFT at the 40th Annual General Meeting. 3DFT is a private limited company (CIN: U74999MH2015PTC261114) with website address 'www.3dfuturetechnologies.com'.

Basis of preparation of the financial statements

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 by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

The accounting policies are applied consistently to all periods presented in the financial statements. The financial statements of the Group has been consolidated using uniform accounting policies.

HISTORICAL COST CONVENTION

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities are measured at fair value;
- assets held for sale are measured at the lower of carrying amount or fair value less costs to sell;
- defined benefit plans are plan assets measured at fair value.

CURRENT & NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle (twelve months) and other criteria set out in Schedule III to the Act.

ROUNDING OF AMOUNTS

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Schedule III, unless otherwise stated.

Principles of consolidation and equity accounting

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines financial statements of the holding company and its subsidiaries by adding together line by line items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed

wherever necessary to ensure consistency with the policies adopted by the Group. Since the Company has only one wholly owned subsidiary, the accounting policies adopted by the subsidiary are given hereunder.

The consolidated financial statements were authorised for issue in accordance with the resolution of the Directors on May 29, 2018.

Significant accounting policies

The company (hereinafter for the note referred to as the subsidiary company) has applied the following accounting policies to all periods presented in the Ind-AS Financial Statement.

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing taxes and other indirect taxes.

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 byproducts 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

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and has used that carrying value as the deemed cost of property, plant and equipment.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It

also includes the present value of the expected cost for decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for provision are met.

The Company provides depreciation on all assets on written down value basis over its useful life which is in line with Schedule II of the Companies Act, 2013. The Management has estimated useful life of 3D dental printer machine as 8 years.

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

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within 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 derecognised 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 derecognised.

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 as part of capital work-in-progress. At the point when an asset is capable of operating in a manner intended by the Management, cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised, when the asset is available for use, but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to 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 any provision for impairment. Depreciation commences when the assets are ready for their 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 technical estimates, as follows:

Details	Number of years
Plant and equipment	5 to 15 years
Furniture and fixtures	10 years
Office equipment	3 to 5 years
Electrical installation	10 years
Computer software	5 years
Website	3 years

Individual items of assets costing up to Rs.5,000 are fully depreciated in the year of acquisition.

The Management has estimated useful life of 3D Dental printer machine as 8 years.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss, if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

INTANGIBLE ASSETS

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either definite 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 derecognition 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 derecognised.

On transition to Ind-AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at April 1, 2016 measured as per the previous GAAP (Indian GAAP) and use that carrying value as the deemed cost of the intangible assets.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

FINANCIAL ASSETS

Initial recognition and measurement

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

A 'debt instrument' is classified as FVTOCI (fair value through other comprehensive income) if both of the following criteria are met:

- The objective of the business model is achieved by collecting contractual cash flows and selling the financial assets and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses, reversals and foreign exchange gain or loss in the Profit and loss account.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as amortised cost or as FVTOCI, is classified as at FVTPL (fair value through profit & loss).

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

Financial assets - derecognition

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

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

Impairment of financial assets

In accordance with Ind-AS-109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS-18.

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves, such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

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

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

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

Financial liabilities - recognition and measurement

Financial liabilities are classified at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in case of loans, borrowings and payables, they are reflected net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments. The measurement of financial liabilities depends on their classification, as described below:

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

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

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

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind-AS-109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of profit and loss. The Company has not designated any financial liability at fair value through the statement of profit and loss.

Financial liabilities - derecognition

A financial liability is derecognised when obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(VII) LOANS AND BORROWINGS

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

Amortised cost is calculated by taking in to account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

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.

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) 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 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, which are prepared separately for each of the Company's CGUs to which the 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 Company estimates the asset's or CGU'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 prior years. Such reversals are 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 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 and condition. Cost is determined on a weighted average basis.

Finished goods and work-in-progress

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal

operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

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 profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 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 reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly 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.

Sales/ VAT and Goods and Services Tax (GST) paid are accounted on acquisition of assets or on incurring expenses. Expenses and assets are recognised net of the amount of 'Sales/ VAT and Goods and Services Tax (GST)' paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

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 and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense, as the related service has been rendered by the employees.

Compensated absences

Compensated absences accruing to employees and which can be carried to future periods, but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

Post-employment benefits

• Defined contribution plan

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 to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the profit or loss during the period in which the employee renders the related service.

• Defined benefit plan

The entity's obligation is to provide the agreed benefits to current and former employees.

• 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 unfunded.

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 bonds 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.

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. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

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 are never 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 applicable Ind-AS.

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognised, when the Company has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and where 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.

The Company has significant capital commitments in relation to various capital projects which are not recognised in the Balance sheet. 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 Management has concluded, based on all available facts and circumstances that are not probable of payments 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 functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into 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 differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

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.

OPERATING SEGMENTS

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

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

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

'Unallocated Corporate 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 a 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 Lessee

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

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

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

The Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. 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.

FIRST TIME ADOPTION OF IND-AS

Reconciliation between previous GAAP and Ind-AS

The following reconciliations provide explanation and qualification of the differences arising from transition from the previous GAAP to Ind-AS in accordance with Ind-AS-101 'First Time Adoption of Indian Accounting Standards'.

- Reconciliation of total equity as at April 1, 2016 and March 31, 2017.
- Reconciliation of total comprehensive income for the year ended March 31, 2017.
- Reconciliation of statement of cash flows for the year ended March 31, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind-AS.

