



LIFE ENHANCEMENT OF INDUSTRIAL COMPONENTS

45TH ANNUAL REPORT 2019-20



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 Malik	Independent Director

COMPANY SECRETARY

Ms. Geetha D

MANAGEMENT TEAM

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

REGISTERED AND CORPORATE OFFICE

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

MANUFACTURING UNITS

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

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

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

WHOLLY OWNED SUBSIDIARY

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

STATUTORY AUDITORS

M/s. Praveen & Madan
(Earlier name-Srinivas & Subbalakshmi)
Chartered Accountants
Firm Registration No. 011350S
237 2nd Cross Cambridge Layout Halasuru
Bengaluru 560 008

SECRETARIAL AUDITOR

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

SHARE TRANSFER AGENT

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

BANKERS

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

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

GOODS AND SERVICES TAX REGISTRATIONS

Bengaluru 29AABCA1724H1ZY
Nagpur 27AABCA1724H1Z2
Gurugram 06AABCA1724H2Z5

BOARD OF DIRECTORS



Mr. A T Malkani
Chairman



Mr. H P Ledwani
Managing Director



Mrs. N Malkani Nagpal
Promoter Director



Mr. N S Marshall
Independent Director



Mr. Santosh Janakiram
Independent Director



Mr. Rafique Malik
Independent Director

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NOTICE TO THE
45TH ANNUAL
GENERAL MEETING

Notice is hereby given that the **Forty Fifth Annual General Meeting** (AGM) of the Members of the Company will be held through **video conference on Wednesday, September 23, 2020 at 11:00 a.m.** to transact the following business:

ORDINARY BUSINESS

1. Adoption of Standalone Financial Statements

To consider and adopt the Audited Standalone Financial Statements for the financial year ended March 31, 2020 together with the reports of the Auditors and Directors thereon.

2. Adoption of Consolidated Financial Statements

To consider and adopt the Audited Consolidated Financial Statements for the financial year ended March 31, 2020 together with the reports of the Auditors and Directors thereon.

3. Confirmation of dividend

To confirm interim dividend paid of Rs.1.80 (Rupee one and paise eighty only) as final dividend for the financial year 2019-20.

4. Re-appointment of Mrs. N Malkani Nagpal as Non Executive 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.

SPECIAL BUSINESS

5. Re-Appointment of Mr. A T Malkani as 'Executive Chairman'

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

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination and Remuneration Committee; Approval of the Board; Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 including Rules and Schedules there under; Securities and Exchange Board of India Regulations; Listing agreement with the Stock Exchange besides all other applicable legislations including statutory modification(s) or re-enactment(s) thereof as may become applicable from time to time and in terms of the Memorandum and Articles of Association of the Company; approval of Members be and is hereby accorded for the re-appointment of Mr. A T Malkani (DIN 01585637) for a term of three years, as a Whole time Director designated as 'Executive Chairman'.

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

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

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

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

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

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

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

7. Re-Appointment of Mr. Rafique Malik as an Independent Director

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

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on June 26, 2020 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013; the Companies (Appointment and Qualification of Directors) Rules 2014; Regulations pertaining to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable Statutory Enactments, Provisions, Rules, Guidelines, Notifications (including modification(s) or re-appointment thereof for the time being in force) approval of the Members of the Company be and is hereby accorded, for the re-appointment of Mr. Rafique Malik (DIN 00521563) (i) whose current term of office ceases on August 25, 2020 (ii) has submitted a declaration confirming the criteria of independence under Section 149(6) of the Companies Act, 2013 (iii) is eligible for a second term under the applicable provisions of law (iv) in respect of whom the Company has received a notice in writing from a Member proposing his candidature as a Director pursuant to Section 160 of the Companies Act, 2013 and (v) whose term shall not be subject to retirement by rotation; to hold office for a second term of five consecutive years on the Board as a Non-Executive Independent Director of the Company w.e.f. August 26, 2020 up to August 25, 2025.

RESOLVED FURTHER THAT the Board of Directors (which term shall unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and are hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to the resolution including adherence to the requirements, modifications, terms and conditions as may be stipulated by the Statutory/Regulatory Authorities.

8. To appoint Branch Auditors of the Company

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

RESOLVED THAT pursuant to Section(s) 139, 143 and other applicable provisions of the Companies Act, 2013 read with Rules made there under, the accounts for the year ending March 31, 2021 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.

9. Cost Auditors and their remuneration

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

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, the appointment of M/s. Rao Murthy and Associates (Firm registration no. 000065) at a remuneration of rupees one lakh plus applicable taxes thereon, be and is hereby approved and ratified for conduct of Cost Audit for the financial year 2020-21.

COMPANIES ACT 2013, SECRETARIAL STANDARD SS-3 AND GUIDANCE NOTE ISSUED BY ICSI

Based on the recommendation of the Audit Committee and resolution of the Board, interim dividend of 90% equivalent to Rs. 1.80 (Rupee one and paise eighty) per equity share was paid to the Members during the month of March 2020 and consequential tax was also borne by the Company. The Board has not further recommended dividend beyond the interim paid for the financial year 2019-20. In this regard, confirmation is solicited as per the Companies Act 2013 and best governance practices.

NOTES

- In view of the outbreak of Covid-19 pandemic and pursuant to general circular numbers 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs (MCA) and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'the circulars'), companies are allowed to hold Annual General Meeting (AGM) through video conference (VC) without physical presence of the Members at a common venue. Hence, in compliance with the circulars, the 45th AGM of the Company is being held through video conference through the aegis of the National Securities Depository Limited (NSDL).
- A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a Member of the Company. Since the AGM is being held through VC, facility for appointment of proxies by the Members will not be available. Further, attendance, proxy and location map being not applicable are not enclosed.

- The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representative(s) to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorisation letter to the Scrutiniser Mr. S Kannan at cs.skannan@gmail.com and/or kannans@kannans.in.
- Pursuant to the provisions of Sections 107 and 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020; the Company is pleased to provide its Members, the facility to exercise their votes during the course of the 45th AGM by electronic means and the business may also be transacted through remote e-Voting prior to the AGM. While detailed instructions have been provided as part of this Notice, schedule of remote e-Voting is as under:

Date and time of commencement of remote voting through electronic means	Sep 19, 2020 at 09:00 a.m.
Date and time of end of remote voting through electronic means	Sep 22, 2020 at 05:00 p.m.

- Any person who acquires shares of the Company and becomes a Member after sending of the Notice and holding shares as on the cut-off date, may obtain login ID and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-Voting, then he/she can use his/her existing user ID and password for casting vote.
- Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently. The voting right of Members shall be in proportion to the shares in the paid up capital of the Company, as on the cut-off date i.e. September 16, 2020.
- Members who have exercised their right to vote by remote e-Voting may attend the Annual General Meeting, but shall not be allowed to cast vote again during the AGM.
- Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding); Promoters; Institutional Investors; Directors; Key Managerial Personnel; Chairpersons of the Audit

Committee, Management Development Nomination and Remuneration Committee and Stakeholders Relationship Committee; Auditors etc. who are allowed to attend the EGM/AGM without restriction.

- Members present at the AGM through VC and who have not cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- In case of joint Shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Resolutions assented to by requisite majority of the Members by means of remote e-Voting shall be deemed to have been duly passed at the Annual General Meeting.
- The Board of Directors has appointed Mr. Kannan S (FCS Membership No. 6261 and COP No. 13016) of M/s. S Kannan and Associates (Firm Registration No. S2017KR473100) having office at No. 13, Ground Floor, 1st Main Road, Venkateshwara Layout, Off BCC Layout, Attiguppe, Vijayanagar, Bengaluru 560 040 and failing him Ms. Manjula Narayan (ACS Membership No. 28374 and COP No. 10150) having office at No. 22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036 as Scrutiniser(s) to scrutinise the e-Voting process in a fair and transparent manner. The results of voting on the above resolutions shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report will be communicated to the Stock Exchange (BSE) and shall be made available on the Company's website and on the website of National Securities Depository Limited (NSDL).
- The Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2020 to September 23, 2020 (both days inclusive).
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, will be available electronically for inspection to the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Member(s) from the date of circulation of this Notice up to the date of the AGM i.e., September 23, 2020. Members seeking to inspect such documents may send an email to investorservice@adorfon.com / sanathkumar@adorfon.com.
- Members whose shareholding is/are in electronic mode are requested to direct notifications about change of address and update of bank account details to their respective depository participants (DPs). Members whose shareholding is/are in physical mode are requested to opt for electronic clearing system (ECS) to receive dividends on time.
- SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository participant(s) and those in physical form are required to submit to the Registrar and Share Transfer Agent (RTA).
- As per the provisions of Section 72 of the Companies Act, facility for making nominations is available to the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form no. SH-13. The form can be downloaded from the Company's website at <http://www.adorfon.com/forms.html>. Members are requested to submit these details to their Depository Participants in case shares are held in electronic form and to the RTA (Registrar and Share Transfer Agent) in case shares are held in physical form.
- Pursuant to Section 124(6) of Companies Act, 2013, all shares in respect of which, dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed dividend warrants of previous year(s) are hereby requested to encash the same at the earliest. Further, in terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of unclaimed dividends on the website of the Company '<http://www.adorfon.com/unclaimed-dividends.html>' which may be used by the Shareholders for referential check.'
- As per Regulation 40 of SEBI (LODR) Regulations 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019; except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company or the Registrar and Transfer Agent (Integrated Registry Management Services Private Limited) for assistance, if any, that may be required in this regard.
- Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile and other details of Directors proposed to be appointed are annexed to this Notice.
- Details required under Regulation 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this AGM forms part of this Notice.
- The relevant statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses set out above is annexed.

- Members desiring any information about the annual accounts at the meeting are requested to write to the Company at least five (5) days in advance of the Annual General Meeting.
- The Company has sent individual letters to all the Members of the Company by post to ensure/update their current email address. In consonance, the Annual Report 2019-20 and the Notice to the 45th AGM along with instructions for e-Voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company, Registrar and Share Transfer Agent and Depository Participant(s). Further, in line with the Ministry of Corporate Affairs (MCA) circular No. 17/2020 dated April 13, 2020, Notice calling the AGM along with the Annual Report have been uploaded on the website of the Company at www.adorfon.com. The Notice can also be accessed from the website of the Stock Exchange ie., www.bseindia.com as also from the NSDL portal ie., www.evoting.nsdl.com.
- Statutory Auditors: At the forty second AGM, Members had appointed M/s. Srinivas & Subbalakshmi, Chartered Accountants (Firm registration no. 011350S) as the Statutory Auditors of the Company for a period of five years, which was duly ratified by the Members on August 2, 2018. The requirement of year on year ratification was done away by the Companies (Amendment) Act, 2017 w.e.f. May 7, 2018. Further, during the financial year 2019-20 the firm name of M/s. Srinivas & Subbalakshmi underwent a change, with the new name being M/s. Praveen & Madan with registration number remaining the same. Accordingly, the audit firm M/s. Praveen & Madan will continue as the Statutory Auditors until the conclusion of the 47th Annual General Meeting of the Company.

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

Item No. 4

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

BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

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

NAME: Mrs. Ninotchka Malkani Nagpal

DIRECTOR IDENTIFICATION NUMBER (DIN): 00031985

DATE OF BIRTH & AGE: July 6, 1971; 48 years

DATE OF FIRST APPOINTMENT ON THE BOARD: July 20, 2007

QUALIFICATIONS AND EXPERIENCE

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 & Economics from Lehigh University, PA, USA. Her career started with Alliance Capital Asset Management in New York and she has over two decades of experience with the Ador Group of Companies.

Mrs. N Malkani Nagpal will oversee general business functions. As Chairman of Corporate Social Responsibility Committee, she will be responsible for CSR activities. Her educational qualification entails 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.

AREA OF EXPERTISE: Finance

TERMS AND CONDITIONS OF APPOINTMENT: Appointment as Non Executive and Non Independent Director.

REMUNERATION DETAILS

Mrs. N Malkani Nagpal will be entitled to sitting fees for attending meetings of the Board and its Committees, besides reimbursement of expenses for travel/conveyance, board and lodging. On her appointment at the ensuing meeting, she will continue to be entitled to the same. During the year 2019-20 she was in receipt of Rs.68,000 (Rupees sixty eight thousand) as Sitting fees.

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Six out of Six

SHAREHOLDING IN THE COMPANY: 54,700 shares

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

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

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS

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

- Public Limited Companies: Ador Welding Limited, Piem Hotels Limited and Ador Multiproducts Limited
- 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.

Memberships / Chairmanships of Committees (other than Ador Fontech Limited)

- Stakeholders Relationship Committee: Ador Welding Limited - Member and Ador Multiproducts Limited - Member
- Nomination and Remuneration Committee: Piem Hotels Limited - Member
- Corporate Social Responsibility: Ador Welding Limited - Member

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

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

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

Item No. 5

The term of appointment of Mr. A T Malkani ceased w.e.f. March 31, 2020. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on February 05, 2020 approved his re-appointment, subject to the consent of the Members.

BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

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

NAME: Mr. Aditya Tarachand Malkani

DIRECTOR IDENTIFICATION NUMBER (DIN): 01585637

DATE OF BIRTH & AGE: August 26, 1980; 39 years

DATE OF FIRST APPOINTMENT ON THE BOARD: July 20, 2007

QUALIFICATIONS AND EXPERIENCE

Mr. A T Malkani is a graduate in Economics from the Oberlin college, Mumbai and has done his masters in Business Administration from the Indian School of Business (ISB). He started his career with J B Advani & Company and moved over to Ador Welding Limited as 'Manager' for international operations.

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

RECOGNITION AND AWARDS

Mr. A T Malkani heads Ador Fontech Limited, which has twice been the recipient of 'Forbes Asia Award' under the category of 'Best under a billion dollar Company'.

AREA OF EXPERTISE: Strategy and Operational Management

TERMS AND CONDITIONS OF APPOINTMENT: Appointment as Executive Director and Chairman of the Company.

REMUNERATION DETAILS: As per Annexure - I

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Six out of Six

SHAREHOLDING IN THE COMPANY: 10,85,986 shares

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

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS**Directorships held in other Companies (other than Ador Fontech Limited)**

- Public Limited Companies: Ador Welding Limited
- Private Limited Companies: J.B Advani & Co. Pvt. Ltd., Ador Green Energy Pvt. Ltd.; 3D Future Technologies Pvt. Ltd. and NAP APPS Pvt. Ltd.

Memberships / Chairmanships of Committees (other than Ador Fontech Limited)

- Audit Committee: Ador Welding Limited-Member

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

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

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

Item No. 6

The term of appointment of Mr. H P Ledwani ceased w.e.f. March 31, 2020. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on February 05, 2020 approved his re-appointment, subject to the consent of the Members.

BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

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

NAME: Mr. Harish Phatandas Ledwani

DIRECTOR IDENTIFICATION NUMBER (DIN): 00040629

DATE OF BIRTH & AGE: October 29, 1953; 66 years

DATE OF FIRST APPOINTMENT ON THE BOARD: April 23, 1998

QUALIFICATIONS AND EXPERIENCE

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

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

RECOGNITION AND AWARDS

In recognition of both 'Leadership and Individual abilities', Mr. H P Ledwani has been bestowed with the following awards:
(a) Udyog Rattan Award by the Institute of Economics Studies
(b) Global Achievers Award for CEO (2012 & 2013) by the Economics Development Forum.

AREA OF EXPERTISE: Organisational sustenance and growth

TERMS AND CONDITIONS OF APPOINTMENT: Appointment as Chief Executive Officer and Managing Director of the Company.

REMUNERATION DETAILS: As per Annexure – II

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Six out of Six

SHAREHOLDING IN THE COMPANY: 1,21,998 shares

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

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS

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

- Private Limited Companies: 3D Future Technologies Pvt. Ltd.

Memberships / Chairmanships of Committees (other than Ador Fontech Limited)

- Nil

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

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

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

Item No. 7

Mr. Rafique Malik was appointed as an Additional Director by the Board on January 30, 2015 and confirmed by the Shareholders vide resolution passed at the 40th AGM held on August 26, 2015. Mr. Rafique Malik has furnished
(i) His Director identification number as 00521563 (ii) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (iii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iv) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of Members for re-appointment of Mr. Rafique Malik as an Independent Director of the Company up to August 25, 2025 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, as also in terms of SEBI/Stock Exchange Listing requirements/guidelines. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Rafique Malik, the Independent Director proposed to be appointed, fulfills the conditions specified in terms of the Companies Act, 2013 and Rules made there under and is independent of the Management.

BRIEF PROFILE AND ADDITIONAL INFORMATION ABOUT THE APPOINTEE

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

NAME: Mr. Rafique Abdul Malik

DIRECTOR IDENTIFICATION NUMBER (DIN): 00521563

DATE OF BIRTH & AGE: October 31, 1950; 69 years

DATE OF FIRST APPOINTMENT ON THE BOARD: January 30, 2015

QUALIFICATIONS AND EXPERIENCE

Mr. Rafique Malik is a graduate in Commerce and holds President Management Program from Harvard. He is a national of the United States of America and currently holds the position of Chairman, Metro Shoes Limited.

RECOGNITION AND AWARDS

Mr. Rafique Malik has received various awards and recognitions. Noted amongst them include (i) Life time achievement award by Franchise India Small Business, 2010 (ii) Retail Entrepreneur of the year award by Star Retailers, 2011 (iii) Most admired footwear retail professional of the year award at Images Shoes and Accessories Forum, 2012.

AREA OF EXPERTISE: Business development

TERMS AND CONDITIONS OF APPOINTMENT: Appointment as Independent Director of the Company

REMUNERATION DETAILS: Mr. Rafique Malik will be entitled to sitting fees for attending meetings of the Board and its Committees, besides reimbursement of expenses for travel/conveyance, board and lodging. On his re-appointment at the ensuing meeting, he will continue to be entitled to the same. During the year 2019-20, he was in receipt of Rs.51,000 (Rupees fifty one thousand) as Sitting fees.

NO. OF BOARD MEETINGS ATTENDED DURING THE YEAR AS A DIRECTOR: Five out of Six

SHAREHOLDING IN THE COMPANY: Nil

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

OTHER DIRECTORSHIPS, MEMBERSHIP/ CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS

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

- Public Limited Companies: Metro Shoes Limited and MIRC Electronics Limited
- Private Limited Companies: Metro House Pvt. Ltd., Metro Shopping Plaza Pvt. Ltd., Metro Shopping Arcade Pvt. Ltd., Metro Holdings and Securities Pvt. Ltd., Metmill Footwear Pvt. Ltd. and Mahindra Retail Pvt. Ltd.

Memberships / Chairmanships of Committees (other than Ador Fontech Limited)

- Allotment and CSR Committee: Metro Brands Limited – Chairman
- Nomination and Remuneration Committee: Metro Brands Limited – Member
- Stakeholders Relationship Committee: MIRC Electronics Limited – Chairman
- Audit Committee: MIRC Electronics Limited – Member

PERFORMANCE EVALUATION AND RATING

The Board other than the Independent Director evaluated the performance of Mr. Rafique Malik and provided 'Excellent' as the rating - 1 on a scale of 5 with 1 being excellent.

The Board recommends the resolution set out at item no. 7 for approval.

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

- No Director of the Company is concerned or interested in the said resolution except Mr. Rafique Malik as it pertains to his appointment.
- None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution.
- None of the Directors or KMPs or their relatives are in any way concerned or interested in the resolution.

Item No. 8

The 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, 2021 and fix their remuneration.

The Board recommends the resolution set out at item no. 8 for approval

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

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

Item No. 9

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 2020-21 and finalised their remuneration. The same is placed for approval/ratification of the Members.

The Board recommends the resolution set out at item No.9 for approval.

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

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

ADDITIONAL INFORMATION

General

NATURE OF INDUSTRY: Life enhancement of industrial components.

DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION: Manufacturing operations/Job works started at Nagpur on January 1, 1992 and October 18, 2012 at Bengaluru.

EXPECTED DATE OF COMMENCEMENT OF PROJECT AS APPROVED BY THE FINANCIAL INSTITUTIONS: Not applicable

FINANCIAL PERFORMANCE BASED ON GIVEN INDICATORS: Detailed financial statements (including notes to the accounts) and comparative analysis (for last five years) form part of the Annual Report. As per the Companies Act, 2013 read with Rules and Schedules there under, details as at March 31, 2020 are as follows: (i) Profit reckoned as per Section 198 for the purpose of managerial remuneration is Rs. 1,893 lakhs (ii) Net worth is Rs. 10,879 lakhs (iii) Effective capital is Rs. 14,570 lakhs (iv) The Company has been paying dividend right from its inception and has not defaulted in payments to any of its Stakeholders and is debt-free.

Others

REASONS FOR LOSS OR INADEQUATE PROFITS: India's progress in terms of becoming a global manufacturing base has been slower than expected despite, robust policy measures, strong labour force, congenial supply chain base and relatively better access to natural resources. However, given the present global economic conditions and slump in India's key sectors, your Company has managed well to continue as a profit making entity, despite the undaunting task to upscale.

EXPECTED INCREASE IN PRODUCTIVITY AND PROFITS IN MEASURABLE TERMS: Management has adopted focused business strategies in all spheres of business functions to improve sales and profitability.

ANNEXURE I

Terms & conditions of appointment of 'Executive Chairman'

APPOINTMENT AND TERM

The Board vide its meeting dated February 05, 2020 appointed/re-appointed Mr. A T Malkani as a whole time Director

designated as 'Executive Chairman' subject to the approval of Members at the Annual General Meeting and in compliance of Statutory regulations. The current term shall be for a period of three years, in consonance with the Companies Act, 2013 read with Schedule 'V' including updated notifications/regulations, as may become applicable.

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

REMUNERATION

The terms of remuneration proposed/payable to Mr. A T Malkani during his tenure as Executive Chairman shall be as follows:

- **Salary:** Rupees four lakhs and sixty seven thousand per month with yearly increments as may be decided by the Board.
- **Housing:** The Company shall provide furnished residential accommodation along with all amenities & facilities or in case no accommodation is provided, the Company shall pay house rent allowance equivalent to sixty percent of the basic salary.
- **Medical:** The Company shall reimburse all expenses incurred in India and/or abroad, including payment of mediclaim premium for self and family. (Note: Family means 'spouse, dependent children and parents').
- **Leave travel concession:** The Company shall pay leave travel concession for self and family, once a year to any destination in India/abroad, as per the rules of the Company, not exceeding an amount equivalent to one and half month's basic salary.
- **Club fees:** The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.
- **Personal accident insurance:** The Company shall pay premium for personal accident insurance policy of a suitable amount.
- **Use of vehicle:** The Company shall provide vehicle for official purpose, the expenditure on which will not be considered as perquisite.
- **Communication facility at residence:** The Company shall reimburse telephone and other communication facilities, the expenditure on which will not be considered as perquisite.
- **Entertainment:** Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
- **Contribution to life insurance policies:** The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company from time to time.

- **Provident fund:** The Company shall contribute to provident fund as per the rules of the Company not exceeding 12% of the salary and be subject to the provisions of the Income tax Act and Rules thereunder (as may be amended by the Govt. from time to time).
- **Superannuation fund:** The Company shall contribute to superannuation fund as per the rules of the Company subject to the condition that such contribution together with provident fund shall not exceed 27% of the salary as prescribed under the Income tax Act and Rules there under (as may be amended by the Government from time to time).
- **Gratuity:** Payable as per rules applicable to the Executives of the Company (subject to such modifications as may be notified by the Govt. from time to time) on cessation of employment.
- **Earned/Privilege leave:** Eligible for leave as per the rules of the Company. Encashment of unavailed leave, if any, shall be subject to the rules, as are applicable to the employees of the Company in general.
- **Minimum remuneration:** Notwithstanding anything contained in the Companies Act, 2013, where in any financial year, during the currency of tenure as Chairman, the Company has no profits or its profits are inadequate, the Company may pay remuneration by way of salary, allowances, performance bonus/commission and other benefits subject to the specifications, approvals under the Companies Act, 2013 & schedules thereunder and in the alternate seek approval from Regulatory Authorities as may be required.
- **Sitting fees:** No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.
- **Extensions:** The duration of appointment with due compliance of statutory/legal requirements, will be subject to extension(s) on approval/ratification by the Board.

PAST REMUNERATION

Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 42nd Annual General Meeting held on August 02, 2017 and in terms of the Companies Act, 2013 read with Schedule V.

STOCK OPTION

No stock option or ESOP during the current tenure of employment.

LOSS OF OFFICE/TERMINATION

The Chairman shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.

UNDERTAKING

The Chairman shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

SUPERSESSON

This agreement supersedes all previous agreements (including amendments thereto) entered in to between the Company and Mr. A T Malkani.

ANNEXURE II

Terms and conditions of appointment of 'Managing Director'

APPOINTMENT AND TERM

The Board vide its meeting dated February 05, 2020 appointed/ re-appointed Mr. H P Ledwani as a whole time Director designated as 'Chief Executive Officer and Managing Director' subject to the approval of Members at the Annual General Meeting and in compliance of Statutory regulations. The current term shall be for a period of one year, in consonance with the Companies Act, 2013 read with Schedule 'V' including updated notifications/regulations, as may become applicable.

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

REMUNERATION

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

- **Salary:** Rupees seven lakhs and sixty five thousand per month with increment as may be decided by the Board.
- **Housing:** The Company shall provide furnished residential accommodation along with all amenities & facilities or in case no accommodation is provided, the Company shall pay house rent allowance equivalent to sixty percent of the basic salary.
- **Educational allowance:** The Company shall pay an amount equivalent to Rs.10,000 (rupees ten thousand only) per month.
- **Performance Bonus/ Incentives**

CRITERIA BASED ON PROFITS	PERCENT
For profits up to Rs. 20 crores	0.75% of the profit
Rs. 20.1 crores to Rs. 35 crores	1.00% of the profit
Rs. 35.01 crores and above	1.25% of the profit

Note: Profits implies profits before tax.

- **Medical:** The Company shall reimburse all expenses incurred in India and/or abroad including payment of mediclaim premium for self and family. (Note: Family means 'spouse, dependent children and parents').
- **Leave travel concession:** The Company shall pay leave travel concession for self and family, once a year to any destination in India/abroad, as per the rules of the Company, not exceeding an amount equivalent to one and half month's basic salary.
- **Club fees:** The Company shall pay fees of clubs (maximum two clubs) including admission and life Membership fees.
- **Personal accident insurance:** The Company shall pay premium for personal accident insurance policy of a suitable amount.
- **Use of vehicle:** The Company shall provide vehicle for official purpose, the expenditure on which will not be considered as perquisite.
- **Communication facility at residence:** The Company shall reimburse telephone and other communication facilities, the expenditure on which will not be considered as perquisite.
- **Entertainment:** Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
- **Contribution to life insurance policies:** The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company from time to time.
- **Provident fund:** The Company shall contribute to provident fund as per the rules of the Company not exceeding 12% of the salary and be subject to the provisions of the Income tax Act and Rules thereunder (as may be amended by the Govt. from time to time).
- **Superannuation fund:** The Company shall contribute to superannuation fund as per the rules of the Company subject to the condition that such contribution together with provident fund shall not exceed 27% of the salary as prescribed under the Income tax Act and Rules there under (as may be amended by the Government from time to time).
- **Gratuity:** Payable as per rules applicable to the Executives of the Company (subject to such modifications as may be notified by the Govt. from time to time) on cessation of employment.
- **Earned/Privilege leave:** Eligible for leave as per the rules of the Company. Encashment of unavailed leave if any, shall be subject to the rules, as are applicable to the employees of the Company in general.

- **Minimum remuneration:** Mr. H P Ledwani's shareholding is less than 0.5% of the paid up share capital of the Company and he functions in a professional capacity. He is not related to any of the Director(s) or Promoter(s). In case of no profits or inadequate profits, the Company may pay remuneration by way of salary, allowances, performance bonus/commission and other benefits subject to the specifications and approvals under the Companies Act, 2013 and schedules thereunder and in the alternate seek approval from Regulatory Authorities as may be required.
- **Sitting fees:** No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.

PAST REMUNERATION

Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 42nd Annual General Meeting held on August 02, 2017 and in terms of the Companies Act, 2013 read with Schedule V.

STOCK OPTION

No stock option or ESOP during the current tenure of employment.

LOSS OF OFFICE/TERMINATION

The Managing Director shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.

UNDERTAKING

The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.

SUPERSESSON

This agreement supersedes all previous agreements entered in to between the Company and Mr. H P Ledwani.

Bengaluru
June 26, 2020

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

PROCEDURE FOR ATTENDING AGM THROUGH VIDEO CONFERENCE/OTHER AUDIO VISUAL MEANS (VC /OAVM)

- Members will be provided facility to attend the AGM through VC/OAVM of the NSDL platform. Members may access the same at <https://www.evoting.nsdl.com> under the Shareholders / Members login category by using remote e-Voting credentials and selecting EVEN for the Company's AGM.
- Members who do not have User ID and Password for e-Voting or have forgotten their User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice, to avoid last minute rush. Further Members can also use OTP based login for logging in to the e-Voting system of NSDL.
- Members are encouraged to join the meeting through laptops for better experience and will be required to allow camera and use internet with good speed to avoid any disturbance during the meeting. Please note that participants connecting from mobile devices or tablets or through laptop or mobile hotspot may experience audio/video loss due to fluctuation in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Ms. Sarita Mote, Asst. Manager, NSDL at SaritaM@nsdl.co.in/ 022- 24994890.

PROCEDURE TO RAISE QUESTIONS/ SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT

- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their Name, Demat account number/folio number, Email id, Mobile number to Mr. Sanath Kumar, Asst. Company Secretary at sanathkumar@adorfon.com.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- Speakers are requested to submit their questions at the time of registration to enable the Company to respond appropriately.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure smooth conduct of the AGM.

INSTRUCTIONS TO THE MEMBERS FOR REMOTE e-Voting

The remote e-Voting will begin on September 19, 2020 at 9:00 a.m. and will end on September 22, 2020 at 5:00 p.m. The remote e-Voting module will be disabled by NSDL for voting thereafter.

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

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

Step 1: 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:

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

- Visit the e-Voting website of NSDL at www.evoting.nsdl.com/ either on your personal computer or on mobile.
- Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under the 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, Password and a Verification Code as shown on the screen. Alternatively, if you are registered with NSDL e-Services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-Services 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 are 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.
 - (iii) Once you retrieve your 'initial password', you need to enter your 'initial password' and the system will force you to change your password.
 - (iv) How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you by NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'Initial Password'.
 - If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.
- If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - (i) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (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, PAN, Name and your Registered address.
 - (iv) Members can also use OTP (One Time Password) based login for casting their votes on the e-Voting system of NSDL.

- 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

How to cast your vote electronically on NSDL e-Voting system?

- 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 are 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 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.

INSTRUCTIONS TO THE MEMBERS FOR e-Voting ON THE DAY OF THE AGM

- The procedure for e-Voting on the day of the AGM is the same as instructions mentioned above for remote e-Voting.
- Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting will be eligible to vote through e-Voting system during the AGM.
- Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

PROCESS FOR SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED FOR PROCURING USER ID AND PASSWORD

In case shares are held in physical mode, please provide Folio No., Name of the Shareholder, Scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), and AADHAR (self attested scanned copy of Aadhar card) by email to sanathkumar@adorfon.com

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to sanathkumar@adorfon.com.

Alternatively, Member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by providing details mentioned as above.

GENERAL INSTRUCTIONS FOR SHAREHOLDERS

- 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.
- To prevent fraudulent transactions, Members are advised to exercise due diligence and notify any change in information to the Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- Members, who hold shares under more than one folio in name in the same order, are requested to send relative share certificate(s) to the Company's Registrar and Transfer Agent for consolidating the holdings into one account. The share certificate(s) will be returned after consolidation.
- Members holding shares in demat account may kindly note that change in bank mandate and address will have to be effected by the Depository Participant and the Company will be constrained not to entertain direct request in this regard.
- Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is maintaining an email id investorservice@adorfon.com exclusively for quick redressal of Members/ Investors grievances.

**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 2019-20.

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

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

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

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

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

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

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

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

Bengaluru
June 26, 2020

H P LEDWANI
Managing Director
DIN: 00040629

By order of the Board
For ADOR FONTECH LIMITED

Geetha D
Company Secretary
and Compliance Officer

ADOR FONTECH LIMITED SHARED VALUES

Delighting customers is first and foremost

Employees who enjoy their work

Living up to our shared values

Innovativeness and continuous improvements in all our work processes

Growth is our way of life

Honoring commitments top down

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

OUR STRENGTHS

01

World class Agencies and Technologies

02

Complete product range for reclamation and surfacing solutions

03

Application Engineering Specialists at almost all important industrial locations across India

04

Product management support and vital end user coverage by Central Product Group Executives

05

Dedicated sales and support team spread across India

06

Customer focussed Network of over 100+ Authorised Dealers

DIRECTORS' REPORT

To the Members,

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

We are delighted to present the 45th Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

Rupees In Lakhs

Details	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue	17,766	18,723	17,999	18,934
Earnings before interest, tax and depreciation	1,969	2,283	1,726	1,972
Finance/Interest cost	-	-	(45)	(15)
Depreciation	(264)	(276)	(320)	(328)
Profit before tax	1,705	2,007	1,361	1,629
Tax	(572)	(625)	(478)	(530)
Profit after tax	1,133	1,382	883	1,099
Opening balance of profit	3,601	3,049	2,838	2,571
Transfer to General reserve	(200)	(200)	(200)	(200)
Dividend including distribution tax	(1,498)	(630)	(1,498)	(632)
Capitalisation towards bonus issue	(178)	-	(178)	-
Closing balance of profit	2,858	3,601	1,845	2,838
Total comprehensive income	1,162	1,440	910	1,158

DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors had declared an interim dividend at the rate of 90% being Rs.1.80 (Rupee one and paise eighty) per equity share of the face value Rs.2/- (Rupees two each) for the year ended March 31, 2020 and an amount of rupees seven hundred and fifty nine lakhs inclusive of dividend distribution tax of rupees one hundred and twenty nine lakhs has been defrayed.

Further, the Board has recommended transferring rupees two crores of profit to the General Reserve, being same as the previous year.

REVIEW OF BUSINESS OPERATIONS

Standalone

The Company registered revenue of Rs.178 crores against Rs.187 crores of the previous year. The reduction is attributed to the fact that offices and factories had to be closed in the month of March 2020 due to the announced lockdown owing to Covid-19 pandemic. Going forward, it is opined that the financial year 2020-21 may be a tough year for all business units including our Company. Focus will be on sustenance against the general congruence of growth which would be enunciated during normal times.

Consolidated

The Company's wholly owned subsidiary registered a turnover of rupees two crores and thirty three lakhs against rupees two crores and eleven lakhs of the previous year, an increase of ten percent. However, the Company being under gestation, profit remained under constraint. Noteworthy achievement was enhancement in the network base to include registration of 472 orthodontists, who will remain as brand ambassadors of 3D Future Technologies. The Company also spread its geographical base amongst major cities to include Bengaluru, Chennai, Pune, Ahmedabad, Mumbai besides NCR region. While the growth was on an inclination path, the Covid-19 pandemic has impacted the business during the month of March 2020 and it is expected to remain weakened during the financial year 2020-21.

FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2020 has been prepared in accordance with the Indian Accounting Standards (Ind-AS) notified under Section 133 of Companies Act, 2013 (hereinafter referred to as the Act) read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the financial statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions to reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2020.

SHARE CAPITAL AND BONUS ISSUE

The paid up Equity Share Capital as on March 31, 2020 was Rs. 700 lakhs divided in to 350 lakhs equity shares of Rs. 2/- each. Hitherto the capital was Rs. 350 lakhs divided in to 175 lakhs equity shares. Further, during the year under review, the Company effected bonus issue in the ratio of 1:1 to eligible Shareholders of the Company vide Board meeting dated August 01, 2019 which was allotted with due permissions from Regulatory Authorities on September 23, 2019.

(Eligible Shareholders means - Equity Shareholders whose names appeared in the Register of Members and to the Beneficial Owners whose particulars were furnished by the Depositories as on the record date).

BOARD AND ITS COMPOSITION

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors with distinctiveness in functions of governance and management. At the end of the financial year 2019-20, the composition of Board was as under:

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

The Board met six times during the year, details of which are given in the Corporate Governance Report, which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

As required under the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, the Company has adopted optimum policies for Director's appointment and remuneration. The policy is also hosted on the website of the Company at www.adorfon.com.

DIRECTORS

Director seeking re-appointment as liable to retire by rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with relevant provisions of the

Articles of Association of the Company, Mrs. N Malkani Nagpal, Non-Executive/ Woman Director is liable to retire by rotation and being eligible has offered her candidature for re-appointment.

Directors seeking re-appointment at the AGM

The term of the Chairman and Managing Director was up to March 31, 2020. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on February 05, 2020 approved their re-appointment for a period of three years and one year respectively, subject to the consent of Members at the ensuing Annual General Meeting.

Further Mr. Rafique Malik's appointment as Independent Director would cease before the AGM and the Board has subject to the approval of Shareholders extended his term for another period of five years.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended March 31, 2020; the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date.
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing, detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a 'going concern' basis.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DETAILS OF CHANGES IN DIRECTORS AND/OR KEY MANAGERIAL PERSONNEL

During the year under report, Mr. Deep A Lalvani exited from the services of the Company on November 30, 2019 and Ms. Tanya H Advani joined the organisation on November 19, 2019 to focus on the strategic perspective of the wholly owned subsidiary, 3D Future Technologies Private Limited.

Further, Mr. P Viswanathan retired from the services of the Company and Mr. R Krishnakumar was elevated as the Chief Operating Officer.

Mr. Melville Ferns and Mr. Rajesh V Joshi were promoted as Executive Vice Presidents to head strategic business verticals.

Mr. P Gopa Kumar was appointed as Chief Financial Officer vide Board meeting dated May 17, 2019 which was duly notified vide Annual Report of 2018-19.

There were no other changes in the Board or Key Managerial Personnel during the financial year 2019-20.