(i) RECONCILIATION OF TOTAL EQUITY AS AT APRIL 1, 2016 AND MARCH 31, 2017

Rupees In Lakhs

Particulars	As at 31.03.2017	As at 01.04.2016
Equity as reported under previous GAAP	123	86
RE-MEASUREMENT ON TRANSITION TO IND-AS:		
Impact of measuring current investments at fair value through profit or loss (FVTPL)	1	0.5
Impact on account of financial assets recognised at amortised cost and deferred tax thereon	(1)	(0.5)
TOTAL EFFECT OF TRANSITION TO IND-AS	-	-
EQUITY AS PER IND-AS	123	86

(ii) RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2017

Rupees In Lakhs

Particulars	Year ended 31.03.2017
Net profit or (loss) for the period as per previous GAAP	(163)
GAAP adjustments:	
Impact of measuring current investments at fair value through profit or loss (FVTPL)	1
Impact on account of financial assets recognised at amortised cost, re-measurement of (gain)/loss, employee benefit schemes and deferred tax adjustment	(1)
NET PROFIT OR (LOSS) AS PER IND-AS	(163)

(iii) RECONCILIATION OF STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

All adjustments on account of transition from erstwhile Indian GAAP to Ind-AS are non-cash in nature, hence there is no material impact on the Statement of Cash flows.

Exemptions availed

OPTIONAL EXEMPTIONS AVAILED:

The Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

For financial instruments wherein fair market values are not available, the Company has elected to adopt fair value recognition prospectively to transactions entered in to on or after the date of transition to Ind-AS.

MANDATORY EXEMPTIONS AVAILED

Ind-AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with the previous GAAP, except where Ind-AS requires a different basis for estimate as compared to the previous GAAP. In terms of the same, the following mandatory exemptions have been availed:

- Derecognition provision of Ind-AS-109 prospectively from the date of transition to Ind-AS.
- Classification of financial assets on the basis of the facts and circumstances that existed as on the date of transition to Ind-AS.
- Application of Ind-AS-101 which provides relaxation from applying impairment related requirements retrospectively.

Note 2 PROPERTY, PLANT AND EQUIPMENT

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	
Land-Freehold	76	-	-	76	-	-	-	-	76
Land-Leasehold	2	-	-	2	-	-	-	-	2
Factory building	1,081	-	-	1,081	482	58	-	540	541
Office premises	610	-	20	590	140	23	13	150	440
Plant and Machinery	1,533	149	213	1,469	861	139	207	793	676
Electrical Installations	98	-	3	95	66	9	4	71	24
Computers	181	6	135	52	146	19	129	36	16
Office equipment	111	17	65	63	87	14	61	40	23
Furniture and Fixtures	148	9	63	94	107	12	62	57	37
Vehicles	504	73	98	479	290	72	87	275	204
TOTAL	4,344	254	597	4,001	2,179	346	563	1,962	2,039

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2018
	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	As at 01.04.2017	Additions	Deductions	As at 31.03.2018	
Software	21	-	4	17	6	3	4	5	12
Product development	66	-	66	-	66	-	66	-	-
TOTAL	87	-	70	17	72	3	70	5	12

PROPERTY, PLANT AND EQUIPMENT

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2017
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	
Land-Freehold	76	-	-	76	-	-	-	-	76
Land-Leasehold	2	-	-	2	-	-	-	-	2
Factory building	1,081	-	-	1,081	419	64	-	483	598
Office premises	610	-	-	610	116	24	-	140	470
Plant and Machinery	1,469	68	4	1,533	708	153	-	861	672
Electrical Installations	96	3	-	99	56	10	-	66	33
Computers	148	38	5	181	131	18	5	144	37
Office equipment	93	18	-	111	73	15	-	88	23
Furniture and Fixtures	138	12	1	149	95	13	-	108	41
Vehicles	560	99	155	504	342	79	129	292	212
Assets retired									(20)
Total	4,273	238	165	4,346	1,940	376	134	2,182	2,144

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2017
	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	As at 01.04.2016	Additions	Deductions	As at 31.03.2017	
Software	4	17	-	21	4	2	-	6	15
Product development	66	-	-	66	66	-	-	66	-
TOTAL	70	17	-	87	70	2	-	72	15

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17		As at 31.03.16	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)						
Centre For Technology Assisted Reconstructive Surgery Pvt. Ltd.	2,345	50	2,345	50	-	-
Total investment in equity shares						
REC Capital Gains Bonds	-	-	-	-	500	50
IRFC Capital Gains Bonds	500	50	-	-	-	-
TOTAL INVESTMENT IN UNQUOTED SHARES AND BONDS	-	100	-	50	-	50
INVESTMENT IN MUTUAL FUNDS (QUOTED)						
HDFC-FMP370D-April 2014	-	-	10,93,230	139	10,93,230	109
HDFC-FMP 1218D- December 2016*	10,00,000	110	10,00,000	102	-	-
HDFC-FMP117D-March 2018	10,00,000	100	-	-	-	-
Aditya Birla Sunlife-Fixed term plan	5,00,000	50	-	-	-	-
Kotak Bond Fund*	1,47,750	70	1,47,750	68	1,47,750	50
HDFC Income Fund	-	-	3,63,958	136	3,63,958	100
SBI Dynamic Bond Fund*	3,40,120	72	3,40,120	70	3,40,120	50
Reliance Fixed Horizon Fund	5,00,000	65	5,00,000	60	5,00,000	50
Reliance Fund	-	-	-	-	10,00,000	100
Edelweiss Arbitrage Fund	-	-	4,24,139	52	4,83,161	50
Kotak Equity Arbitrage Fund	-	-	-	-	9,28,729	100
TOTAL INVESTMENT IN MUTUAL FUNDS	-	467	-	627	-	609
TOTAL NON-CURRENT INVESTMENTS	-	567	-	677	-	659
Aggregate amount of quoted investments and market value thereof	-	467	-	627	-	609
Aggregate amount of unquoted investments	-	100	-	50	-	50

Notes: The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/term loan) to 3D Future Technologies Private Limited by Ador Fontech Limited. Further, the latter has registered charge with the Ministry of Corporate Affairs/Registrar of Companies vide document no. 100038046 dt. Oct 29, 2015. As at March 31, 2018, 3D Future Technologies Private Limited had a liability of rupees one hundred and eighty nine lakhs (previous year rupees two hundred and twenty four lakhs) with regard to loan availed from the HDFC Bank Limited.