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 Board

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

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

Other parameters for such evaluation comprised - level of participation, integrity, independence, knowledge, impact and influence on the Board. The Independent Directors of the Company also convened a separate meeting on February 5, 2020 and evaluated the performance of the Board, Non-Independent Directors and the Chairman. The Board is confident that collectively and individually best possible efforts have been drawn.

Staff members

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

INTERNAL CONTROL SYSTEMS

Internal Control system and checks are in place. Every transaction has a maker and checker concept and further approval and authorisation matrix are in place to ensure that the accounting records are perfected to the best extent possible. Further, there are Internal and Branch audits which are conducted both on quarterly and on an annual basis respectively by external Chartered Accountant Firms.

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

AUDITS

Statutory Audit

In respect of the financial year 2019-20, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) specified in the audit reports. Hence explanations or comments on the same do not become applicable.

Secretarial Audit

The Company has complied with all applicable provisions of the Secretarial Standards and Secretarial Audit Report for the financial year 2019-20, details of which forms part of the Annual Report.

Cost Audit

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

AUDITORS

Statutory Audit

M/s. Praveen & Madan (earlier name - Srinivas & Subbalakshmi), Chartered Accountants (Firm Registration No. 011350S), having office at No. 237, 2nd cross, Cambridge

Layout, Halasuru, Bengaluru 560 008 have been appointed for a term of five years which will conclude at the end of the 47th Annual General Meeting. The Company has received communication from the Auditors to the effect that their appointment remains in accordance with the provisions of Section 141 of the Companies Act, 2013.

Secretarial Audit

The Board has appointed Ms. Manjula Narayan, Company Secretary in Practice (ACS Membership No. 28374 & COP No. 10150), having office at No. 22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036 as the Secretarial Auditor of the Company for the financial year 2020-21.

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.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return for the year 2019-20 in form MGT-9 and MGT-7 in respect of the previous year have been uploaded on the website at <http://www.adorfon.com/mgt9.html> and a brief summary of the same forms part of this report.

TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules') notified by the Ministry of Corporate Affairs, all unpaid or unclaimed dividend are required to be transferred by the Company to the Investor Education & Protection Fund, after completion of seven years.

Further, according to the rules, shares on which dividend has not been claimed by the Shareholder(s) for seven consecutive years or more will have to be transferred to the demat account of the IEPF Authority. Accordingly, the Company has transferred Rs.12,58,786 (Rupees twelve lakhs, fifty eight thousand, seven hundred and eighty six only) and 13,500 equity

shares of Rs.2/- each to the IEPF Authority. Details of unclaimed dividend and equity shares transferred have been hosted on the website of the Company.

JOINT VENTURE

The joint venture M/s. Dualrank Fontech which had ceased functioning has been duly closed as per Malaysian Laws vide the process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020.

SUBSIDIARY

The Company's wholly owned subsidiary - 3D Future Technologies Private Limited (3DFT) - has been growing well in terms of market reach. To support the functioning of the Company, both direct and indirect financial support were enunciated. Direct influx of rupees one crore as inter-corporate-deposit was targeted during the year, of which rupees eighty lakhs was defrayed and as regards indirect support, lien on investments was enhanced to facilitate additional overdraft facility from the HDFC bank to the tune of rupees one crores, in all adding up to a working capital facility from the HDFC Bank to 3DFT to the extent of rupees six crores. Further, the capital structure of the subsidiary remained as is at rupees eight crores and fifty lakhs with no additional contribution during the year.

It may be pertinent to note that during the financial year 2020-21 due to the Covid-19 pandemic and with probable fall in the value of securities which have been lien marked, as a prudent measure, the Company has decided to redeem some of its lien marked investments and take over the funding from the HDFC bank as Inter-Corporate Deposit (ICD) and the targeted foreclosure is rupees four crores. This would also entail significant savings in interest cost to the Group.

PRODUCTS

The Company's Research and Development Team (R & D) team had largely developed variants of special purpose electrodes to cater to the indigenous requirement. During the course of the year, the Company obtained trademarks registration for its branded inverter based equipment - Thunder-Thy & Trendy-i.

REGISTRATIONS

The Company's products are manufactured to international standards with adherence to quality systems and marketed under registered Trademarks. Further, the primary logo of the Company, 'Ador Fontech' is a registered mark under Class 6, 7, 37 and 40 of the Trade Marks Act, 1999.



PARTICULARS OF LOANS, GUARANTEE & INVESTMENTS

During the financial year 2019-20, Inter-corporate-deposit (ICD) to 3D Future Technologies Private Limited (3DFT) and Ador Powertron Limited were facilitated, of which principal along with interest were duly repaid by the latter. Being wholly owned subsidiary and the company being nascent, ICD provided to 3DFT remained outstanding at the end of the year. The reckoning of interest for ICD was placed significantly higher than the bank rate.

The requirement for ICD emanated from the need to bridge finance working capital requirements, as per request letters received from the respective companies.

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

CAPITAL EXPENDITURE

The Company during the year completed acquisition of a piece of land at KIADB (Karnataka Industrial Area Development Board), Avverahalli, Dabaspet Industrial Area, Nelamangala Taluk, Bengaluru with due process of registration completed. With Covid-19 pandemic looming large, the enunciated project to build a factory has been put on hold till restoration of normalcy in business.

DEPOSITS

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

CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2019-20, the Company paid rupees five lakhs as contribution to the Prime Minister's Relief Fund towards Covid-19 contribution, besides it also undertook generic activities, details of which have been provided as part of the Report on Corporate Social Responsibility.

Further, while it has been the practice of the Company to contribute to Ador Fontech Charitable Fund, with the onset of Covid-19, the same was retained with the Company, to be defrayed over the coming financial year(s) as part of relief measures.

To that extent, there remains a shortfall in the total spend for financial year 2019-20.

MATERIAL CHANGES, COMMITMENTS & ORDERS

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

EMPLOYEES AND WORKPLACE CULTURE

The Company has over years maintained a nimble organisation with employee focus on lower attrition rates, particularly at the middle and apex of the organisation structure. Employees are treated with respect and their feedbacks in terms of policy decisions are modulated in the best positive interest. Further, the Company has a strong vigil mechanism (whistleblower) policy and all employees have access to the Chairman of the Audit Committee, in case they may wish to report any concern.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

An internal complaints committee has been specially constituted to redress complaints under sexual harassment. During the fiscal year 2019-20, there were no complaints received under this category.

HEALTH AND SAFETY

The Company has set 'Standard operating procedure (SOP)' derived from MHA guidelines and best practices of other organisations, to set in the most hygienic environment for safety and security of its employees coming to the work place. Placards at vantage points have been duly posted and messages were disseminated through intranet platform, emails, mobiles etc. requiring adherence to the new safety standard requirements, particularly of wearing masks, social distancing, hand wash etc., and the same are being constantly monitored.

QUALITY SYSTEMS

The Company has robust quality systems to ensure testing of incoming, in-process and final products and the same is manned by a separate team of trained and experienced quality control professionals. Besides, the Research and Development (R&D) team also provides insights to nuances of checks and bounds to be maintained at regular intervals.

RISK MANAGEMENT

The Company has adopted a 'Risk Management Policy' to identify, assess, monitor and mitigate various risks which may impact the Company's business. The Company has an adequate framework to curtail any adverse impact on its core operations.

The Board of Directors and Management are committed towards identifying major risks exposed to the business and means to mitigate the same.

INSURANCE

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

The Company has also covered employee related risks for Personnel accident, Workmen compensation and Employees deposit linked insurance scheme etc. in order to safeguard their personal interests.

A specific mediclaim policy including for cover Covid-19, is in place covering all employees across the Company, as per mandate from the Government.

NOMINATION AND REMUNERATION POLICY

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

DISCLOSURES

Related party transactions

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

Insider trading

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

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

Details of fees paid to the Statutory Auditors

The total fees for all services paid by Ador Fontech Limited to M/s Praveen & Madan, Statutory Auditors, for the year ended March 31, 2020:

Particulars	Amount
Audit fees	5
Certifications	2
Total	7

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

There were no funds raised by the Company through preferential allotment or qualified institutional placement during the financial year 2019-20.

Certificate on non-disqualification of Directors

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

Other disclosures

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

- Management discussion and analysis report
- Corporate governance report
- Report on CSR activities (including details of activities undertaken and amount spent)
- Conservation of energy, technology absorption, foreign exchange earnings & outgo
- Particulars of arrangements/transactions made with related parties
- Particulars of employees
- Details of Subsidiary & Associates

Web link

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

INITIATIVES

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

ACKNOWLEDGEMENTS

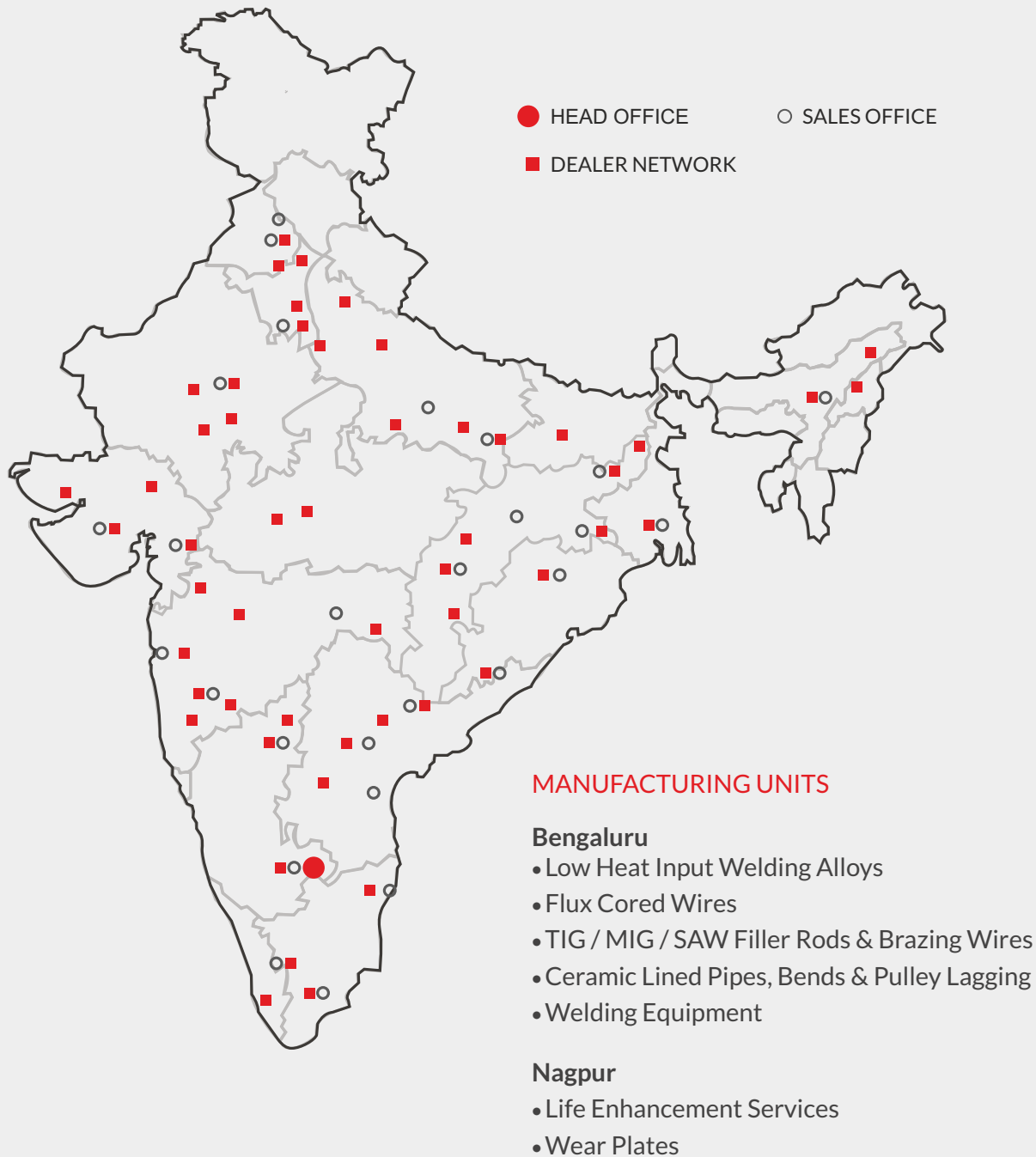
The Directors of the Company wish to place on record their sincere gratitude to all Government and Regulatory Authorities, Financial Institutions, Shareholders, Customers, Authorised Dealers, Partners, Suppliers, besides all Organisations associated with the Company for their continued patronage and co-operation.

Your Directors express their deep sense of appreciation to all Staff Members, for their contribution in the Company's quest for sustained growth and profitability. Further, look forward to their continued support in scaling greater heights.

Bengaluru
June 26, 2020

For ADOR FONTECH LIMITED
A T Malkani
Chairman
DIN: 01585637

ADOR FONTECH LIMITED SALES AND SERVICE NETWORK



ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ANNEXURE 1

ECONOMIC AND BUSINESS ENVIRONMENT

The economic impact of the coronavirus pandemic in India has been largely disruptive. In 2019-20, the Indian economy grew by 4.2% as against 6.1% expansion in 2018-19. Further, the Economic growth slowed to an eleven year low of 4.2% in 2019-20, according to data released by the National Statistical Office.

As regards the year 2020-21 the forecasts of various organisations are as follows: IMF: 1.9, World Bank: (3.2), ADB: 4.0, Moody's: 0.2, S & P Global: 1.8, Fitch: 0.8 and ICRA: (1) to (2).

Further the IMF has reduced India's GDP growth forecasts for 2020-21 to 1.9%, the slowest growth rate recorded since the economic reforms of 1991. The World Bank expects the Indian economy to grow at 1.5% to 2.8% during financial year 2020- 21.

INDUSTRY STRUCTURE AND DEVELOPMENT

Welding is the core of modern technology and it has gone through a complete evolution today, following the utmost precedence that machines and equipment have garnered in our lives. It poses an ever increasing discipline of challenges and work opportunities for new generation of engineers. In India, welding contributes significantly to the GDP of the economy in several ways, such as heavy industries, employment generation etc. Simultaneously, low budgets and recession have marked the ongoing popularity on manual and cost effective techniques. Increased FDI equity inflow in India has contributed to the rise in projects in automotive, offshore activities, oil and gas sector, ship building and heavy machinery industries. The Indian welding equipment market which hovers in the range of Rs. 1,500 crores and the welding consumables market remaining at Rs. 4,200 crores is expected to slightly underperform during the fiscal 2020-21. The repairs and refurbishment market which constitutes around 10% of the welding market is also expected to have a lack luster growth. Nonetheless, the year after, it is expected to perform far superior clearing the backlog of the financial year 2020-21.

CURRENT YEAR OUTLOOK

Most of the organisations are expected to work with less than their normal capacity levels due to the ongoing pandemic. Further unless essential, organisations will not expend on capex. Even repairs and refurbishment will most often be on account of breakdown and less frequent on regular maintenance.

OPPORTUNITIES

Opportunities exits under two broad categories (i) Thrust on 'Make in India' and (ii) Breakdown Repairs. The Company is gearing up its operations for import substitution and has pressed in to service a mobile repair van called 'Vishwas' which is an emergency van loaded with the state of the art equipment to provide online repair service by expert personnel, who can move across the country with ease and within the shortest span of time.

RISK, THREATS & CONCERNS

One of the big challenges faced by the local manufacturers of equipment in India is the considerable import of welding equipment. The increased imports have negatively impacted the market share of local participants in various industries including cement, steel, shipbuilding, mining, automotive, transportation and white appliances. Another challenge faced is the competition from the unorganised sector which presently occupies nearly 50-55% of the market share. With increasing competition and lower profit margins, manufacturers need to improve their performance, delivery and service which could be highly challenging during the phase of the pandemic.

BUSINESS ORGANISATION

Repairs and maintenance is a niche area in the welding sector. Grossly dealing with used components, the challenge predominantly lies to understand the problems associated with wear, tear, corrosion, abrasion, impact, resistance and thereafter provide solutions to best facilitate not only timely repair, but to also enhance the value of components beyond its original life.



The strength of Ador Fontech Limited lies in:

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

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

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an effective system of internal controls reviewed by the Management and Auditors periodically. Further, the Company has progressed effectively in few modules of ERP (Enterprise Resource Planning) implementation namely Sales, Purchase, Production and Projects. The challenge remains in integrating the Accounting package which is at present in 'Tally' and work on the same is ongoing.

HUMAN RESOURCE DEVELOPMENT

The Company has a staff strength of 204 employees and 100 workers on contract rolls deployed for manual operations particularly in the factories. There was cordial relationship during the course of the year as the Company works on the philosophy of 'Employee First'. It is deemed that if employees and labourers are well taken care, there will be a positive cascading effect in all parameters of business operations.

PERFORMANCE ANALYSIS

The Company's performance was well on track up to February 2020. Thereafter, for the month of March due to inevitable

lockdown, movement of material were impacted resulting in withhold of revenues as per the provisions of Ind-AS, as the risk and reward on supply had not got passed on to the Customer/End Users/Authorised Dealers. Further, for the whole month of April 2020 factories and offices remained shut. Work from home policy (WFH) was implemented. It is important to note that during the whole phase, lot of thrust was laid on learning and development. There were continuous learning sessions on each day and it is deemed that employee's skill levels have enhanced considerably. Further, there was also simultaneous involvement of Customers and Authorised Dealers through webinars, interactive session etc. The whole phase was utilised to raise the capacity bar of the Company on to a higher level of trajectory.

SAFE HARBOR AND DISCLAIMER STATEMENT

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

FINANCIALS AND RATIO ANALYSIS

Rupees In Lakhs

Particulars	2019-20		2018-19	
	Standalone	Consolidated	Standalone	Consolidated
KEY FINANCIALS				
Revenue from operations	17,492	17,715	18,443	18,643
Total income	17,766	17,999	18,723	18,934
Earnings before interest, depreciation and tax (EBIDAT)	1,969	1,726	2,283	1,972
Depreciation	264	320	276	328
Earnings before interest, exceptional items and taxes (EBIT)	1,705	1,406	2,007	1,644
Interest expense	-	45	-	15
Profit/ (loss) before tax	1,705	1,361	2,007	1,629
Tax expense	572	478	625	530
Profit/ (loss) after tax	1,133	883	1,382	1,099
Total comprehensive income	1,162	910	1,440	1,158
Equity dividend (percent)	90%	-	175%	-
Reserves and surplus	10,179	9,165	10,865	10,103
Net worth	10,879	9,865	11,215	10,453
Gross property	5,048	5,464	3,795	4,212
Net property	2,697	2,843	1,674	1,874
KEY INDICATORS				
Working capital turnover ratio	2.6	2.9	2.3	2.4
Debtors turnover ratio	6.2	6.2	7.5	7.5
Interest coverage ratio	-	31	-	110
Inventory turnover ratio	4.5	4.5	5.6	5.2
Current ratio	3.1	2.6	4.4	3.7
Debt/Equity ratio	-	0.8	-	0.9
Earnings per share	4.3	3.3	7.9	6.3
EBIDAT/Sales ratio	11%	10%	12%	11%
Gross profit margin percent	36%	36%	35%	35%
Net profit margin percent	6%	5%	7%	6%
Return on capital employed	15%	13%	18%	16%
PARAMETERS				
(i) Average debtors	2,820	2,849	2,459	2,476
(ii) Average capital employed	11,434	10,563	11,177	10,384
(iii) Working capital	6,653	6,090	8,194	7,834
(iv) Current assets	9,776	9,910	10,575	10,701
(v) Current liabilities	3,123	3,820	2,381	2,867
(vi) Borrowings	-	575	-	301
(vii) Gross profit	6,242	6,375	6,478	6,590
(viii) Cost of goods sold	11,250	11,340	11,965	12,053
(ix) Average inventory	2,499	2,519	2,155	2,326

REPORT ON CORPORATE GOVERNANCE

ANNEXURE 2

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

POLICIES & 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 and its subsidiary
- Audited financial results of the Company
- Minutes of the meetings of the Board Committees
- Information on recruitment and remuneration of Senior Executives, just below the level of the Board
- Risk mitigation plans and updates
- Show cause, demand, prosecution and penalty notices, which are materially important

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligation by the Company/ substantial non-payment of goods sold by the Company
- Details of any joint venture/collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Any issue, which involves possible public or product liability, claims of substantial nature, including any order/ judgement/ strictures on the Company or any adverse view regarding another enterprise, that can have negative impact on the Company
- Significant labour problems and their proposed solution
- Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
- Sale of material nature of investments, subsidiaries, assets etc. which are not in the normal course of business
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements and Shareholder services such as unclaimed dividend, delay in share transfers, etc
- Updates on the working of subsidiary

CORE SKILLS/ EXPERTISE COMPETENCIES OF THE BOARD

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

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

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

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

Composition 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 Malik	Non-Executive & Independent

Director's identification number

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

Meetings

During the year 2019-20, six Board Meetings were held on

May
17
2019

Aug
01
2019

Sep
23
2019

Nov
13
2019

Feb
05
2020

Feb
27
2020

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

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

Attendance and Directorships

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

Name of the Director	Financial year 2019-2020		As on March 31, 2020		
	Attendance at		Other Directorships		
	Board Meetings	AGM 01.08.2019	Nos.	Committee Positions	
				No. of Membership	Chairmanships
Mr. A T Malkani	Six	Present	Two	One	-
Mrs. N Malkani Nagpal	Six	Present	Three	Two	One
Mr. H P Ledwani	Six	Present	One	One	-
Mr. N S Marshall	Six	Present	Two	Three	-
Mr. Santosh Janakiram	Six	Present	One	-	-
Mr. Rafique Malik	Five	Absent	Two	Two	One

Notes: (i) Directorship, Membership and Chairmanship excludes Ador Fontech Limited, Private limited companies and Alternate directorship. (ii) For Membership/Chairmanship only Audit and Stakeholders Relationship Committees are considered. (iii) Directors have affirmed compliance w.r.t. the applicable number of Committee positions and Chairmanship as per Regulation 26 of SEBI (LODR) Regulations, 2015.

AUDIT COMMITTEE

Broad terms of reference

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

- Soliciting professional and legal opinions, wherever required
- All other applicable matters

Meetings

During the year 2019-20, six Audit Committee Meetings were held on

May 17 2019	Aug 01 2019	Sep 23 2019	Nov 13 2019
Feb 05 2020	Feb 27 2020		

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	Six
Mr. Rafique Malik	Member	Five

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.

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 and they manage all related activities pertaining to 'Employee Development and Training'. Need based assessments are conducted and programmes are organised throughout the year, in various facets comprising both technical and non-technical/ skill based trainings. Further, under the participative educational policy of the Company, employees are encouraged and sponsored to attend educational programmes and learning sessions, organised by various external academies.

Meetings

During the year 2019-20, four Management Development, Nomination & Remuneration Committee Meetings were held

May 17 2019	Aug 01 2019	Nov 13 2019	Feb 05 2020
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Composition and Attendance

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

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 planning

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

Appointments and remuneration

- The Committee shall identify & ascertain qualifications, expertise, experience and for integrity of the person for appointment as Director, KMP and Senior Management positions. As regards appointment of Executive Directors, the recommendations of the Committee are validated by the Board and thereafter placed for the approval of Shareholders.
- Any person chosen to be appointed as a Director should possess impeccable reputation of integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complement skills in relation to other Board Members.
- The Company shall appoint or re-appoint any person as its Director including Chairman, Managing Director, CEO for a term not exceeding five years at a time and any person if associated with any disqualification specified under the Companies Act or in terms of legal invalidity, shall be disassociated.
- The Chairman is the leader of the Board. He is responsible for fostering and promoting integrity of the Board, while nurturing a culture where the Board works harmoniously for the long term benefit of the Company and all its Stakeholders. The Chief Executive Officer/ Managing Director is responsible for corporate strategy, planning and general management of the Company. The Non-Executive Directors are entrusted with the roles to provide an outside in perspective of business operations and compliances, besides evaluating strategic course of the organisation.
- Sitting fees for Board, Audit & Stakeholders Relationship committee meetings are Rs. 8,000/- (Rupees eight thousand only), Rs.5,000/- (Rupees five thousand only) and Rs.4,000/- (Rupees four thousand only) respectively.
- No sitting fees gets paid for: (i) Corporate social responsibility committee. (ii) Management development, nomination and remuneration committee.
- Directors in general will also be entitled towards travel expenditure (not being remuneration/perquisite) of travel fare/board and lodging/daily allowance/per diem allowance (as may become applicable) to enable discharge of official duties.

Remuneration to whole time Directors FY 2019-20.

Rupees in lakhs			
NAMES	SALARY	BENEFITS	TOTAL
Mr. A T Malkani	91	20	111
Mr. H P Ledwani	173	40	213

Notes:

- The agreement with Mr. A T Malkani and Mr. H P Ledwani was for a period of three years.
- Salary includes basic, house rent and other allowances.
- Benefits includes contribution to provident fund, superannuation fund and reimbursement of medical, insurance, electricity, education, leave travel allowance and leave encashment.
- Performance linked incentive is applicable to the Managing Director on a graded scale on the profits.
- No stock option has been provided.
- Remuneration is in terms of appointment as per the Shareholders/Members approval dated August 2, 2017 and reckoned as per the Companies Act, 2013 and in particular modification notified under MCA circular dated September 12, 2018 read with corresponding amendments to (i) Schedule V of the Companies Act, 2013 and (ii) The Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2018.

Remuneration to non-executive Directors

SITTING FEES Amount in Rupees

Name of the Director	2019-20	2018-19
Mrs. N Malkani Nagpal	68,000	68,000
Mr. N S Marshall	39,000	52,000
Mr. Santosh Janakiram	51,000	51,000
Mr. Rafique Malik	51,000	51,000
TOTAL	2,09,000	2,22,000

Remuneration to employees

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

Performance evaluation

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

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

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

Independent Directors

During the year under review, Independent Directors met on February 5, 2020, to inter-alia discuss the following:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole
- Evaluation of the Chairman of the Company, taking in to account the views of Executive, Non-Executive and Independent Directors
- Assess the quality, quantity and timeliness of the flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties
- The Company received declaration in terms of Section 149(6) of the Companies Act, 2013 from Independent Directors

Familiarisation programme

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

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

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

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Functions

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

Meetings

During the year 2019-20, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on

May	Aug	Nov	Feb
17	01	13	05
2019	2019	2019	2020

Composition and Attendance

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

Compliance officer

The Board has re-designated Ms. Geetha D, Company Secretary as the Compliance Officer of the Company w.e.f. September 23, 2019 and the same has been duly notified to the Members through the Stock Exchange (BSE).

Transfer committee meetings

Twelve periodic sub- committee meetings were held during the year 2019-20.

Director's shareholding as on March 31, 2020

Name of the Director	Number of shares
Mr. A T Malkani	10,85,986
Mrs. N Malkani Nagpal	54,700
Mr. H P Ledwani	1,21,998
Mr. N S Marshall	6,198
Mr. Santosh Janakiram	-
Mr. Rafique Malik	-

GENERAL BODY MEETINGS

Dividend history

Rupees In Lakhs

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total
2019-20 (Interim Dividend)	Ninety Percent	630	129	759
2018-19	One hundred & seventy five	612	126	738
2017-18	One hundred & fifty	525	107	632
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

Location and time of last three Annual General Meetings

Financial year	Date	Location of the meeting	Time (hrs.)
2018-2019	01.08.2019	Hotel Ajantha, B'luru	11.30
2017-2018	02.08.2018	Hotel Ajantha, B'luru	11.30
2016-2017	02.08.2017	Hotel Woodlands, B'luru	11.30

SPECIAL RESOLUTIONS AND POSTAL BALLOT

Year	Particulars
2019	Postal Ballot for Bonus issue of shares in the ratio of 1:1
2018	Re-appointment of Independent Directors- Mr. N S Marshall & Mr. Santosh Janakiram
2017	Appointment of Chairman & Managing Director

DISCLOSURES

Materially significant related party transactions

During the year 2019-20, there were no materially significant related party transactions with the Promoters, Directors or the Management, their subsidiaries or relatives etc. that had a potential conflict with the interest of the Company at large.

Investment in Commodity market

In terms of Regulation 34(3) read with Clause 9(n) of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018, the Company has not made any investment in commodity market. Therefore, the disclosure as specified in the circular is not applicable to the Company.

Compliances

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

Affirmation

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

GENERAL SHAREHOLDERS' INFORMATION

Annual general meeting

Day: Wednesday, Date: September 23, 2020; Time: 11:00 a.m.
Mode: Meeting through 'Video Conference'

Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai
Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001
The Company has paid listing fees to the Stock Exchange up to the financial year 2020-21.

Book closure dates

Sept 17, 2020 to Sept 23, 2020 (both days inclusive)

ISIN

INE853A01022

Scrip code

530431

Corporate/Head office

CIN: L31909KA1974PLC020010
Belview 7 Haudin Road Bengaluru 560 042
Tel: (080) 25596045 / 73 Fax : (080) 25597085

Reclamation centre

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

Manufacturing plant I

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

Manufacturing plant II

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

Share transfer agent

Integrated Registry Management Services Private Limited
CIN: U74900TN2015PTC101466
30 Ramana Residency Sampige Road Malleswaram
Bengaluru-560 003
Tel: (080) 23460815-18 Fax: (080) 23460819

Share transfer system

The transfer of shares in physical form has been prohibited by SEBI and hence only issue of duplicate share certificates were made during the financial year 2019-20 by the Company's Share Transfer Agent.

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

Dematerialisation of shares and liquidity

94%

of the paid up share capital of the Company stands dematerialised

GDRs/ADRs/Convertible instruments

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

Reconciliation of share capital

During the financial year 2019-20, audits were carried out at the end of every quarter by a qualified Practicing Company Secretary for reconciling total admitted and listed capital with the total number of shares in physical form and dematerialised shares held with NSDL and CDSL. Duly confirmed reports have been submitted to the Stock Exchange.

Related party transactions

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

Insider Trading Regulations

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

Documents which have been uploaded on the website

- Composition of the Board
- Brief profile of the Directors
- Details of the Promoter and Promoter Group
- Audit Committee Charter and policies framed thereunder
- Policy on Management Development, Nomination and Remuneration Committee
- Policy on Stakeholders' Relationship Committee
- Policy on Corporate Social Responsibility
- Policy pertaining to Related Party Transactions
- Policy for determining Material Subsidiary
- Policy on Whistle blower cum vigil mechanism
- Policy on prevention of Sexual Harassment
- Policy related to Insider Trading Regulations
- Terms and conditions of appointment of additional Independent Directors
- Terms and conditions of appointment of Independent Directors
- Code of ethics and business principles applicable to Non-Executive Directors
- Guidelines on professional conduct, role, functions and duties of an Independent Director
- Methodology of familiarisation programme for Independent Directors
- Remuneration to Non-Executive Directors
- Details of unclaimed dividends and unclaimed shares
- Financial results
- Shareholding pattern
- Corporate governance report
- Annual reports
- Notices and documents addressed to the Members
- Business responsibility statement
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- General – Details of products, business partnerships, trade-marks, awards and accolades

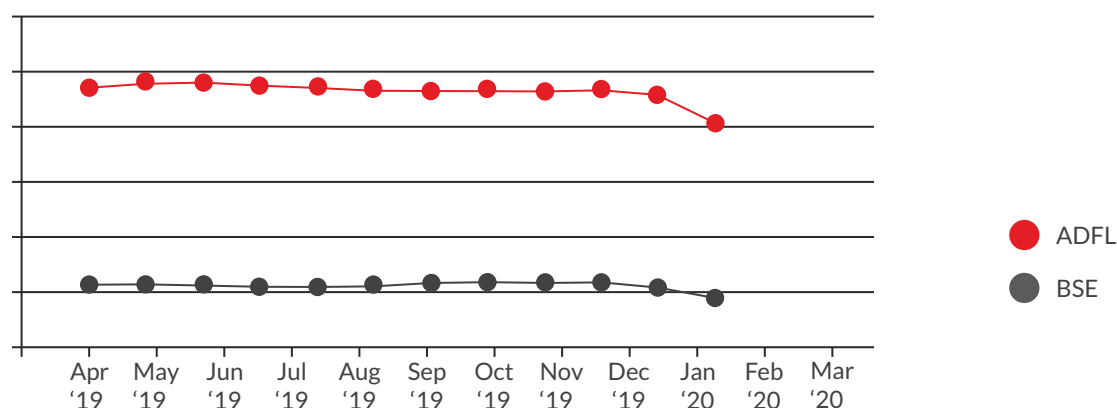
Distribution schedule as at March 31, 2020

Nominal value (Rs.)	No. of Shareholders		Amount	
	No.	Percent	In Rs.	Percent
Up to Rs. 5000	7,317	93.76	1,25,16,768	17.88
5,001-10,000	236	3.02	37,64,146	5.38
10,001-20,000	108	1.38	31,43,338	4.49
20,001-30,000	49	0.63	24,43,674	3.49
30,001-40,000	15	0.19	10,49,564	1.50
40,001-50,000	19	0.24	16,89,916	2.41
50,001-1,00,000	23	0.30	31,92,202	4.56
1,00,001 & above	37	0.48	4,22,00,392	60.29
TOTAL	7,804	100.00	7,00,00,000	100.00

Stock price data: Bombay Stock Exchange, Mumbai

Month	Open	High	Low	Close
Apr-19	105	122	101	103
May-19	105	110	101	106
Jun-19	108	112	102	103
Jul-19	103	106	99	101
Aug-19	101	104	98	99
Sep-19	102	109	47	47
Oct-19	47	48	41	44
Nov-19	44	45	41	45
Dec-19	45	45	42	43
Jan-20	43	49	37	45
Feb-20	45	47	39	42
Mar-20	44	44	24	28

Comparative closing share prices



Note: Price revision on account of bonus issue averaged for the purpose of analysis.

DETAILS OF UNCLAIMED DIVIDENDS AND SHARES

Financial year (s)	Dividend declaration date(s)	Due date(s) for transfer to IEPF account	Unclaimed dividend	Remarks
2012-13	July 19, 2013	September 20, 2020	15,15,094.00	(i) 13,500 numbers of shares were transferred to the IEPF account in FY 2019-20. (ii) 12,000 shares are due for transfer to the IEPF account during the FY 2020- 21. Kindly note: If dividend remains unclaimed for a period of seven years, both dividend and shares are liable to be transferred to the Investor Education and Protection Fund (IEPF).
2013-14	August 20, 2014	October 22, 2021	16,73,126.00	
2014-15	August 26, 2015	October 28, 2022	18,26,744.50	
2015-16	August 4, 2016	October 6, 2023	17,93,277.50	
2016-17	August 2, 2017	October 4, 2024	18,61,380.00	
2017-18	August 2, 2018	October 4, 2025	10,26,744.00	
2018-19	August 1, 2019	October 3, 2026	12,40,939.00	

GENERAL

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

Disclosure of interest

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

CREDIT RATING

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

NON-MANDATORY-REQUIREMENTS

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

CONTACT PERSON(S)

Secretarial Department

Ms. Geetha D
 Company Secretary, Compliance and Nodal Officer
 Ador Fontech Limited
 Belview 7 Haudin Road Bengaluru 560 042
 T: (080) 25596045/25596073

Mr. Sanath Kumar D Rao
 Assistant Company Secretary and Deputy Nodal Officer
 Ador Fontech Limited
 Belview 7 Haudin Road Bengaluru 560 042
 T: (080) 25596045/25596073 E: sanathkumar@adorfon.com

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

Registrar & Share Transfer Agent

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Ador Fontech Limited

We have examined the compliance of conditions of Corporate Governance by Ador Fontech Limited ('the Company') for the year ended March 31, 2020 as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations').

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

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

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

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

OPINION - Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2020.

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
June 26, 2020

For Praveen & Madan
Chartered Accountants

Praveen Kumar N
Partner (Membership No: 225884)
Firm Registration No.011350S
UDIN: 20225884AAAACG1314

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 year 2019-20, four CSR Committee Meetings were held on

May	Aug	Nov	Feb
17	01	13	05
2019	2019	2019	2020

Composition and attendance

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

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

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

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

Average profit of the Company for the last three financial years

As per Section 198 of the Companies Act, 2013: Rs. 1,540 lakhs

Prescribed CSR spend for the financial year 2019-20

Two percent of the average profit as computed above: Rs. 31 lakhs

Details of CSR spent during the financial year 2019-20

- Total amount to be spent for the financial year : Rs.31 lakhs
- Amount spent during the financial year: Rs. 16 lakhs
- Amount unspent, if any: Rs. 15 lakhs

Note: Ador Fontech Charitable Fund had spent Rs.7 lakhs. The same is in addition to the direct spend of Rs.16 lakhs by the Company for the financial year 2019-20.

CSR activities – Financial year 2019-20

Name of the Company	CIN	Address of the Registered Office	Main business activity	Prescribed CSR budget	Allocated CSR budget	Actual CSR spent FY 2019-20	Reason for underspending/ not spending (if any)
Ador Fontech Limited	L31909 KA1974 PLC020010	Belview, 7 Haudin Road Bengaluru- 42	Life enhancement of industrial components/repairs and refurbishment	Rs. 31 lakhs	Rs. 31 lakhs	Rs. 16 lakhs	The Company contributes to its Charitable Fund, but due to the onset of Covid, it did not effect the same & retained the spend for FY2020-21 & beyond where it deems that support may be far more essential.