Note 4 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Unsecured, considered good			
Govt deposits	-	-	-
Other deposits	3	2	2
TOTAL	3	2	2

Note 5 DEFERRED TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
DEFERRED TAX LIABILITY ON ACCOUNT OF:			
Difference between book and tax balance of fixed assets	(96)	(60)	(79)
Fair market value of increase in investments of mutual funds and actuarial gains	(24)	-	-
SUB-TOTAL	(120)	(60)	(79)
DEFERRED TAX ASSETS ON ACCOUNT OF:			
Provision for compensated absences	196	272	275
Provision for warranties	93	96	90
Provision for doubtful debts	1	20	2
Value of shares of the Joint venture	26	26	-
Diminution in the value of shares of the joint venture	37	35	-
Others	161	23	1
SUB-TOTAL	514	472	368
TOTAL	394	412	289

Note 6 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Raw materials	981	826	802
Less: Adjustment for fair market value	84	-	-
FAIR VALUE OF RAW MATERIALS	897	826	802
Work-in-progress	118	60	255
Traded goods	934	1,512	1,365
Less: Adjustment for fair market value	-	121	-
FAIR MARKET VALUE OF TRADED GOODS	934	1,391	1,365
Finished goods	242	208	69
TOTAL	2,191	2,485	2,491

Note 7 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17		As at 31.03.16	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED)						
HDFC-FMP1208D – March 2018	13,73,803	138	-	-	-	-
LIC Savings Plus Fund	2,73,116	75	-	-	-	-
Franklin India Corporate Bond Opportunities Fund	2,77,125	50	-	-	-	-
Franklin India Low Duration Fund	2,56,560	51	-	-	-	-
ICICI Liquid Plan	16,176	42	6,89,360	335	-	-
ICICI Prudential Regular Savings Fund*	5,65,032	105	-	-	-	-
ICICI Prudential Short term Fund	3,66,171	138	-	-	-	-
HDFC Liquid Fund	-	-	1,466	47	14,134	144
ICICI Prudential Equity Arbitrage Fund	15,66,645	368	-	-	-	-
HDFC Arbitrage Fund	1,92,515	25	-	-	-	-
India Bulls Arbitrage Fund	-	-	4,39,367	52	-	-
HDFC Mutual Fund (Investment by 3DFT)	155	5	731	23	539	16
TOTAL INVESTMENT IN MUTUAL FUNDS	-	997	-	457	-	160
AGGREGATE BOOK VALUE AND MARKET VALUE OF QUOTED INVESTMENTS	-	997	-	457	-	160
Aggregate amount of impairment in the value of investments	-	-	-	-	-	-

Notes: The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/term loan) to 3D Future Technologies Private Limited by Ador Fontech Limited. Further, the latter has registered charge with the Ministry of Corporate Affairs/Registrar of Companies vide document no. 100038046 dt. Oct 29, 2015. As at March 31, 2018, 3D Future Technologies Private Limited had a liability of rupees one hundred and eighty nine lakhs (previous year rupees two hundred and twenty four lakhs) with regard to loan availed from the HDFC Bank Limited.

Note 8 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Secured, considered good		-	
Unsecured, considered good	2,592	3,051	2,443
Unsecured, considered doubtful	-	55	6
Less : Provision for doubtful debts	-	(55)	(6)
Unsecured and considered bad	88	-	-
Less: Bad debts written off	(88)	-	-
TOTAL	2,592	3,051	2,443

Note 9 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Balances with banks in current accounts	370	35	49
Cheques on hand	-	-	-
Cash on hand	1	2	1
TOTAL	371	37	50

Note 10 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Fixed deposit with banks	2,182	2,351	2,821
Balance with banks in unclaimed dividend accounts	113	108	98
TOTAL	2,295	2,459	2,919

Notes:

- Cash and cash equivalents as of March 31, 2018 and March 31, 2017 include restricted cash and bank balances of rupees three hundred and sixty one lakhs and rupees two hundred and eighty one lakhs, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends. The deposit maintained by the Company with banks comprise time deposit.
- Disclosure of specified bank notes: The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016 are not relevant for the financial year 2017-18. Details of SBN held and transacted during the period from November 8, 2016 to December 30, 2016 are as follows: Closing cash in hand as on November 8, 2016: Rs.1 lakh, Permitted receipts: Rs.7 lakhs, Permitted payments: Rs. 7 lakhs and amount deposited in banks: Nil, Closing cash in hand as on December 30, 2016: Rs.1 lakh.

Note 11 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
UNSECURED, CONSIDERED GOOD			
SECURITY DEPOSITS			
Deposits-Govt. departments	242	17	34
Deposits-Premises	10	8	7
Deposits-Security	23	18	17
Deposits -Performance guarantees	26	49	49
Deposits-Earnest money deposits	178	207	137
LOANS TO RELATED PARTY			
Loan and advances to the Joint venture entity	-	210	220
OTHER ADVANCES			
Loans and advances to employees and others	8	7	21
TOTAL	487	516	485

Note 12 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
ADVANCES OTHER THAN CAPITAL ADVANCES			
Advance to suppliers	13	19	5
Prepaid expenses	82	35	44
Taxes duties, input credits and refund due	370	305	420
TOTAL	465	359	469

Note 13 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Advance income tax (net of provision for tax)	550	433	139
TOTAL	550	433	139

Note 14 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
AUTHORISED			
2,50,00,000 equity shares of Rs. 2 each	500	500	500
TOTAL	500	500	500
ISSUED, SUBSCRIBED AND PAID-UP			
1,75,00,000 equity shares of Rs. 2 each	350	350	350
TOTAL	350	350	350

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

Rupees In Lakhs

Particulars	2017-18		2016-17	
	In Nos.	Amount	In Nos.	Amount
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

(ii) Rights, preferences and restrictions

The Company has only one class of shares, referred to as equity shares having a par value of Rs.2/- per share. Each holder of equity share is entitled to one vote per share and dividend as may be declared at the Annual General Meeting.

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

Rupees In Lakhs

Particulars	As at 31.03.18		As at 31.03.17		As at 31.03.16	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
J B Advani and Company Private Limited (JBA)	46,06,588	26.32%	46,06,578	26.32%	46,06,578	26.32%

Note: In view of J B Advani and Company Private Limited's shareholding being 26.32%, it will be treated as an Associate by Ador Fontech Limited, in terms of the Companies Act, 2013 and amendments thereon.

However, in view of Ind-AS regulations, we have been informed that JBA will aggregate the accounts of Ador Fontech Limited as a subsidiary for the purpose of its consolidated financial statements.

(iv) As on the date of the Balance Sheet

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

(v) Issue/conversion of equity shares

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

Note 15 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Securities premium	172	172	172
General reserve	6,789	6,689	6,589
Retained earnings	2,616	1,975	1,985
TOTAL	9,577	8,836	8,746

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	172	172	172
Transactions during the year	-	-	-
CLOSING BALANCE	172	172	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Opening balance	6,689	6,589	6,389
Transferred from surplus in the Statement of Profit and Loss	100	100	200
CLOSING BALANCE	6,789	6,689	6,589

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Opening balance	1,975	1,985	1,993
Transaction during the year			
Net profit /loss for the year	696	720	930
Other comprehensive income for the year	45	-	-
Equity dividend	-	(525)	(613)
Tax on equity dividend	-	(107)	(125)
Transfer to general reserve	(100)	(100)	(200)
Consolidation adjustment	-	2	-
CLOSING BALANCE	2,616	1,975	1,985

Note 16 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Provision for compensated absences	380	531	534
TOTAL	380	531	534

Note 17 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Micro, small and medium enterprises	-	-	-
Other than Micro, small and medium enterprises	1,354	1,989	1,620
TOTAL	1,354	1,989	1,620

Note: Trade payables include creditors for capital goods, raw materials, consumables, traded goods and other materials as well as expenses, be it in the nature of capital or revenue. The Company has not received any information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Hence, it is deemed that there are no amounts outstanding in respect of such entities to be categorised under 'MSME' in the books of accounts.

Note 18 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Deposit from dealers and employees	240	176	186
Unclaimed dividends	113	108	99
Short term borrowings	188	224	86
TOTAL	541	508	371

Note 19 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Advance from customers	54	19	17
Statutory liabilities	298	277	268
TOTAL	352	296	285

Note 20 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
PROVISION FOR EMPLOYEE BENEFITS			
Provision for compensated absences	127	259	259
Provision for gratuity	67	-	7
OTHERS	-	-	-
Warranties	270	278	261
TOTAL	464	537	527

Note 21 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
SALE OF PRODUCTS		
Manufactured goods (net of excise duty and GST)	6,750	5,943
Scrap sales	13	13
Traded goods	6,857	7,302
SALE OF SERVICES		
Job work income	1,564	1,365
Commission on export services	20	32
TOTAL	15,204	14,655

Note 22 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest income	181	187
Dividend	1	5
Other non-operating-income	74	71
Profit on sale of assets	131	2
Profit on sale of investments	11	4
TOTAL	398	269

DETAILS OF INTEREST AND DIVIDEND INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
INTEREST INCOME		
Interest on bank deposits	147	183
Others	34	4
SUB-TOTAL	181	187
DIVIDEND INCOME		
Dividend from mutual funds	1	5
SUB-TOTAL	1	5

Note 23 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Opening stock	826	802
Add: Purchases	3,473	2,838
Less: Closing stock	980	826
TOTAL	3,319	2,814

Note 24 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Welding consumables, equipment and spares	4,985	5,826
Others	2	1
TOTAL	4,987	5,827

Note 25 CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
AT THE BEGINNING OF THE YEAR		
Work-in-progress	60	255
Finished goods	208	69
Stock-in-trade	1,390	1,365
SUB-TOTAL	1,658	1,689
AT THE END OF THE YEAR		
Work-in-progress	118	60
Finished goods	242	208
Stock-in-trade	934	1,512
SUB-TOTAL	1,294	1,780
TOTAL	364	(91)

Note 26 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Salaries, allowances and other benefits	2,070	1,987
Contribution to various retiral funds	287	256
Staff welfare	146	146
TOTAL	2,503	2,389

Note 27 FINANCE COST

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Interest costs	15	12
TOTAL	15	12