Details of amount spent are as under:

Details of CSR programmes/ projects/ activities	Project description	Sector (s) covered under Schedule (vii)	Geographical areas where projects were implemented	Expenditure on programmes/ projects	Details of implementing agencies
Programme/Project I					
Central Government	Covid - 19	Prime Minister's National Relief Fund	All India	Rs. 5 lakhs	Prime Minister's National Relief Fund Prime Minister's Office South Block New Delhi 110 011 PAN#AACTP4637Q
Programme/Project II					
Central Government	General relief support	Prime Minister's National Relief Fund	All India	Rs. 2 lakhs	Prime Minister's National Relief Fund Prime Minister's Office South Block New Delhi 110 011 PAN#AACTP4637Q
Programme/Project III					
Talent Management	Training sports persons for international competition- Olympics, and Paralympic	Promotion of sports	Bengaluru, Karnataka	Rs. 2.5 lakhs	Go Sports Foundation #60 Oorve Munimarappa Road Off Nandi Durga Road Bengaluru 560 046 Reg#143/200809 PAN#AABTG2334C
Programme/Project IV					
Social development	Distribution of dairies	Support for special children	All India	Rs. 1.5 lakhs	Jai Vakeel Foundation Abhyudaya Nagar Housing Colony Sewri Hill Mumbai 400 033 Reg#INS/10391 / PAN#AAATT3742J
Programme/Project V					
Palliative care	Life limiting and debilitating conditions	Medical	Mumbai, Maharashtra	Rs. 1.0 lakh	The Jimmy S Billimoria Foundation 7C Trust House Dr. E Borges Road 35 Hospital Avenue Parel Mumbai 400 012 Reg#E-31101 / PAN#AACTT5523
Programme/Project VI					
Basic needs and sustenance	Distribution of food grains to the needy	Livelihood	Bengaluru, Karnataka	Rs. 0.75 lakhs	Ador Fontech Limited Belview 7 Haudin Road, Bengaluru 560 042; CIN:L31909KA1974PLC020010

Details of CSR programmes/projects/activities	Project description	Sector (s) covered under Schedule (vii)	Geographical areas where projects were implemented	Expenditure on programmes/projects	Details of implementing agencies
Programme/Project VII					
Patient care	Children suffering from cancer	Medical	Bengaluru, Karnataka	Rs. 0.25 lakhs	Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042; CIN:L31909KA1974PLC020010
Programme/Project VIII					
Learning and development	School fees of meritorious children from financially non-supportive-background	Education	All India	Rs. 2.5 lakhs	Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042 CIN:L31909KA1974PLC020010
Programme/Project VIII					
Special Children	Support to the mentally challenged	Livelihood	Kerala	Rs. 0.50 lakhs	Faith India Kokkappilly (PO) Thiruvankulam (via) Ernakulam Kerala-682 305 (Recognised by Govt. of Kerala) Reg# ER345/89; PAN#AAAAF0549A

Activities of Ador Fontech Charitable Fund

Sectors covered under Schedule(vii)	Name of the organisation/ individuals	Projects	Place	Amount (Rs.)
Livelihood	Sneha Charitable Trust	Support to HIV patients	Bengaluru	50,000
Livelihood	General Public	Distribution of food grains to the needy	Bengaluru	70,000
Livelihood	Gandhi Old Age Home	Distribution of clothes to the Senior Citizens	Bengaluru	1,00,000
Livelihood	Kalinga Youth Trust	Patronise Odisha Folklore	Bengaluru	10,000
Livelihood	Sumanahalli Society	Support to Leprosy patients	Bengaluru	20,000
Education	Sri Yogeshwara Nanda School & Sri Har Kishan School	Distribution of school bags to the children	Bengaluru	3,50,000
Education	Public Health School	Awareness programme on Special Children	Chennai	25,000
Education	Rashtra Gaurava Samikya	Commemorate India's Freedom Struggle	Bengaluru	15,000
Medical	General public	Medicines and medical equipment	Bengaluru	60,000
			TOTAL	7,00,000

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

http://www.adorfon.com/assets/adfl_csr_policy2.pdf

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.

Bengaluru
June 26, 2020

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Please refer notes to the financial statements

RESEARCH AND DEVELOPMENT (R AND D)

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

PARTICULARS OF EMPLOYEES

ANNEXURE 5

Ratio of remuneration of each Director to the median remuneration of the employees of the Company, for the financial year 2019-20

Name of the Director	Designation	Ratio
Mr. A T Malkani	Chairman	8.81
Mr. H P Ledwani	Managing Director	16.90
Mrs. N Malkani Nagpal*	Promoter Director	0.05
Mr. Navroze S Marshall*	Independent Director	0.03
Mr. Santosh Janakiram*	Independent Director	0.04
Mr. Rafique Malik*	Independent Director	0.04

*Were paid sitting fees for Board and Committee Meetings

The number of permanent employees on the rolls of Company as on March 31, 2020

Two hundred and four employees

Comparative remuneration

- Percentage increase in remuneration of the Directors and KMP's:

There were no changes in the amounts of sitting fees for each of the Board and Committee meetings, during the financial year 2019-20 in comparison to the previous year 2018-19. On an overall remuneration comparison viz-a-viz the previous year, the increase to the Chairman was sixteen percent and Managing Director was thirteen percent. Further, the CFO and CS received sixteen and nineteen percent respectively.

- Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

While the general increment to the Staff Members during 2019-20 was approximately ten percentile, remuneration to the whole time Directors were as per the provisions of the Companies Act, 2013 and in terms of approval by the Members. Further with revenue and profitability on an incline during 2018-19, the backlog in increments of managerial remuneration were scaled a notch upward to be in parity with industrial standards for 2019-20.

Affirmation

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

- Details of the Whole time Directors and Employees/* Consultants with annual remuneration of Rs. 102 lakhs or more who are/were employed throughout the year or monthly remuneration of Rs. 8.5 lakhs or more, even if employed for part of the year during the financial year 2019-20:

Name & shareholding	Designation	Age	Remuneration	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani 3.10 percent	Chairman (Promoter Group)	39 years	111 current year 96 previous year	BA (Economics) MBA	15 years	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.35 percent	Managing Director (Professional)	66 years	213 current year 188 previous year	B.Sc (Hons) DAM, DTMM	46 years	01.12.1979	Group Leader	Ador Welding Ltd (Previously Advani Oerlikon Limited)
Mr. Deep A Lalvani 0.10 percent	General Manager (Promoter Gr.)	39 years	76 current year 101 previous year	B.Com MBA	13 years	01.05.2008 to 30.11.2019	Manager Marketing	Ador Welding Limited
Ms. Tanya H Advani Nil percent	General Manager (Promoter Gr.)	29 years	35 current year Nil previous year	B.Sc MBA	09 years	19.11.2019	Sr. Tech. Strategy Consultant	Accenture

● Details of top ten employees in terms of remuneration during the financial year 2019-20*

Names	Designation	Age	Nature of duties/ Roles	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. R Krishna Kumar	COO	53	Business Operations	MBA Marketing SMP-IIM (C)	33 years	07.06.2010	General Manager	Technical Parts Est.
Mr. P Gopa Kumar	CFO	64	Finance and Accounts	BA Corporate Secretaryship	42 years	05.03.1984	Statistical Assistant	Carter Wallace Limited
Mr. Melville Ferns	Executive VP- Technical	59	Life enhancement (LE) Products and Services	BA AMP-IIM (B)	38 years	01.03.1982	-	First employment in Ador Fontech Limited
Mr. Rajesh V Joshi	Executive VP- Technical	56	Welding Equipment, Cutting Products & Coating Services	BE Mechanical	33 years	29.10.1990	Senior Sales Executive	Lloyd Insulations Pvt. Ltd.
Mr. S S Mohiuddin	Sr. General Manager	58	Plant-in-charge	DME, DMM EMP-ISB and IIM	37 years	16.10.2008	Asst. General Manager	Ador Welding Limited
Mr. K Panneer Selvam	General Manager	56	Head-SBU-West and South divisions	B.Tech Mechanical	37 years	16.06.1993	Supervisor Welding	Diffusion Engineers Limited
Mr. C V V Srinivas	General Manager	54	Railway Business- PAN India	BE Mechanical	30 years	01.04.1991	Engineer Sales	Circuit and Systems
Mr. Hari Kumar	General Manager	55	Head-SBU-North East and Central	B.Com	36 years	23.02.1984	-	First employment in Ador Fontech Limited
Mr. H Srinivasan	General Manager	53	Hypertherm Business- PAN India	Diploma Mech. Eng. BBA	33 years	02.05.1997	Business Manager	Nucor Weld India Private Limited
Mr. Palgun Vembar	General Manager	39	Strategy and IT	BE Polymer Science PGDBM Mkt.	14 years	12.10.2015	Head- Business Planning	Sundaram Auto Components

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 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 includes (i) Contribution to retiral funds (Provident & Superannuation). (ii) Reimbursement of expenses includes payment towards electricity, leave travel allowance, leave encashment and (iii) Perquisites as per IT Act.
(b) Contribution to gratuity is not included as allocation is based on actuarial valuation covering all employees of the Company being considered as a group and not individualised.

- While the average/median remuneration of chosen employees categorised under top ten is rupees thirty two lakhs per annum; details on remuneration shall be made available on specific request received from the Shareholders.

Note: Request in writing duly signed to have the following enclosures (i) identity (Pan card) & (ii) address proof (Aadhaar) and should be addressed to the Corporate office-Secretarial Department.

- Legends: 3DFT-3D Future Technologies Pvt. Ltd.; LE-SERVICES - Life enhancement of industrial components; SBU-Strategic business unit; AMP-Advanced Management Programme from IIM, DME-Diploma in Mechanical Engineering, DAM-Diploma in Administrative Management, DTMM-Diploma in Textile Management and Marketing, PGDBM Mkt.- Post Graduate Diploma in Business Management-Marketing, MD-Managing Director, CEO-Chief Executive Officer, COO-Chief Operating Officer, VP-Vice President, BC-Business Consultant, GM-General Manager.

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

ANNEXURE 6

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

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

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

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

DURATION OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS

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

NATURE OF CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS

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

DETAILS OF APPROVAL BY THE BOARD, IF ANY

(i) Wholly owned subsidiary-3D Future Technologies Pvt. Ltd. was formed vide Board resolution dated November 11, 2014. (ii) General purchases/sales, lease rentals and ICD (Inter-Corporate-Deposit) are approved and ratified by the Audit Committee and Board at their meetings during the year (dated May 17, 2019; August 01, 2019; September 23, 2019; November 13, 2019; February 05, 2020 and February 27, 2020).

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

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

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

FORM AOC-1

ANNEXURE 7

PART A : SUBSIDIARY

Particulars	Details
Name of the subsidiary	3D Future Technologies Private Limited
Reporting period of the subsidiary concerned, if different from holding company's reporting period	Not Applicable 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 Paid up capital: Rs. 850 lakhs – As at 31.03.2020
Reserves and surplus/ other equity	(Rs. 1,014 lakhs) – As on 31.03.2020
Total assets	Rs. 635 lakhs – As on 31.03.2020
Total liabilities	(Rs. 799 lakhs) - As on 31.03.2020
Investments	Nil - As on 31.03.2020
Turnover	Rs. 233 lakhs – As on 31.03.2020
Profit/ (loss) before tax	(Rs. 344 lakhs) – As on 31.03.2020
Provision for tax/ Deferred tax credit	(Rs.94 lakhs) – As at March 31.03.2020
Profit/ (loss) after tax	(Rs. 250 lakhs) – As at March 31. 03.2020
Proposed dividend	Nil
Percentage of shareholding	One hundred percent by Ador Fontech Limited

PART B : ASSOCIATES AND JOINT VENTURE

Rupees In Lakhs

Particulars of Associates	J B Advani and Company	Ador Welding	Ador Welding Academy	Ador Powertron	Ador Multiproducts	Ador Green Energy
Latest audited Balance Sheet dt.	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020	31.03.2020
Number of shares	*	-	-	-	-	-
Amount of investment in Associate/ joint venture	-	-	-	-	-	-
Extent of holding (percent)	*	-	-	-	-	-
Description of how there is significant influence	Promoter	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate	Promoter Group/ Associate
Net-worth, Balance Sheet and Profit/(loss)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Reason why the associate/joint venture is not consolidated	There are no cross holdings between Ador Fontech Ltd. and any other Ador Group of Companies. J B Advani and Company Pvt. Ltd. holds 92,13,201 equity shares (26.32%) in Ador Fontech Ltd. and has investments in other Ador Group of Companies. Hence, classified as Associates/Related Parties.					
Considered in consolidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Not considered in consolidation	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

EXTRACT OF MGT-9 ANNEXURE 8

Principal business activity of the Company

Name and description of main products/services	NIC code of the products/ services-group	Total turnover of the Company
Consumables	241-242	62%
Equipment/Automation and ancillaries	271	21%
Services	331	17%

Category wise shareholding

Particulars	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percent Change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
Promoter	4606598	-	4606598	26.32	9213201	-	9213201	26.32	-
Promoter Group	1908841	-	1908841	10.91	3946525	-	3946525	11.28	0.37
Public Shareholding									
Alternative Investment Fund	435368	-	435368	2.49	870736	-	870736	2.49	-
Foreign Institutional Investors	885516	-	885516	5.06	1700000	-	1700000	4.86	(0.20)
Bodies Corporate	318720	24000	342720	1.96	579347	48000	627347	1.79	(0.17)
Individual Shareholders holding nominal share capital up to 1 lakhs	5312566	1064010	6376576	36.44	10819225	1887895	12707120	36.30	(0.14)
Individual Shareholders holding nominal share capital in excess of 1 lakhs	2338480	127700	2466180	14.09	4755790	255400	5011190	14.32	0.23
Clearing Members/Banks/ Others	37041	-	37041	0.21	30782	-	30782	0.09	(0.12)
NRI	188834	-	188834	1.08	372947	-	372947	1.07	(0.01)
IEPF	252326	-	252326	1.44	520152	-	520152	1.48	0.04
TOTAL	16284290	1215710	17500000	100.00	32808705	2191295	35000000	100.00	

Shareholding of Directors and Key Management Personnel

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
Mr. A T Malkani	5,31,468	3.04	10,85,986	3.10
Mrs. N Malkani Nagpal	27,350	0.16	6,198	0.02
Mr. H P Ledwani	59,116	0.34	1,21,998	0.35
Mr. N S Marshall	3,099	0.02	6,198	0.02
Mr. Santosh Janakiram	-	-	-	-
Mr. Rafique Malik	-	-	-	-
Mr. P Gopa Kumar	-	-	4,360	0.01
Ms. Geetha D	-	-	5,000	0.01

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	850,000	4.86	17,00,000	4.86
M/s. Malabar Value Fund	4,35,368	2.49	8,70,736	2.49
Mr. S. Shyam	3,04,476	1.74	6,08,952	1.74
Mr. Anil Kumar Goel	2,65,607	1.52	5,31,214	1.52
Investor Education And Protection Fund	2,52,326	1.44	5,20,152	1.49
Ms. Sarla Chandna	1,75,370	1.00	3,60,000	1.03
Mr. Megh Ishwer Manseta	1,65,000	0.94	3,30,000	0.94
Ms. Sneha Vishal Sood	-	-	3,05,786	0.87
Mr. Kiyomi Anant Talaulicar	1,14,371	0.65	2,28,742	0.65
Mr. J K Chandna	1,12,000	0.64	2,28,000	0.65

Shareholding of Promoters and Promoter group

Names	No. of shares held at the beginning of the year			No. of shares held at the end of the year			Percentage change
	No. of shares	Percent	Share pledged/encumbered	No. of shares	Percent	Share pledged/encumbered	
J B Advani And Company Pvt. Ltd.	46,06,598	26.32	-	92,13,201	26.32	-	0.00
Mr. Aditya Tarachand Malkani*	5,31,468	3.04	-	10,85,986	3.10	-	0.06
Ms. Rajbir Tarachand Malkani	2,06,818	1.18	-	4,58,577	1.31	-	0.13
Ms. Ninotchka Malkani Nagpal*	27,350	0.16	-	54,700	0.16	-	0.00
Ms. Michelle Gulu Malkani	41,850	0.24	-	83,700	0.24	-	0.00
Ms. Gulshan Gulu Malkani	3,53,000	2.02	-	7,06,000	2.02	-	0.00
Ms. Reshma A Lalvani	37,500	0.21	-	75,000	0.21	-	0.00
Ms. Reshma Ashda Lalvani	11,000	0.06	-	22,000	0.06	-	0.00
Ms. Aruna B Advani*	4,50,500	2.57	-	9,01,000	2.57	-	0.00
Mr. Ajit T Mirchandani	73,730	0.42	-	1,47,460	0.42	-	0.00
Ms. Tania A Mirchandani	84,775	0.48	-	1,69,550	0.48	-	0.00
Mr. Ravin A Mirchandani*	5,955	0.03	-	11,910	0.03	-	0.00
Ms. Vimla A Lalvani	2,500	0.01	-	5,000	0.01	-	0.00
Ms. Vimla Ashda Lalvani	5,750	0.03	-	27,722	0.08	-	0.05
Mr. Deep Ashda Lalvani*	22,061	0.13	-	34,652	0.10	-	(0.03)
Ms. Shirin Aditya Malkani	54,584	0.31	-	1,63,268	0.47	-	0.16

Note: Marked (*) are Individual Members who are the primary/ first named Shareholders of J B Advani and Company Private Limited.

SECRETARIAL AUDIT REPORT

ANNEXURE 9

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

To
The Members
Ador Fontech Limited

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

Based on my verification of Ador Fontech Limited's books, papers, minute books, forms and returns filed, other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2020 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, 2020 made available to me & according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- The following Regulations & Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (i) Registrar to Issue & Share Transfer Agents Regulations, 1993
 - (ii) Issue of Capital & Disclosure Requirements Regulations, 2009

(iii) Substantial Acquisition of Shares & Takeover Regulations, 2011

(iv) Prohibition of Insider Trading Regulations, 2015

(v) Listing Obligation and Disclosure Requirements (LODR) Regulations 2015

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

(i) Buyback of Securities Regulations, 1998

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

(iii) Delisting of Equity Shares Regulations, 2009

(iv) Share based employee benefits Regulations, 2014

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

I have also examined compliance with the applicable clauses of:

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

I further report that:

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

Adequate notice is given to all 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 account have not been reviewed in this Audit by me as the same have been subject to review by statutory financial audits
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Bengaluru
June 26, 2020

Manjula Narayan
ACS No. 28374
COP No. 10150
UDIN: A028374B000388096

CEO AND CFO CERTIFICATION

ANNEXURE 10

To
The Members
Ador Fontech Limited

Dear Sir/ Madam,

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

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

- We have reviewed the financial statements and cash flow statement for the financial year ended March 31, 2020 and:
 - (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 listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to the financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the listed entity's internal control system over financial reporting.

Bengaluru
June 26, 2020

H P Ledwani
Chief Executive Officer and Managing Director

P Gopa kumar
Chief Financial Officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

ANNEXURE 11

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

To
The Members
Ador Fontech Limited

I have examined the status of debarring or disqualification from being appointed or continuing as Directors of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority for the year ended on March 31, 2020, as stipulated in item 10 (i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the said Listing Regulations.

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

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

In my opinion and to the best of my information besides examination of the relevant records (including Director's Identification Number (DIN) status at the portal of www.mca.gov.in) and explanations provided to me and the representations made by the Directors and the Management, I certify that none of the Directors on the Board of Ador Fontech Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority during the year ended March 31, 2020.