Note 28 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Rent, rates, insurance and taxes	174	193
Consumables and stores	158	184
Power, fuel and utilities	129	115
Sub-contracting of job works	824	692
Stationery, printing and communication	99	100
Repairs to building	42	4
Repairs to machinery	19	21
Office maintenance	88	78
Professional fees	152	114
Travelling and conveyance	532	479
Freight and forwarding	279	210
Sales commission and promotional expenses	253	220
Provision for warranties	60	5
Payment to auditors	6	6
Bank and other charges	10	23
Corporate social responsibility	10	16
General expenses	23	57
Bad debts written off	34	-
EMD written off	2	-
Provision for doubtful debts	-	55
TOTAL	2,894	2,572

Auditors' remuneration (excluding service tax and GST)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Statutory audit	4	4
Limited review of quarterly financial statements	1	1
Branch audit	0.5	0.5
TOTAL	5.5	5.5

Note 29 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
CURRENT TAX EXPENSE		
Current tax for the year	400	425
DEFERRED TAXES		
Change in deferred tax assets	-	(14)
Change in deferred tax liabilities	(6)	(106)
SUB-TOTAL	(6)	(120)
TOTAL	394	305

TAX RECONCILIATION (FOR PROFIT AND LOSS)

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before tax	1,174	1,025
Tax on operating profits	377	354
Tax on capital gains	2	-
TAX EFFECT OF AMOUNTS WHICH ARE NOT DEDUCTIBLE/ NOT TAXABLE IN CALCULATING TAXABLE INCOME		
TDS not deducted (30% of Rs. 17 lakhs)	5	-
Provision for retirement benefits	(76)	1
Provision for bad debts	(7)	18
Provision for warranties	(1)	6
Others	100	46
INCOME TAX EXPENSE	400	425

Note 30 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Increase in the value of investments	35	-
Actuarial gains / (losses) on defined benefit obligations	34	-
Tax impact on the same	(24)	-
TOTAL	45	-

Note 31 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net Profit / (loss) after tax for the year	741	720
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHARE HOLDERS	741	720
Weighted average number of equity shares outstanding during the year	175	175
Basic and diluted earnings per share (Rs.)	4.2	4.1
Face value per share (Rs.)	2.0	2.0

Note: The Company does not have any outstanding dilutive potential equity shares as at March 31, 2018. Consequently, basic and diluted earnings per share of the Company remain the same.

Note 32 LEASE ARRANGEMENTS

Ador Fontech Limited has provided on lease a scanner (equipment) to 3D Future Technologies Private Limited against a deposit of rupees one lakh and monthly lease rentals of Rs.50,726 plus applicable GST.

Future minimum lease payments under non-cancellable operating leases of 3DFT are as under:

Rupees In Lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Not later than one year	6	-	-
Later than one year but not later than five years	19	-	-
TOTAL	25	-	-

Note 33 TRANSACTIONS WITH RELATED PARTIES

(i) Transactions with related parties by 3D Future Technologies Private Limited (3DFT)

Rupees In Lakhs

Transactions during the year	Holding, Subsidiary and Associate		Key Management Personnel		Other Related Parties	
	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017	Year ended 31.03.2018	Year ended 31.03.2017
Remuneration to KMP	-	-	1	-	-	-
PURCHASE OF MATERIALS						
1908 e-Ventures Pvt. Ltd.	-	-	-	-	1	-
Ador Multiproducts Ltd.	-	-	-	-	2	-
REIMBURSEMENT OF EXPENSES						
J B Advani and Company Pvt. Ltd.	3	4	-	-	-	-
License fees, Common area maintenance and business support charges and security deposit						
J B Advani and Company Pvt. Ltd.	20	19	-	-	-	-

(ii) Transactions between 3DFT and Ador Fontech Limited

Rupees In Lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to equity share capital by Ador Fontech Limited	250	200
Security/Lien mark provided by Ador Fontech Limited	300	409
Market value of lien marked investments (as above)	356	515
Deposit made by 3DFT	1	-
Lease rentals paid by 3DFT	5	-

Note 34 EMPLOYEE BENEFITS

The Company and its wholly owned subsidiary provides for provident fund and pension contribution as required under the statute. Both the Companies also provide for:

- Gratuity and
- Leave encashment on the basis of actuarial valuation.

Note 35 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities of Ador Fontech Limited are mentioned as part of the Standalone Financial Statements. Further, 3DFT has no contingent liabilities as on the reporting periods.

Note 36 SEGMENT INFORMATION

The performance of each of the Companies in the group is assessed and reviewed by their respective Chief Operating decision maker. In their assessment, each of the Company's operations remains within the gamut of a single operating segment, respectively.

Note 37 DETAILS ON FORM AOC-1

- Names of associates or joint ventures which are yet to commence operations – Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable .
However, vide Board resolution dated January 30, 2017 the Company has decided to exit from the Joint-venture and the process of exit is expected to be completed before the end of the financial year 2018-19.
- Related parties/associates are separate legal and business entities-public limited/private limited companies and there are no cross shareholdings, between Ador Fontech Limited and such companies, except by way of J B Advani and Company Private Limited (the Promoter) and its Director's/Shareholder's shareholdings across such organisations.
- This statement is certified in the same manner in which the Balance Sheet is certified as at March 31, 2018.
- Extract of financial statements of 3D Future Technologies Private Limited has been provided as part of the financial statements in the Annual Report.
- Amounts in brackets indicate negative values/external liabilities.