As on March 31, 2020, the Board of Directors of the Company was constituted by

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

Bengaluru
June 26, 2020

Manjula Narayan
ACS No. 28374
COP No. 10150
UDIN: A028374B000388118

IMPACT OF COVID 19 PANDEMIC ON THE BUSINESS OF ADOR FONTECH LIMITED

ANNEXURE 12

In the month of March 2020 due to promulgation of lockdown, the Company could not register sales during the last week of the month and production facilities were also brought to a standstill. The Company re-commenced operations in the second week of May 2020 in a limited manner based on Governmental guidelines and thereafter enhanced its production capacities in tranches, which remains on a cautious approach short of full normalcy.

Ability to maintain operations including factories/units/office spaces, functioning and close down

Immediately on announcement of nation-wide lockdown, the Company provided WFH (Work from home) policy to its employees. The lockdown period was also used to enhance training programmes through online platforms and all possible work continued at the backend. Customers, Suppliers and Dealers were also engaged through webinars.

During the preceding months, with lockdown at different places and at different points in time, the various units of the Company had to be kept closed and in the process, the Company consolidated as a cost effective measure, its marketing offices situated at Gururgam, Jamshedpur, Mumbai, Hyderabad, Chennai and relocated the same to its Corporate office and factories, of which accommodation was feasible. This consolidation of marketing units is not expected to have an impact on the business, as operations have become effective through integrated online systems.

Further, with approval of appropriate authorities and due sanitisation of work places and in compliance with National directives for COVID-19 management, the Company's Corporate office and factories in Bengaluru and Nagpur started their operations from the month of May 2020.

Steps taken to ensure smooth functioning of operations

The Company has set 'Standard operating procedure (SOP)' derived from MHA guidelines and best practices of other organisations, to set in the most hygiene environment for safety and security of its employees coming to the work place.

Placards at vantage points have been duly posted as also messages were disseminated through intranet platform, emails, mobiles etc. requiring adherence to the new safety standards particularly of wearing masks, social distancing, hand wash etc., and the same are being constantly monitored.

Estimation of the future impact of COVID-19 on its operations

It is opined that the financial year 2020-21 may be a tough year for all business units including our Company. Focus will be on sustenance, digital marketing and cost controls. The thrust will also be to take care of the employees who are dependent on the organisation, for their livelihood.

Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control

CAPITAL AND FINANCIAL RESOURCES

As per the current assessment, there is no significant impact on the capital and financial resources of the Company.

The Company does not plan to raise any capital in the near future and hence there is no impact.

PROFITABILITY

The profitability for the financial year 2020-21 will be at a lower level because of reduction in sales, due to the impact of Covid-19 pandemic and its associated lockdowns, intermittent business operations etc. However, the extent on FY 2020-21 cannot be quantified at present.

LIQUIDITY

Debtors collection is coming through but at a slower pace. The Company will remain exceedingly vigilant and monitor the working capital on an ongoing basis.

ABILITY TO SERVICE DEBT AND OTHER FINANCIAL ARRANGEMENT

The Company remains debt free.

ASSETS

None of the assets have been impacted or impaired due to the Covid-19 pandemic, as on date.

INTERNAL FINANCIAL REPORTING AND CONTROL

All the internal financial controls and reporting systems are working without any disruption. Even during lockdown, with staff working from home, all reporting systems functioned without any problem.

SUPPLY CHAIN

While there have been bottlenecks in supply chain distribution, the Company quickly adapted to alternate mechanisms to ensure best of seamless working.

DEMAND FOR PRODUCTS AND SERVICES

While demand for essentials will remain, it is predicted that for all others, it will remain subdued up to December 2020.

IMPACT ON CONTRACTS/AGREEMENTS

There are no such contracts and agreements which would lead to non-fulfillment of the obligations by any party or shall have significant impact on the business or lead to any material financial claim.

With the Government's announcement to shift focus on local goods/self-reliance, it is foreseen that a good opportunity exists to contribute to the nation's economy. The Company expects gradual come back to its original level of operations during the course of the financial year. The immediate objective will be to remain focused on financial stability and to protect the interest of all stakeholders and thereafter on expansion and growth.

The Company along with its dedicated employees is determined to come through the tough times successfully and work towards a bright and sustainable future.

ADOR FONTECH LIMITED MILESTONES

1980-1990

- Commencement of BUSINESS OPERATIONS
- New reclamation welding alloys for INDIAN RAILWAYS in H3 class
- Launch of LHMATIC open arc and FCAW wires

1990-2005

- Distributorship for Stellite products from DELORO STELLITE, now part of KENNAMETAL
- Company listed on the BOMBAY STOCK EXCHANGE (BSE)
- Exclusive distributorship for CEA range of inverter welding equipment

2005-2020

- Establishment of manufacturing unit for LOW HEAT INPUT welding alloys at Bengaluru
- ADFL became a DEBT FREE entity
- Distributorship for HYPERTHERM hand cutting system
- Exclusive distributorship for ITW DENSIT and SSAB-HARDOX wear parts

AUDITORS' REPORT (STANDALONE)

INDEPENDENT AUDITORS' REPORT

To
The Members
Ador Fontech Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Ador Fontech Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key Audit Matters	Auditor's Response
<p>Disclosure of revenue</p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 'Revenue from Contracts with Customers'.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Company's process to identify the impact of adoption of accounting standard pertaining to revenue.</p> <p>Our audit approach consisted of substantive testing of the design and operating effectiveness of the internal controls as follows:</p> <ul style="list-style-type: none"> ● Evaluated the design of internal controls relating to implementation of the accounting standard. ● Selected samples of continuing as also new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry, observation, reperformance and inspection of evidence in respect of operation of these controls. ● Tested relevant information technology system's access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the revenue accounting standard. ● Selected samples of continuing as well as new contracts and performed the following procedures: <ul style="list-style-type: none"> (i) Read, analysed and identified the distinct performance obligations in these contracts. (ii) Compared these performance obligations with those identified and recorded by the Company. (iii) Considered the terms of contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. (iv) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. (v) In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time of recording and budgeting systems. We also tested the access and change management controls relating to these systems. (vi) Sample of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts. (vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. (viii) We reviewed the collation of information and logic of report generated from the budgeting system used to prepare disclosure relating to periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.
<p>Evaluation of uncertain tax positions</p> <p>The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts.</p>

Key Audit Matters	Auditor's Response
<p>Lease accounting</p> <p>Accuracy of recognition, measurement, presentation and disclosures of lease transactions in compliance with Ind-AS 116 'Leases' (New Revenue Accounting Standard).</p>	<p>Principal Audit Procedures</p> <p>We observed that the Company has entered in to lease agreement with Karnataka Industrial Area Development Board (KIADB) for lease of 12,465 Sq. mtr. for a period of 99 years. As the lease transaction is of a long term and the underlying asset is of significant value, the same requires compliance with IND AS 116.</p> <p>As per IND AS 116, the fair value of asset has to be booked at the present value of all lease related payments to be made. While the Company has considered one time lumpsum lease payment made to KIADB, the present value of future annual maintenance fee, which is insignificant has not been capitalised, with decision to expend Rs. 18,482/- (Rupees eighteen thousand, four hundred and eighty two only) and any other applicable charges incidental thereto, against yearly payments.</p> <p>We observed that the impact of depreciation and related lease interest charges on the maintenance fee is not material. Therefore, we have not modified our opinion.</p>
<p>Accounting for impairment loss of the wholly owned subsidiary</p> <p>The Company has investments in its wholly owned subsidiary (WOS), which is at the nascent stage and still carrying out significant product and developmental activities. Currently the said WOS has minimal revenues and the Company in its consolidated financial statements continues to record losses, incurred by the said WOS. Given the context, the investment had to be tested for impairment. The same was determined using discounted free cash flow method, requiring significant judgement and estimates including assessing the impact of COVID-19 on the projections and estimates. The related impairment testing was significant to our Audit.</p>	<p>Principal Audit Procedures</p> <p>Tested the design and operating effectiveness of relevant key controls around the Company's assessment of impairment of investments in the WOS.</p> <p>Tested reasonability of the projections used by the WOS related to its sales growth, operating costs, cash flow forecasts etc.</p> <p>Involved an 'Independent Valuer' to aid in evaluating besides usage of possible valuation assumptions & estimates including discount and growth rates.</p> <p>Tested whether the Management analysis about the sensitivity of the outcome w.r.t. impairment assessment with possible changes in the key assumptions reflect the risks inherent in the valuation including the possible impact of COVID-19 pandemic.</p> <p>Based on the aforesaid testing, evaluation and explanations given by the Management, we concluded that the investments in WOS have not been impaired as on March 31, 2020.</p>

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related

disclosures in the Standalone Financial Statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

(v) On the basis of written representations received from the Directors as on March 31, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164(2) of the Act.

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

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

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

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

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

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

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

- 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 the 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the order.

For Praveen & Madan
Chartered Accountants

Praveen Kumar N
Partner (Membership No: 225884)
Firm Registration no.:011350S
UDIN: 20225884AAAACG1314

Bengaluru
June 26, 2020

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Key Audit Matters (KAM)

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

KAM Details	Auditor's Response
Implementation of Enterprise Resource Planning (ERP) which is in progress	We reviewed the books both in the legacy as also the new ERP System, which is in progress and found that there are no material variances. We have done sufficient substantive checks to verify whether there were any unauthorised modifications to the data and accounts and found that there were none.
The Company's detective and corrective control systems	We tested the design and operating effectiveness of detective and corrective controls and found that they are effective enough to detect as also correct errors and are fairly sufficient and appropriate for the nature and complexities of the business of the Company.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

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

- In respect of the Company's fixed assets:

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

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

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

- (i) We are informed that inventories have been physically verified by the Management during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable.

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

- (iii) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventories. The discrepancies noticed on verification between physical stocks and book records were not material and have been properly dealt with in the books of accounts.

- According to the information and explanations given to us, the Company has granted unsecured loans to two bodies corporate, covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:

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

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

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

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

- The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, provisions of clause 3 (v) of the Order are not applicable to the Company.

- The maintenance of cost records have not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable.

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

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

- (ii) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (iii) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2020 on account of dispute are given below :

Rupees In Lakhs

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount
Central Excise Act, 1944	Excise duty	CESTAT, Mumbai	2002-2006	71
Income Tax Act, 1961	Income tax liability as per order passed U/s. 143(3) of the Income Tax Act, 1961	Commissioner of Income Tax (Appeals-I), Bengaluru	AY 2014-15 AY 2013-14	37 283

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

Bengaluru
June 26, 2020

PRAVEEN KUMAR N
Partner (Membership No: 225884)
UDIN: 20225884AAAACG1314

For PRAVEEN & MADAN
Chartered Accountants
Firm Registration no.:011350S

ADOR FONTECH LIMITED AWARDS

- **Forbes Asia** has twice conferred Ador Fontech Limited with the '**Best Under a Billion Dollar**' award in the category of the Region's Top 200 Small and Mid Sized Companies
- 'Udyog Rattan Award' from the **Institute of Economic Studies**
- 'Global Achiever's award' from the **Economic Development Forum**
- 'Best Vendor Award' from **Bharat Heavy Electricals Limited**

MAJOR CLIENTS



CEMENT

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



STEEL

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



POWER

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



MINING

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



DEFENCE

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



OTHERS

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

FINANCIAL STATEMENTS (STANDALONE)

BALANCE SHEET (STANDALONE)

Rupees In Lakhs

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
1. NON-CURRENT ASSETS			
Property, plant and equipment	2	2,697	1,674
Capital work-in-progress		155	115
Financial assets			
Investments	3	1,675	1,432
Deferred tax assets (net)	4	112	161
TOTAL		4,639	3,382
2. CURRENT ASSETS			
Inventories	5	2,869	2,129
Financial assets			
(i) Investments	6	309	1,332
(ii) Trade receivables	7	3,300	2,339
(iii) Cash and bank balances	8	304	269
(iv) Bank balances other than cash and cash equivalents	9	1,810	2,319
(v) Loans and advances	10	527	1,368
Other current assets	11	199	201
Current tax assets	12	458	618
TOTAL		9,776	10,575
TOTAL ASSETS		14,415	13,957
EQUITY AND LIABILITIES			
1. EQUITY			
Equity share capital	13	700	350
Other equity	14	10,179	10,865
TOTAL		10,879	11,215
2. LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions	15	413	361
TOTAL		413	361
CURRENT LIABILITIES			
Financial Liabilities			
(i) Trade payables	16	2,533	1,517
(ii) Other financial liabilities	17	277	274
Other current liabilities	18	23	100
Provisions	19	290	490
TOTAL		3,123	2,381
TOTAL EQUITY AND LIABILITIES		14,415	13,957
Significant accounting policies	1		
Notes to the financial statements	2-45		

For and on behalf of the Board of Directors

A T MALKANI

Chairman

DIN 01585637

H P LEDWANI

CEO and Managing Director

DIN 00040629

P GOPA KUMAR

Chief Financial Officer

Bengaluru, June 26, 2020

GEETHA D

Company Secretary

As per our report of even date attached

For PRAVEEN & MADAN

Chartered Accountants

Firm Registration No.011350S

Praveen Kumar N

Partner (Membership No. 225884)

Bengaluru, June 26, 2020

STATEMENT OF PROFIT AND LOSS (STANDALONE)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
1. INCOME			
Revenue from operations	20	17,492	18,443
Other income	21	274	280
TOTAL		17,766	18,723
2. EXPENSES			
Cost of materials consumed	22	3,703	4,482
Purchase of stock-in-trade	23	6,553	6,009
Changes in inventories of work-in-progress, finished goods & stock-in-trade	24	(631)	(166)
Employee benefit expenses	25	2,780	2,527
Depreciation and amortisation expenses		264	276
Other expenses	26	3,392	3,588
TOTAL		16,061	16,716
3. PROFIT BEFORE TAXES		1,705	2,007
4. TAX EXPENSES	27		
Current tax		539	575
Deferred tax		33	50
TOTAL		572	625
5. NET PROFIT AFTER TAX (3-4)		1,133	1,382
6. OTHER COMPREHENSIVE INCOME	28		
Items that will not be re-classified to profit and loss			
Net (loss)/gain on fair market valuation of assets		69	75
Actuarial gains/(losses) on retirement benefits		(24)	2
Income tax effect on the above		(16)	(19)
TOTAL		29	58
7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6)		1,162	1,440
8. EARNINGS PER EQUITY SHARE	29		
Basic and diluted (in Rs.)		4.3	7.9
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the financial statements	2-45		

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
CEO and Managing Director
DIN 00040629

P GOPA KUMAR
Chief Financial Officer
Bengaluru, June 26, 2020

GEETHA D
Company Secretary

As per our report of even date attached

For PRAVEEN & MADAN
Chartered Accountants
Firm Registration No.011350S

Praveen Kumar N
Partner (Membership No. 225884)
Bengaluru, June 26, 2020

CASH FLOW STATEMENT (STANDALONE)

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A.CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	1,705	2,007
Add/(Less):Depreciation, amortisation and impairment	264	276
Non-operating income including interest income	(274)	(280)
Other non-cash-items	45	78
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	1,740	2,081
Adjustments for:		
Trade receivables	(961)	238
Inventories	(740)	51
Current investments	1,023	(340)
Loans	841	(880)
Other current assets	2	236
Trade payables	1,016	170
Other financial liabilities	3	(7)
Other current liabilities	(78)	(227)
Current provisions net of adjustments	(198)	28
OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL	2,648	1,350
Taxes paid	(379)	(643)
NET CASH FROM OPERATING ACTIVITIES (A)	2,269	707
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,286)	(86)
Advance towards capital work-in-progress	(40)	(60)
Purchase and sale of investments (net)	(244)	(265)
Increase/(decrease) in other bank accounts	509	(27)
Interest, dividend and other non-operating-income	274	280
NET CASH FROM INVESTING ACTIVITIES (B)	(787)	(158)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	51	(13)
Dividend paid including tax	(1,498)	(632)
NET CASH FROM FINANCING ACTIVITIES (C)	(1,447)	(645)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	35	(96)
Opening balance of cash and cash equivalents	269	365
Closing balance of cash and cash equivalents	304	269
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	303	268
Cash on hand	1	1

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

For and on behalf of the Board of Directors

A T MALKANI
Chairman
DIN 01585637

H P LEDWANI
CEO and Managing Director
DIN 00040629

P GOPA KUMAR
Chief Financial Officer
Bengaluru, June 26, 2020

GEETHA D
Company Secretary

As per our report of even date attached

For PRAVEEN & MADAN
Chartered Accountants
Firm Registration No.011350S

Praveen Kumar N
Partner (Membership No. 225884)
Bengaluru, June 26, 2020

EQUITY SHARE CAPITAL AS AT MARCH 31, 2020

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
AS AT APRIL 1, 2019	13	1,75,00,000	350
Changes during the year		1,75,00,000	350
AS AT MARCH 31, 2020		3,50,00,000	700

OTHER EQUITY AS AT MARCH 31, 2020

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2019	172	6,989	3,601	103	10,865
Transactions during the year	-	-	-	29	29
Net profit/(loss) for the year	-	-	1,133	-	1,133
Dividend and dividend tax	-	-	(1,498)	-	(1,498)
Bonus issue	(172)	-	(178)	-	(350)
Transfer to general reserve	-	200	(200)	-	-
CLOSING BALANCE AS AT MARCH 31, 2020	-	7,189	2,858	132	10,179

EQUITY SHARE CAPITAL AS AT MARCH 31, 2019

Rupees In Lakhs

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

OTHER EQUITY AS AT MARCH 31, 2019

Rupees In Lakhs

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

Note: *OCI – Other comprehensive income

NOTES TO
THE FINANCIAL
STATEMENTS
(STANDALONE)

Note 1

COMPANY INFORMATION

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

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The financial statements were authorised for issue in accordance with the resolution of the Board of Directors on June 26, 2020. The Chairman, Managing Director, Chief Financial Officer and Company Secretary have been authorised to execute their signatures in confirmation of the statements.

Use of estimates and critical accounting judgements

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

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

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

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

Basis of measurement

The Ind-AS financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, 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 the relevant Ind-AS.

FAIR VALUE MEASUREMENT

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

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

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

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

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

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

scope of Ind-AS 17 and (iii) measurements that have some similarities to fair value, such as net realisable value in Ind-AS 2 or value in use in Ind-AS 36.

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

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

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

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

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

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

Functional and presentation currency

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

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

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

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

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

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

Property, plant and equipment

TANGIBLE ASSETS

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

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

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

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

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

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

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

CAPITAL WORK-IN- PROGRESS

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

DEPRECIATION

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

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

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

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

Intangible assets

The Company has elected to continue with the carrying value of all of its intangible assets as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost as at the transition date pursuant to the exemption provided under Ind-AS 101

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

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

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

Borrowing costs

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

Financial instruments

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

Subsequent measurement of financial assets is described below:

DEBT INSTRUMENTS AT AMORTISED COST

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

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

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

DEBT INSTRUMENT AT FVTOCI

(Fair value through other comprehensive income)

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

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

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

DEBT INSTRUMENT AT FVTPL

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

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

FINANCIAL ASSETS - DERECOGNITION

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the

Company has transferred substantially all the risks and rewards of the asset or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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

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

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

FINANCIAL LIABILITIES - RECOGNITION AND MEASUREMENT

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

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

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

- Financial liabilities at fair value through the statement of profit and loss.
Financial liabilities at fair value through the statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through the statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered in to by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
- Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.
Financial liabilities designated upon initial recognition at fair value through the statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in

own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within the equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability at fair value through the statement of profit and loss.