FORM AOC-1

(PURSUANT TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5
OF THE COMPANIES (ACCOUNTS) RULES, 2014)

PART A : SUBSIDIARIES

Particulars	Details
Name of the subsidiary	3D Future Technologies Private Limited
Reporting period of the subsidiary concerned, if different from holding company's reporting period	Not Applicable Reporting year: April 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-As at 31.03.18 Paid up capital: Rs.650 lakhs-As at 31.03.18
Reserves and surplus/Other equity	(Rs.478 lakhs)-As at 31.03.18
Total assets	Rs.471 lakhs-As at 31.03.18
Total liabilities (external)	(Rs.299 lakhs)-As at 31.03.18
Investments	Rs.5 lakhs-As at 31.03.18
Turnover	Rs.128 lakhs-As at 31.03.18
Profit/(loss) before tax	(Rs.252 lakhs)-As at 31.03.18
Provision for tax/Deferred tax credit	Rs.49 lakhs-As at 31.03.18
Profit/(loss) after tax	(Rs.203 lakhs)-As at 31.03.18
Proposed dividend	Nil
Percentage of shareholding	One hundred percent held by Ador Fontech Limited

PART B : ASSOCIATES AND JOINT VENTURE

Rupees In Lakhs

Name of the Associates/ Joint Ventures	J B Advani and Company	Ador Welding	Ador Welding Academy	Ador Powertron	Ador Multiproducts	Ador Green Energy	Dualrank Fontech
Latest audited Balance Sheet date	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.03.18	31.12.17
Number of shares	-	-	-	-	-	-	4,80,000
Amount of investment in Associate/joint venture	-	-	-	-	-	-	76
Extent of holding (percent)	-	-	-	-	-	-	48 percent
Description of how there is significant influence	Promoter	Promoter	Promoter group	Promoter group	Promoter group	Promoter group	Shareholding greater than 20 percent
Reason why the associate/joint venture is not consolidated*	Related Party	Related Party	Related Party	Related Party	Related Party	Related Party	Exit in process
Net-worth, Balance Sheet and Profit/(loss)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	No
Not considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	Yes

BALANCE SHEET

Rupees In Lakhs

Particulars	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Ador Fontech Limited		3DFT		Consolidated	
ASSETS						
1. NON-CURRENT ASSETS						
Property, plant & equipment	1,865	2,014	174	130	2,039	2,144
Capital work-in-progress	55	-	-	-	55	-
Intangible assets	-	-	12	15	12	15
Financial assets						
Investments	1,167	1,027	(600)	(350)	567	677
Loans and advances	-	-	3	2	3	2
Deferred tax assets	229	296	165	116	394	412
TOTAL	3,316	3,337	(246)	(87)	3,070	3,250
2. CURRENT ASSETS						
Inventories	2,180	2,472	11	13	2,191	2,485
Financial assets						
Investments	992	434	5	23	997	457
Trade receivables	2,578	3,047	14	4	2,592	3,051
Cash and bank balances	365	32	6	5	371	37
Bank balances other than cash and cash equivalents	2,291	2,456	4	3	2,295	2,459
Loans and advances	487	516	-	-	487	516
Other current assets	438	352	27	7	465	359
Current tax assets	550	433	-	-	550	433
TOTAL	9,881	9,742	67	55	9,948	9,797
TOTAL ASSETS	13,197	13,079	(179)	(32)	13,018	13,047
EQUITY AND LIABILITIES						
1. EQUITY						
Equity share capital	350	350	-	-	350	350
Other equity	10,055	9,112	(478)	(276)	9,577	8,836
TOTAL	10,405	9,462	(478)	(276)	9,927	9,186
2. LIABILITIES						
NON-CURRENT LIABILITIES						
Provisions	373	528	7	3	380	531
TOTAL	373	528	7	3	380	531
CURRENT LIABILITIES						
Financial liabilities						
Trade payables	1,347	1,986	7	3	1,354	1,989
Other financial liabilities	281	275	260	233	541	508
Other current liabilities	327	292	25	4	352	296
Provisions	464	536	-	1	464	537
TOTAL	2,419	3,089	292	241	2,711	3,330
TOTAL EQUITY AND LIABILITIES	13,197	13,079	(179)	(32)	13,018	13,047

INCOME STATEMENT

Rupees In Lakhs

Particulars	As at	As at	As at	As at	As at	As at
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Ador Fontech Limited		3DFT		Consolidated	
Revenue	15,474	14,890	128	34	15,602	14,924
Cost of sales & operating expenses	(14,048)	(13,581)	(380)	(318)	(14,428)	(13,899)
Profit before tax	1,426	1,309	(252)	(284)	1,174	1,025

Notes:

- 3DFT - 3D Future Technologies Private Limited
- Financial statements of 3DFT along with Auditors' Report have been uploaded on the website of the Company.

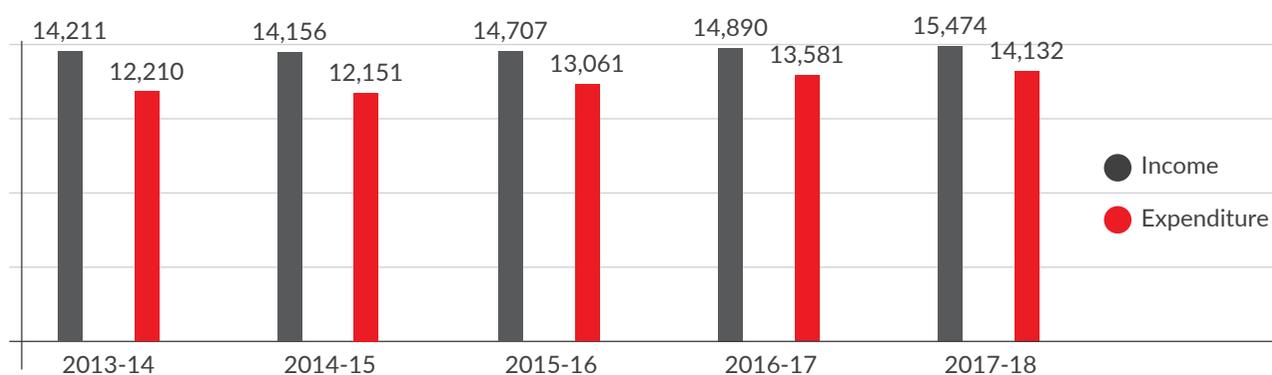
SERVICE OF DOCUMENTS THROUGH E-MODE

In case you have not registered your email for receiving documents through e-mode, kindly do so at the earliest by sending your request with the following details to:

- The Company: investorservice@adorfon.com
- Registrar and transfer agent: irg@integratedindia.in

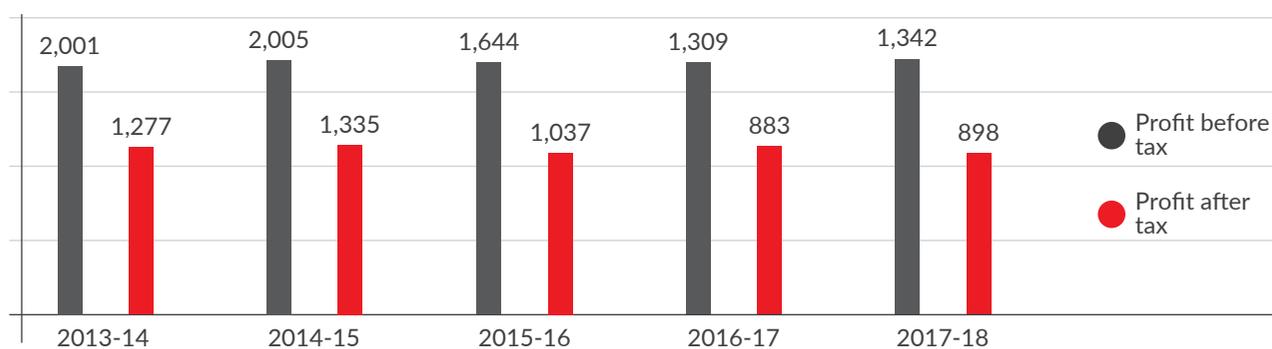
Name of the Company	Ador Fontech Limited
Name of the Shareholder(s)	
Folio number	
E-mail address to which documents/notices can be served electronically (Only for the Shareholders holding shares in physical form).	
PAN card and Aadhaar (Photo ID proof and address proof – Copy/scanned document to be attached)	
Signature	

Note: Shareholder(s) holding shares in electronic form are requested to update their email with the Depository Participant, with whom the demat account is held.



Rupees In Lakhs

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Income	14,211	14,156	14,707	14,890	15,474
Expenditure	12,210	12,151	13,061	13,581	14,132



Rupees In Lakhs

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Profit before tax	2,001	2,005	1,644	1,309	1,342
Tax	724	670	607	426	444
Profit after tax	1,277	1,335	1,037	883	898

Rupees In Lakhs

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Share capital	350	350	350	350	350
Reserves and surplus	7,986	8,561	8,860	9,112	10,055
Market capitalisation	11,900	15,488	15,715	14,761	18,550
Number of employees	222	231	236	208	200



ADOR FONTECH LIMITED
CIN: L31909KA1974PLC020010
Registered Office: Belview 7 Haudin Road Bengaluru 560 042
T +91 80 2559 6045/73 F (080) 2559 7085
E investorservice@adorfon.com www.adorfon.com

ATTENDANCE SLIP

43RD ANNUAL GENERAL MEETING

Date: August 02, 2018 Time: 11.30 A.M.

Place: Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001

I/We hereby record my/our presence at the 43rd Annual General Meeting (AGM) of the Members of the Company on Thursday, August 02, 2018 at 11:30 hours at Hotel Ajantha 22-A Mahatma Gandhi Road Bengaluru 560 001.

Signature of the Member(s)/Proxy/Authorised Representative(s)

Place: Bengaluru Date: August 02, 2018

Notes:

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

ELECTRONIC VOTING PARTICULARS

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

E-VOTING FACILITY IS AVAILABLE DURING THE FOLLOWING VOTING PERIOD

Commencement of e-Voting	End of e-Voting
July 30, 2018 (Monday) at 9:00 hours	August 01, 2018 (Wednesday) at 17.00 hours



ADOR FONTECH LIMITED
 CIN: L31909KA1974PLC020010
 Registered Office: Belview 7 Haudin Road Bengaluru 560 042
 T +91 80 2559 6045/73 F (080) 2559 7085
 E investorservice@adorfon.com www.adorfon.com

PROXY FORM – FORM NO. MGT-11

**PURSUANT TO SECTION 105(6) OF THE COMPANIES ACT, 2013 AND
 RULE 19(3) OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014**

Name of the Member(s) Email

Registered address

.....

Folio No/Client ID DP ID

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

Name Address

.....

Email Signature or failing him/her

Name Address

.....

Email Signature or failing him/her

Name Address

.....

Email Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 43rd Annual General Meeting of the Company, to be held on Thursday, August 02, 2018 at 11:30 hours at Hotel Ajantha, 22-A Mahatma Gandhi Road Bengaluru 560 001 and at any adjournment thereof in respect of the following resolutions:

Sl. No.	Resolutions	For	Against
1.	Adoption of Accounts		
2.	Declaration of Dividend		
3.	Re-appointment of Mrs. N Malkani Nagpal (DIN 00031985) as Director		
4.	Ratification of the appointment of Statutory Auditors		
5.	Appointment of Branch Auditors		
6.	Cost Auditors and their remuneration		
7.	Service of documents to Members		

Signed this day of 2018

Signature of the Shareholder

Signature of the Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office-Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042-not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members facility to exercise their right to vote at the 43rd Annual General Meeting (AGM) by electronic means and the business to be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

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

STEP 1 Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

STEP 2 Cast your vote electronically on NSDL e-Voting system

Details on Step 1 are mentioned below

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on 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 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password 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.