LOANS AND BORROWINGS

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

FINANCIAL LIABILITIES – DERECOGNITION

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

OFFSETTING OF FINANCIAL INSTRUMENTS

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

Cash and cash equivalents

CASH AND BANK BALANCES

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

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

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

Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is

required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered as impaired and is written down to its recoverable amount.

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

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

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

Government Grants

Government grants are recognised, where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is treated as deferred income and released to the statement of profit and loss over the expected useful lives of the assets concerned. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to statement of profit and loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. When loans or similar assistance

are provided by Government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Inventories

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

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

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

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

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

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

Taxation

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where ever it may be appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting

purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except when it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

MINIMUM ALTERNATE TAX

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

Employee benefit schemes

SHORT TERM EMPLOYEE BENEFITS

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

COMPENSATED ABSENCES

The Company contemplates employees to avail their eligible leave/holidays as an employee welfare measure and hence as a

policy, restriction has been placed on the quantum of the number of days that can be accumulated, as also amount payable in lieu of the same. Provision for compensated absences are based on actuarial valuation and the charge is categorised under staff welfare expenses.

POST-EMPLOYMENT BENEFITS

Defined contribution plans- Provident fund and Superannuation Fund

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

Defined benefit plan -Gratuity

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

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

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

Provision for liabilities, charges, contingent liabilities and contingent assets

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

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

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

Foreign currency transactions

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

All exchange differences are included in the statement of profit and loss except any exchange difference on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in 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)', who is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

Leases

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

The Company as a Lessee

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

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

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

The Company as a Lessor

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

Note 2 PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2020
	As at 01.04.2019	Additions	Deductions /Adj.	As at 31.03.2020	As at 01.04.2019	For the year	Deductions /Adj.	As at 31.03.2020	
Land - Freehold	76	568	-	644	-	-	-	-	644
Land - Leasehold	2	500	-	502	-	5	-	5	497
Factory buildings	1,081	-	-	1,081	591	47	-	638	443
Office premises	575	-	-	575	167	20	-	187	388
Office premises-Land component	9	-	-	9	-	-	-	-	9
Plant and machinery	1,276	71	-	1,347	820	89	-	909	438
Electrical installation	92	-	-	92	72	5	-	77	15
Computers	76	29	-	105	53	24	-	77	28
Office equipment	44	7	-	51	33	6	-	39	12
Furniture and fixtures	84	-	-	84	63	6	-	69	15
Vehicles	480	120	42	558	322	62	34	350	208
TOTAL	3,795	1,295	42	5,048	2,121	264	34	2,351	2,697

Notes: (i) The purchase of freehold and leasehold land was duly completed in the month of March 2020 and the same stands capitalised. Hitherto, advance paid to Karnataka Industrial Area Development Board (KIADB) during the previous financial year was held under Government Deposit under the category of Loans and Advances. (ii) An amount of Rs. 155 lakhs is held under capital work-in-progress towards implementation of ERP (Enterprise Resource Planning). The same will be appropriated on completion of the project.

TANGIBLE ASSETS

Rupees In Lakhs

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

Note: An amount of Rs.115 lakhs was held under capital work-in-progress on account of in-process-implementation of Enterprise Resource Planning (ERP).

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)				
3D Future Technologies Private Limited (Wholly owned subsidiary)	-	-	-	-
Investment in shares	85,00,000	850	85,00,000	850
Inter corporate deposit	-	80	-	-
SUB-TOTAL	-	930	-	850
IRFC Capital Gain Bonds	500	50	500	50
SUB-TOTAL	-	50	-	50
TOTAL	-	980	-	900
INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)				
Aditya Birla Sun Life Fixed Term Plan	5,00,000	57	5,00,000	54
Aditya Birla Sun Life Corporate Bond*	7,72,815	108	-	-
HDFC FMP 1177 days*	10,00,000	115	10,00,000	107
HDFC FMP 1208 days*	13,73,803	159	-	-
HDFC FMP 1218 days*	10,00,000	128	10,00,000	117
Kotak Bond Regular Plan Fund*	-	-	1,47,750	75
Franklin India Ultra Short Bond	2,77,125	52	-	-
Nippon Fixed Horizon Fund*	6,55,525	76	-	-
SBI Dynamic Bond Fund*	-	-	3,40,120	78
SBI Magnum Low Duration Fund	-	-	4,161	101
SUB-TOTAL	-	695	-	532
TOTAL NON-CURRENT INVESTMENTS	-	1,675	-	1,432
Aggregate amount of quoted investments and market value thereof	-	695	-	532
Aggregate amount of unquoted investments	-	980	-	900

Note: * Lien marked in favour of 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited) towards working capital loan obtained from the HDFC Bank.

Note 4 DEFERRED TAX ASSET

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	27	(81)
Fair market value of increase in investments of mutual funds and actuarial gains	(16)	(19)
Others		
SUB-TOTAL	11	(100)
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	40	131
Provision for warranties	3	75
Diminution in the valuation of shares of the joint venture	26	26
Provision for doubtful debts	10	22
Provision for asset retirement obligation	37	37
Others	(15)	(30)
SUB-TOTAL	101	261
TOTAL	112	161

Note 5 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Raw materials	779	669
Less: FVTPL adjustments	-	-
Fair value of raw materials (A)	779	669
Work-in-progress (B)	667	161
Traded goods (C)	1,155	1,076
Finished goods (D)	268	223
TOTAL (A+B+C+D)	2,869	2,129

Note: FVTPL: Fair value through profit and loss account

Note 6 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)				
Aditya Birla Sun Life Corporate Bond Fund*	-	-	7,72,815	106
Aditya Birla Sun Life Savings Fund* (lien marked FY 2019-20)	15,279	61	27,245	101
Franklin India Corporate Bond Opportunities Fund	-	-	2,77,125	54
Franklin India Low Duration Fund	-	-	3,82,769	101
HDFC FMP 1208 days*	-	-	13,73,803	146
HDFC Liquid Fund	2,569	100	-	-
HDFC Liquid Direct Plan	-	-	5,492	202
ICICI Prudential Regular Savings Fund*	5,65,032	123	5,65,032	112
ICICI Prudential Short Term Fund	-	-	72,956	202
LIC Arbitrage Fund	-	-	9,97,317	101
LIC Banking and PSU Debt Fund	-	-	2,08,669	51
LIC Savings Plus Fund	-	-	2,88,519	86
Nippon India Fixed Horizon Fund	-	-	6,55,525	70
SBI Magnum Ultra Short Duration Fund	573	25	-	-
TOTAL INVESTMENT IN MUTUAL FUNDS	-	309	-	1,332
Aggregate book value and market value of quoted investments	-	309	-	1,332

Note: *Lien marked in favour of 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited) towards working capital loan obtained from the HDFC Bank.

Note 7 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
UNSECURED		
Unsecured, considered good	3,300	2,339
Unsecured, considered doubtful	80	89
Less : Provision for doubtful debts	(80)	(89)
Unsecured and considered bad	52	18
Less: Bad debts written off	(52)	(18)
TOTAL	3,300	2,339

Note 8 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with banks in current accounts	303	268
Cash on hand	1	1
TOTAL	304	269

Note 9 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Fixed deposit with banks	1,707	2,206
Balance with banks in unclaimed dividend accounts	103	113
TOTAL	1,810	2,319

Note 10 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
SECURITY DEPOSITS		
Deposits-Government departments	103	1,032
Deposits-Premises	17	50
Deposits-Security	26	28
Deposits-Performance guarantees	64	25
Deposits-Earnest money deposits	305	228
OTHER ADVANCES		
Loans and advances to employees	12	5
TOTAL	527	1,368

Note 11 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advances other than capital advances		
Advance to suppliers	37	36
Prepaid expenses	80	81
Taxes duties, input credit refund due	82	84
TOTAL	199	201

Note 12 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance income tax (net of provision for tax)	458	618
TOTAL	458	618

Note 13 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
AUTHORISED		
5,00,00,000 Equity Shares of Rs. 2 each	1,000	500
TOTAL	1,000	500
ISSUED, SUBSCRIBED AND PAID-UP		
3,50,00,000 Equity Shares of Rs. 2 each	700	350
TOTAL	700	350

Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year:

Rupees In Lakhs

Particulars	2019-20		2018-19	
	(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	3,50,00,000	700	1,75,00,000	350

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.

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Equity Shares				
J.B.Advani & Company Private Limited	92,13,201	26.32%	46,06,598	26.32%

As on the date of the Balance Sheet

- The Company has not issued any equity share as fully paid pursuant to contracts without payment being received in cash.
- The Company has issued fully paid bonus shares in the ratio of 1:1 vide Board Resolution dated August 01, 2019.
- The Company also did not buy back any equity share.

Issue/conversion of equity shares

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

Note 14 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Securities premium	-	172
General reserve	7,189	6,989
Retained earnings	2,858	3,601
Other comprehensive income	132	103
TOTAL	10,179	10,865

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance	172	172
Transaction during the year	(172)	-
Closing balance	-	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	6,989	6,789
Transactions during the year	200	200
Closing balance	7,189	6,989

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	3,601	3,049
Net profit / loss for the year	1,133	1,382
Equity dividend including distribution tax	(1,498)	(630)
Capitalisation of profits on account of bonus issue	(178)	-
Transfer to general reserve	(200)	(200)
CLOSING BALANCE	2,858	3,601

OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	103	45
Transactions during the year	29	58
CLOSING BALANCE	132	103

Note 15 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for compensated absences	413	361
TOTAL	413	361

Note 16 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Micro, Small and Medium Enterprises	-	-
Other than Micro, Small and Medium Enterprises	2,533	1,517
TOTAL	2,533	1,517

Note 17 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Deposit from dealers and employees	174	161
Unclaimed dividends	103	113
TOTAL	277	274

Note 18 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance from customers	-	-
Statutory liabilities	23	100
TOTAL	23	100

Note 19 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
PROVISION FOR EMPLOYEE BENEFITS		
Provision for compensated absences	-	163
Due to gratuity trust	-	26
OTHERS		
Warranties	290	301
TOTAL	290	490

Note 20 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
SALE OF PRODUCTS		
Manufactured goods (net of taxes)	7,805	7,814
Scrap sales	28	33
Traded goods	7,588	8,404
SALE OF SERVICES		-
Job work income	2,045	2,166
Export services	26	26
TOTAL	17,492	18,443

Note 21 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest income	192	186
Other non-operating-income	67	52
Profit on sale of assets	-	34
Profit on sale of investments	15	8
TOTAL	274	280

DETAILS OF INTEREST INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
INTEREST INCOME		
Interest on bank deposits	115	141
Others	77	45
TOTAL	192	186

Note 22 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening stock	669	886
Add: Purchases	3,812	4,265
Less: Closing stock	(778)	(669)
TOTAL	3,703	4,482

Note 23 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Welding consumables, wear products, equipment and spares	6,553	6,009
TOTAL	6,553	6,009

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

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
AT THE BEGINNING OF THE YEAR		
Work-in-progress	161	118
Finished goods	223	242
Stock-in-trade	1,076	934
SUB-TOTAL (A)	1,460	1,294
AT THE END OF THE YEAR		
Work-in-progress	667	161
Finished goods	268	223
Stock-in-trade	1,156	1,076
SUB-TOTAL (B)	2,091	1,460
TOTAL (A-B)	(631)	(166)

Note 25 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries, allowances and other benefits	2,305	2,127
Contribution to provident and other funds	265	247
Staff welfare	210	153
TOTAL	2,780	2,527

Note 26 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Rent	88	86
Insurance	26	20
Rates and taxes	102	79
Consumables and stores	155	149
Power, fuel and utilities	100	118
Security charges	26	27
Product development, fabrication & welding	1,188	1,189
Books, printing & stationary	20	25
Communication expenses	64	76
Repairs to building	55	50
Repairs to machinery	34	38
Office maintenance	125	122
Legal and professional fees	130	106
Travelling and conveyance	557	572
Freight and forwarding	282	302
Sales commission and promotional expenses	265	379
Seminar & conference	25	20
Provision for warranties	26	53
Audit fees	7	7
Bank and other charges	19	22
Corporate social responsibility	16	31
General expenses	2	10
Bad debts written off	80	107
TOTAL	3,392	3,588

AUDITORS' REMUNERATION

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Statutory audit	5	5
Taxation	-	-
Other services	2	2
TOTAL	7	7

Note: Remuneration is excluding GST

Note 27 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Current tax	539	575
Deferred tax	33	50
TOTAL	572	625

TAX RECONCILIATION

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax	1,705	2,007
Tax on business income	490	583
Tax on capital gains	-	9
Tax effect of amounts which are not deductible		
(a) TDS not deducted	-	-
(b) Provision for retirement benefits	(40)	(23)
(c) Provision for bad debts	10	22
(d) Provision for warranties	3	8
(e) Others	27	(23)
Income tax expenses	490	575

Note 28 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		
Increase in the value of investments	69	75
Actuarial gains / (losses) on defined benefit obligations	(24)	2
Tax impact on the same	(16)	(19)
TOTAL	29	58

Note 29 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Net Profit/(loss) after tax for the year	1,133	1,382
Weighted average number of equity shares outstanding	266	175
Basic and diluted earnings per share (Rs.)	4.3	7.9
Face value per share (Rs.)	2.0	2.0

Note 30 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 31 LEASE ARRANGEMENTS

The Company has entered in to cancellable operating lease with an option to renew in respect of certain godowns, offices and residential premises. The expenditure incurred thereon amounting to Rs. 88 lakhs (Previous year Rs. 86 lakhs) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Lease payments for the year	88	86
Minimum lease payments	As at 31.03.2020	As at 31.03.2019
Not later than one year	64	89
Later than one year but not later than five years	-	-
Later than five years	-	-

Note 32 EMPLOYEE BENEFITS

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

Brief description of the plans:

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

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

Details of contribution made to provident and other funds

Rupees In Lakhs		
Particulars	As at 31.03.2020	As at 31.03.2019
Employer's contribution to provident fund	124	118
Employer's contribution to superannuation fund	101	95
Employer's contribution to gratuity fund	38	31
Employer's contribution to Employees State Insurance Corporation	2	3
TOTAL	265	247

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

Details of actuarial valuation of Gratuity

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
ACTUARIAL ASSUMPTIONS		
Discount rate (per annum)	6.7%	7.5%
Salary escalation rate	6.0%	6.0%
ATTRITION RATE		
21-44 years	3.0%	3.0%
45-57 years	2.0%	2.0%
Normal retirement age	58 years	58 years

Particulars	As at 31.03.2020	As at 31.03.2019
MAJOR CATEGORIES OF PLAN ASSETS		
Government of India securities	4%	4%
State Government securities	60%	63%
High quality corporate bonds	9%	25%
Equity shares of listed companies	15%	4%
Special deposit scheme	3%	3%
Other investments	9%	1%
TOTAL	100%	100%

Particulars	As at 31.03.2020	As at 31.03.2019
MOVEMENT IN BENEFIT OBLIGATIONS		
Present value of obligation at the beginning of the year	463	407
Interest cost	30	30
Service cost	27	25
Actuarial (gain)/loss	26	26
Benefits paid	(39)	(25)
Present value of obligation at the end of the year	507	463
MOVEMENT IN PLAN ASSETS		
Fair value of plan assets at the beginning of the year	327	315
Expected return on plan assets	22	27
Employer's contribution	-	15
Actuarial (gain)/loss	1	(4)
Benefits paid	(39)	(26)
Fair value of plan assets at the end of the year	311	327
ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET		
Present value of defined benefit obligation at the end of the year	507	463
Less: Fair value of plan assets at the end of the year	(311)	(327)
NET LIABILITY RECOGNISED	196	136

Particulars	As at 31.03.2020	As at 31.03.2019
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	27	26
Past service/administration cost	2	2
Interest cost	9	3
TOTAL	38	31

SENSITIVITY ANALYSIS

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

Currencies	As at 31.03.2020		As at 31.03.2019	
	Increase	Decrease	Increase	Decrease
Impact of increase/decrease in 100 bps on defined benefit obligation (DBO)				
As at 31.03.2020	(5.3%)	6.0%	6.0%	5.4%
As at 31.03.2019	(5.3%)	5.9%	5.5%	(5.1%)

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

RISK ANALYSIS

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

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

SALARY GROWTH RISKS

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

LIFE EXPECTANCY / LONGEVITY RISKS

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

INTEREST RATE RISKS

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

Details relating to compensated absences

Particulars	Rupees In Lakhs
	As at 31.03.2020
Opening defined benefit liability as at April 1, 2019	524
Add: Provisions made during the year	66
Less: Payments made to employees on cessation during the year	67
Less: Contribution to LIC towards systematic funding during the year	110
Closing defined benefit liability as at March 31, 2020	413

Notes:

- The Company's policy under leave encashment was modified during 2018-19.
- As at December 31, 2018 available leave balances of the employees less sixty days (carry forward leave) was frozen.
- The liability on account of frozen leave was rupees three hundred and twenty four lakhs as per Actuarial Valuation as at March 31, 2020.
- The Company has entered in to an agreement with the Life Insurance Corporation of India to systematically fund its provision towards leave encashment.
- The total amount paid to LIC inclusive of the current year's contribution is rupees one crore and twenty five lakhs as at March 31, 2020.
- Maximum carry forward of leave for encashment was modified to sixty days on the basic salary drawn by the employees with effect from January 1, 2019.