- Your User ID details will be as given below:

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

- Your password details are given below:
 - (i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (iii) Method to retrieve 'initial password'
 - (a) If your email ID is registered in your demat account or with the Company, your 'initial password' is 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. Open the .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'.
 - (b) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (i) Click on 'Forgot User Details/Password'(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (ii) Physical User Reset Password (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (iii) If you are still unable to get the password by aforesaid two options, you can send a request to evoting@nsdl.co.in mentioning your demat account number/folio number,your PAN, your name and your registered address.
- After entering your password, tick on 'Agree' to the 'Terms and Conditions' by selecting on the check box.
- Now, you will have to click on 'Login' button.
- After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are given below

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.
- Select 'EVEN' of the company for which you wish to cast your vote.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

- Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail (cs.skannan@gmail.com) with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need, to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to evoting@nsdl.co.in.
- The e-Voting period commences from July 30, 2018 (9:00 hours) and ends on August 01, 2018 (17:00 hours). During this period, the Shareholders' of the Company, holding shares either in physical or in dematerialised form, as on the cut-off date - July 26, 2018, may cast their vote electronically. Once the vote on a resolution is cast by the Shareholder(s), it shall not be allowed to change subsequently.
- The voting rights of the Shareholder(s) shall be in proportion to their shares reckoned on the paid-up equity share capital of the Company as on the cut-off date: July 26, 2018. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date ie., July 26, 2018 may obtain 'Login Id and Password' by sending request to NSDL-evoting@nsdl.co.in.
- Mr. Kannan S, Company Secretary (FCS Membership No. 6261 and CP No. 13016) of M/s. S Kannan and Associates (Firm registration no.S2017KR473100) having office at No. 13, Ground Floor, 1st Main Road, Venkateshwara Layout, Off BCC Layout, Attiguppe, Vijayanagar, Bengaluru 560 040 and failing him, Ms. Manjula Narayan (ACS Membership No. 28374 and CP No. 10150), having office at No. 22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036; Company Secretary (ies) in practice have been appointed as Scrutiniser(s) by the Board to scrutinise the remote e-Voting and Voting process at the Annual General Meeting in a fair and transparent manner.

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

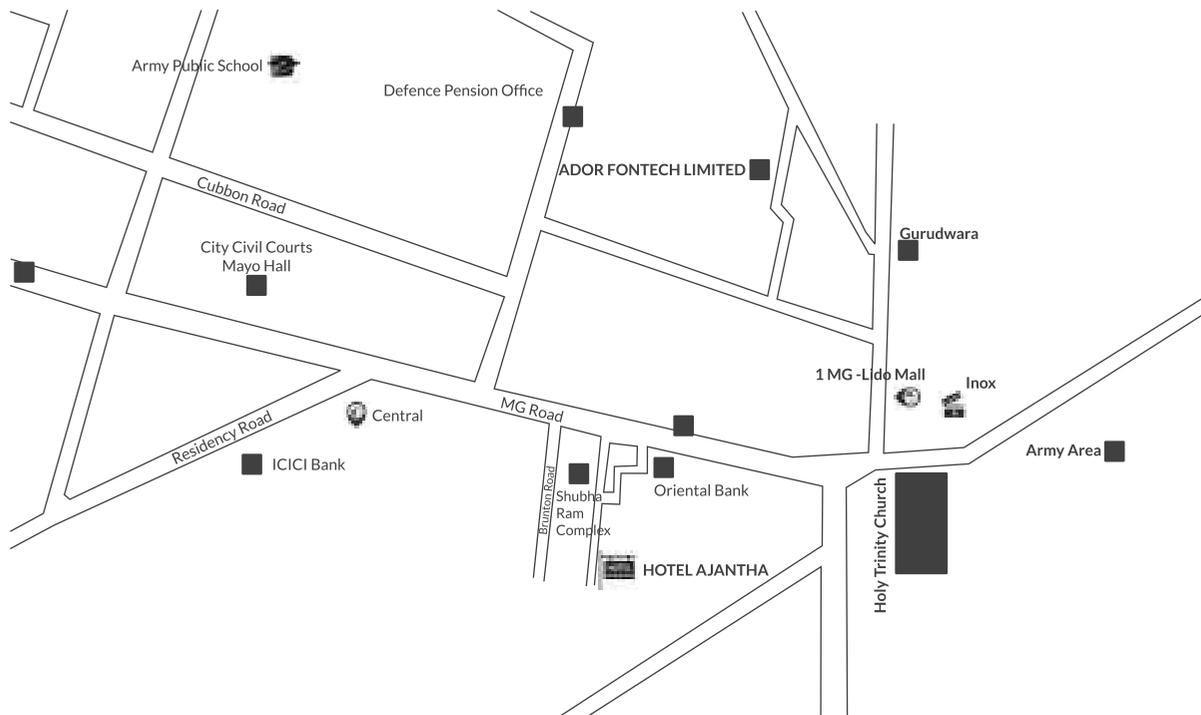
POLL AT THE MEETING AND THE SCRUTINISER'S REPORT

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

SAFE HARBOR AND DISCLAIMER STATEMENT

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

ROUTE MAP TO THE AGM VENUE



ADOR FONTECH LIMITED

CEMENT / STEEL / POWER / ENGINEERING /
RAILWAYS

CONTACT US

Ador Fontech Limited • Belview • 7 Haudin Road • Bengaluru 560 042

T +91 80 2559 6045 / 73 • E investorservice@adorfon.com www.adorfon.com