Note 33 DETAILS PERTAINING TO WARRANTIES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening balance as at April 1, 2019	301	270
Add: Provisions during the year	26	54
Less: Amount defrayed during the year	37	23
Closing balance as at March 31, 2020	290	301

Note 34 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Guarantees (Bank and Corporate)	591	576
Disputed excise duty demand under appeal	71	71
Disputed income tax demands under appeal	320	320
Investments lien marked for facilitating working capital loan to 3DFT*	659	637
*Market value of lien marked investments	770	741

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

Note 35 SEGMENT REPORTING

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

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

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

Note 36 RELATED PARTY TRANSACTIONS

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

Names of related parties and description of relationship with the Company

Particulars	Related parties
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 & Ms. Tanya H Advani
Joint venture reduced to an investment proposition	Dualrank Fontech (M) Sdn. Bhd. It has been duly closed as per the Malaysian Laws vide the process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020.
Wholly owned subsidiary	3D Future Technologies Private Limited
Key management personnel	Mr. A T Malkani-Chairman
	Mr. H P Ledwani-Managing Director
	Mr. P Gopa Kumar- Chief Financial Officer
	Ms. Geetha D-Company Secretary
Relatives of key management personnel	Mrs. Sunila H Ledwani

Transactions with related parties

Rupees In Lakhs

Relationship/name of the related party	Description of the nature of transactions	Value of the transactions	
		Year ended 31.03.2020	Year ended 31.03.2019
(i) Associate companies			
J B Advani and Co. Private Limited	Purchase of traded goods	1	3
	Availment of services	-	8
	Reimbursement of professional fees – Group Ind-AS	-	2
	Motor car expenses	5	-
Ador Welding Limited	Purchase of traded goods	39	60
	Purchase of manufactured goods	175	102
	Purchase of fixed assets	26	14
	Sale of manufactured goods	-	6
	Sale of traded goods	7	34
	Rent paid	1	2
Ador Powertron Limited	Inter corporate deposit	700	500
	Interest on Inter corporate deposit	39	45
	Purchase of fixed assets	3	-
	Rent received	1	-
(ii) Key Managerial Personnel (KMPs)	Aggregate of salaries as per Income Tax Act	346	287
(iii) Related Personnel	Remuneration	111	107
(iv) Relatives of KMPs	Rent	28	26

Balances of related parties

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Ador Welding Limited	10	-

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

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Dr.	Cr.	Dr.	Cr.
Ador Welding Limited	-	10	-	-

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

Transactions with the wholly owned subsidiary

Rupees In Lakhs

Particulars	Value of the transactions	
	Year ended 31.03.2020	Year ended 31.03.2019
Contribution to equity share capital by Ador Fontech Limited	-	200
Lease rentals paid by 3DFT	7	6
Interest received	1	-

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

Rupees In Lakhs

Particulars	Value of the transactions	
	As at 31.03.2020	As at 31.03.2019
E Ventures Private Limited (Subsidiary of Ador Multiproducts Limited)		
Purchase of traded goods	2	1

Note 37 FINANCIAL INSTRUMENTS

Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2020				As at 31.03.2019			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	850	775	50	1,675	850	532	50	1,432
FINANCIAL ASSETS-CURRENT								
Investments	-	309	-	309	-	1,332	-	1,332
Trade receivables	-	-	3,300	3,300	-	-	2,339	2,339
Cash and cash equivalents	-	-	304	304	-	-	269	269
Bank balances other than cash & cash equivalents	-	-	1,810	1,810	-	-	2,319	2,319
Loans and advances	-	-	527	527	-	-	1,368	1,368
TOTAL	850	1,084	5,991	7,925	850	1,864	6,345	9,059
FINANCIAL LIABILITIES-CURRENT								
Trade payables	-	-	2,533	2,533	-	-	1,517	1,517
Other financial liabilities	-	-	277	277	-	-	274	274
TOTAL	-	-	2,810	2,810	-	-	1,791	1,791

Hierarchy of financial assets and liabilities measured at fair value:

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS-NON-CURRENT				
Investments	695	930	532	850
FINANCIAL ASSETS-CURRENT				
Investments	309	-	1,332	-

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

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2020		As at 31.03.2019	
		Fair value	Carrying amount	Fair value	Carrying amount
Non-current-investment	Level 2	50	50	50	50
Current assets and current liabilities	Level 2	The carrying amounts of trade receivables, cash and bank balances, current loans and advances, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.			

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

Note 38 FINANCIAL RISK MANAGEMENT

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

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

New business venture

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that chances of break-even-point may happen in the foreseeable future, (span of 3 to 5 years) considering the new product line and expansion of business segments in different locations/states. As such the Company is carrying the equity investment at fair value which is equivalent to the cost of investment.

Credit risk

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

CREDIT RISK MANAGEMENT

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

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

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

AGE OF RECEIVABLES

Particulars	As at 31.03.2020	As at 31.03.2019
Up to 30 days	888	1,170
30-90 days	1,442	983
90-365 days	813	140
More than 365 days	157	46
TOTAL	3,300	2,339

Liquidity risk

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

LIQUIDITY RISK MANAGEMENT

The Company's management is responsible for liquidity and funding as well as settlement management. 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 31 March 2020

Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	TOTAL
FINANCIAL LIABILITIES - CURRENT			
Trade payables	1,520	1,013	2,533
Other financial liabilities	166	111	277
TOTAL	1,686	1,124	2,810

As at 31 March 2019

Rupees In Lakhs

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

Commodity risk

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

Market risk

FOREIGN CURRENCY RISK

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

FOREIGN CURRENCY RISK MANAGEMENT

In respect of the foreign currency transactions, the Company does not hedge 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 (liabilities) at the end of the reporting period is as under:

Rupees In Lakhs

Particulars	As at 31.03.2020			As at 31.03.2019		
	USD	EUR	CNY	USD	EUR	CNY
FINANCIAL LIABILITIES						
Trade payables	753	8.5	17	400	102	-

SENSITIVITY TO FOREIGN CURRENCY RISK

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

Currencies	As at 31.03.2020		As at 31.03.2019	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(38)	38	(20)	20
EUR	(0.5)	0.5	(5)	5
CNY	(1)	1	-	-

PRICE RISK

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

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

Sensitivity	As at 31.03.2020	As at 31.03.2019
Impact on profit after tax for 5% increase in NAV	50	93
Impact on profit after tax for 5% decrease in NAV	(50)	(93)

Note 39 CAPITAL MANAGEMENT

The Company's objectives in managing capital includes:

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

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

Dividends

		Rupees In Lakhs	
Particulars	Particulars	Appropriated in the accounts during the financial year 2019-20	Appropriated in the accounts during the financial year 2018-19
EQUITY DIVIDEND			
Final dividend for the year ended March 31, 2018 of Rs.3/- per fully paid share			630 (including dividend tax of Rs. 106 lakhs)
Final dividend for the year ended March 31, 2019 of Rs.3.50/- per fully paid share		739 (including dividend tax Rs.126 lakhs)	
Interim dividend for the year ended March 31, 2020 of Rs.1.80 per fully paid share		759 (including dividend tax of Rs. 129 lakhs)	

Note 40 GENERAL RESERVE

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board has elected to transfer an amount of rupees two crores to the General reserve for the financial year 2019-20 (same as in the previous year).

Note 41 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Subsidiary/ Associate/ Joint venture	Name of the Subsidiary/ Associate/Joint venture	Principal place of business and country of incorporation	Proportion of ownership/investment interest as at 31.03.2020	Proportion of ownership/investment interest as at 31.03.2019	Method of accounting	Remarks
Subsidiary	3D Future Technologies Private Limited	India	100%	100%	Fair value	-

Note 42 INFORMATION ON ASSOCIATE AND WHOLLY OWNED SUBSIDIARY

The joint venture M/s. Dualrank Fontech which had ceased operations has been duly closed as per Malaysian Laws vide the process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020.

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

Particulars	Country of incorporation	Percentage of holding	Year ended 31.03.20/31.03.19				Year ended 31.03.20/31.03.19		
			Assets	Liabilities (external)	Contingent liabilities	Capital commitments	Income	Expenditure	Profit before tax
3D Future Technologies Private Limited	India	100%	635	719	-		233	577	(344)
Previous year data	India	100%	586	498	-		211	589	(378)

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

Note 43 CONTRACTUAL LIABILITIES

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

Note 44 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 45 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 46 AMOUNTS IN FINANCIAL STATEMENTS

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

3D FUTURE TECHNOLOGIES PRIVATE LIMITED

Vision

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

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

Mission

- Establish products and service offerings which competes with the best in class
- 25,000 cases and 2,500 certified orthodontists on board over the next 5 years
- Drive innovation in products and service network to claim leadership

About 3DFT

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

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

Clear Aligner Market

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

Based on multiple reports, Global Aligner market is expected to grow at a CAGR of 17-20% from USD ~1.9 bn to ~ USD 8 bn by 2026. Asia aligner market is expected to grow at a CAGR of ~35%. Major portion of the growth is expected to come from the substitution of braces market with aligners. Current penetration of aligners in the Orthodontic market is around 10-15% in the USA and around 1-2% in India.

AUDITORS' REPORT (CONSOLIDATED)

INDEPENDENT AUDITORS' REPORT

To
The Members
Ador Fontech Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Ador Fontech Limited ('the Company') and its subsidiary-3D Future Technologies Private Limited (the Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,

2015, as amended ('Ind-AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for opinion

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

Key audit matters

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

Key Audit Matters	Auditor's Response
<p>Disclosure of revenue</p> <p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 'Revenue from Contracts with Customers'.</p>	<p>Principal Audit Procedures</p> <p>We assessed the Group's process to identify the impact of its revenue recognition.</p> <p>Our audit approach consisted of substantive testing of internal controls as follows:</p> <ul style="list-style-type: none"> ● Evaluated the design of internal controls relating to implementation of the accounting standard pertaining to revenue. ● Selected samples of continuing as also new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry, observation, reperformance and inspection of evidence in respect of operation of these controls. ● Tested the relevant information technology system's access and change management controls relating to contracts and other related information used in recording and disclosing revenue in accordance with the accounting standard. ● Selected samples of continuing as also new contracts and performed the following procedures: <ul style="list-style-type: none"> (i) Read, analysed and identified the distinct performance obligations in these contracts. (ii) Compared these performance obligations with those identified and recorded by the Group. (iii) Considered the terms of contracts to determine the transaction price including any variable consideration to verify as also to compute revenue and to test the basis of estimation of the variable consideration. (iv) Samples in respect of revenue recorded for time and material contracts were tested using a combination of approved time sheets including customer acceptances, subsequent invoicing and historical trend of collections and disputes. (v) In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time of recording and budgeting systems. We also tested the access and change management controls relating to these systems. (vi) Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts. (vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. (viii) We reviewed the collation of information and the logic of report generated from the budgeting system used to prepare disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the Balance Sheet date.
<p>Evaluation of uncertain tax positions</p> <p>The Group has uncertain tax positions, which involves significant judgement to determine possible outcomes.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from the Management, besides determination of deferred tax position recorded by the wholly owned subsidiary based on valuation of an external independent valuer. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcomes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of the consolidated statement of profit & loss and as contingent liabilities in the notes to the accounts.</p>

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

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

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

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

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

Management's Responsibility for the Consolidated Financial Statements

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

accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of the internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are Companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the Consolidated Financial Statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's

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

Other matters

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)	
	2019-20	2018-19
Net worth	(164)	88
Revenue	233	211
Profit/(loss) after tax	(250)	(283)

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

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

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

Report on Other Legal and Regulatory Requirements

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- The reports on the accounts of the Subsidiary and the Branch office of the Holding Company audited under Section 143(8) of the Companies Act by Other Auditors have been sent to us and have been properly dealt with by us in preparing this report.

- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of written representations received from the Directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and the subsidiary incorporated in India and the reports of the Statutory Auditors of the subsidiary company incorporated in India, none of the Directors of the Group incorporated in India is disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
- With respect to the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the Auditor's reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of that company, for reasons stated therein.

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

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

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

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

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

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as the 'Company') and its subsidiary company, which are companies incorporated in India, as of that date.

Key Audit Matters (KAM)

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

KAM Details	Auditor's Response
The Group's detective and corrective control systems	We tested the design and operating effectiveness of the detective and corrective controls of the Holding Company and have relied on the inferences of the Subsidiary's Auditors. Based on the same, we found that the systems are effective enough to detect and correct errors, besides are fairly sufficient and appropriate for the nature and complexities of the business of the Group.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

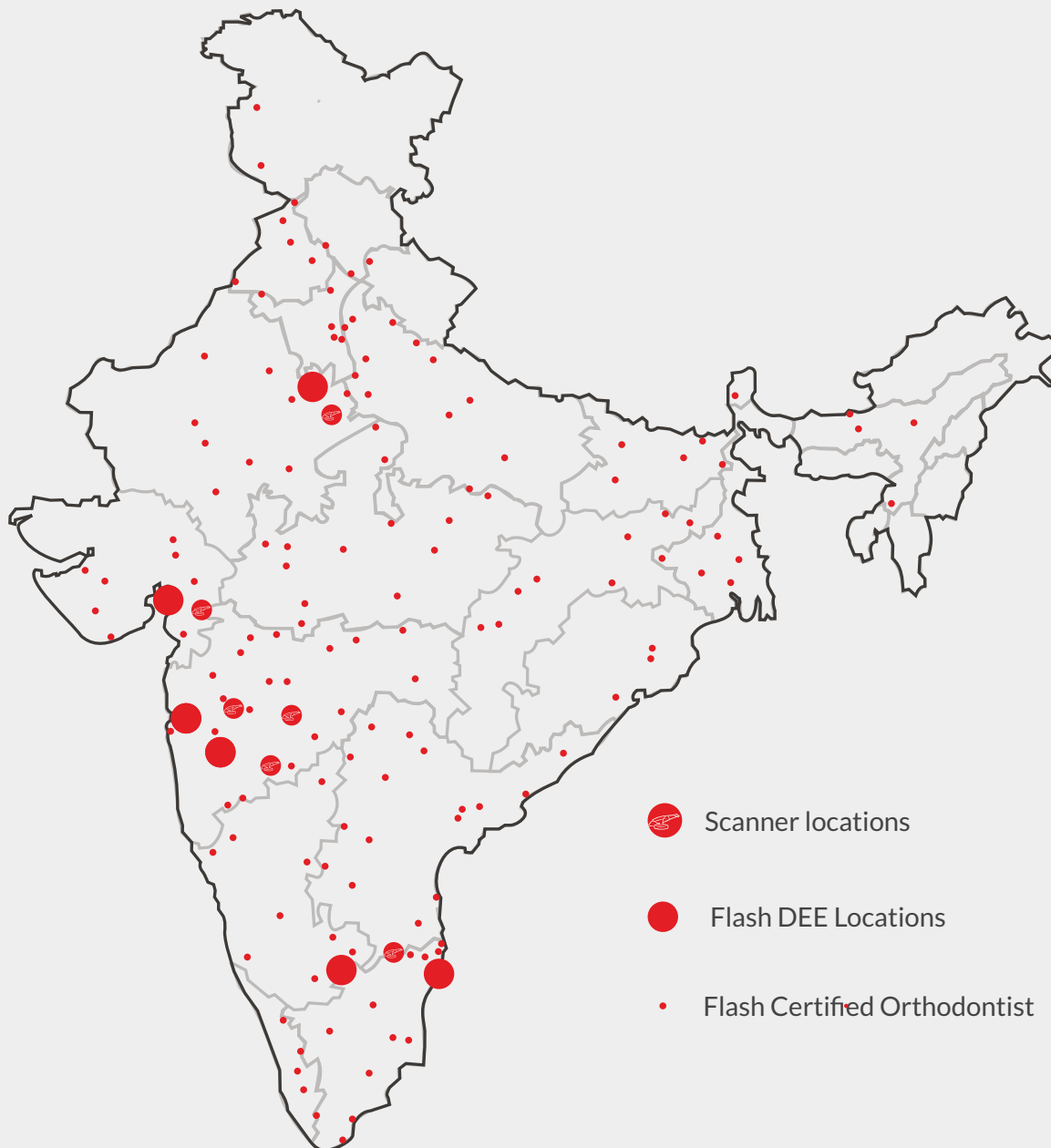
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

3D FUTURE TECHNOLOGIES PRIVATE LIMITED NETWORK AND PRESENCE



FINANCIAL STATEMENTS (CONSOLIDATED)

BALANCE SHEET (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
1. NON-CURRENT ASSETS			
Property, plant and equipment	2	2,839	1,866
Capital work-in-progress		155	115
Intangible assets		4	8
Financial assets			
Investments	3	745	582
Deferred tax assets (net)	4	467	421
TOTAL NON-CURRENT ASSETS		4,210	2,992
2. CURRENT ASSETS			
Inventories	5	2,882	2,155
Financial assets			
(i) Investments	6	309	1,338
(ii) Trade receivables	7	3,337	2,360
(iii) Cash and bank balances	8	305	273
(iv) Bank balances other than cash and cash equivalents	9	1,814	2,326
(v) Loans and advances	10	532	1,375
Other current assets	11	273	256
Current tax assets	12	458	618
TOTAL CURRENT ASSETS		9,910	10,701
TOTAL ASSETS		14,120	13,693
EQUITY AND LIABILITIES			
1. EQUITY			
Equity share capital	13	700	350
Other equity	14	9,165	10,103
TOTAL EQUITY		9,865	10,453
2. LIABILITIES			
NON-CURRENT LIABILITIES			
Other financial liabilities		-	-
Provisions	15	435	373
TOTAL NON-CURRENT LIABILITIES		435	373
CURRENT LIABILITIES			
Financial liabilities			
(i) Borrowings	16	575	301
(ii) Trade payables	17	2,547	1,541
(iii) Other financial liabilities	18	322	395
Other current liabilities	19	83	138
Provisions	20	293	492
TOTAL CURRENT LIABILITIES		3,820	2,867
TOTAL EQUITY AND LIABILITIES		14,120	13,693
Significant accounting policies	1		
Notes to the Consolidated Financial Statements	2-46		

A T MALKANI
Chairman
DIN 01585637

As per our report of even date attached
For PRAVEEN & MADAN
Chartered Accountants
Firm Registration No.011350S

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

Praveen Kumar N
Partner (Membership No. 225884)
Bengaluru, June 26, 2020

P GOPA KUMAR
Chief Financial Officer
Bengaluru, June 26, 2020

GEETHA D
Company Secretary

STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
1. INCOME			
Revenue from operations	21	17,715	18,643
Other income	22	284	291
TOTAL		17,999	18,934
2. EXPENSES			
Cost of materials consumed	23	3,781	4,553
Purchase of stock-in-trade	24	6,555	6,012
Changes in inventories of work-in-progress, finished goods & stock-in-trade	25	(631)	(166)
Employee benefit expenses	26	2,960	2,684
Finance cost	27	45	15
Depreciation and amortisation expenses		320	328
Other expenses	28	3,608	3,879
TOTAL		16,638	17,305
3. OPERATING PROFIT		1,361	1,629
4. PROFIT BEFORE TAXES		1,361	1,629
5. TAX EXPENSES	29		
Current tax		539	575
Deferred tax		(61)	(45)
TOTAL		478	530
6. NET PROFIT AFTER TAX (4-5)		883	1,099
7. OTHER COMPREHENSIVE INCOME	30		
Items that will not be reclassified to Profit and loss			
Net (loss)/gain on fair market valuation of assets		69	75
Actuarial gains/(losses) on retirement benefits		(26)	3
Income tax effect on the above		(16)	(19)
TOTAL		27	59
8. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (6+7)		910	1,158
9. EARNINGS PER EQUITY SHARE	31		
Basic and diluted (in Rs.)		3.3	6.3
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the Consolidated Financial Statements	2-46		

A T MALKANI
Chairman
DIN 01585637

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Praveen Kumar N
Partner (Membership No. 225884)
Bengaluru, June 26, 2020

P GOPA KUMAR
Chief Financial Officer
Bengaluru, June 26, 2020

GEETHA D
Company Secretary

CASH FLOW STATEMENT (CONSOLIDATED)

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
A.CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX AS PER THE STATEMENT OF PROFIT AND LOSS	1,361	1,629
Add/(Less):		
Depreciation, amortisation and impairment	320	328
Non-operating income including interest income	(278)	(237)
Other non-cash-items	45	78
Finance cost	45	15
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	1,493	1,813
Adjustments for:		
Trade receivables	(976)	232
Inventories	(726)	35
Current investments	1,022	(340)
Loans	841	(880)
Other current assets	(16)	207
Trade payables	1,006	188
Other financial liabilities	(69)	47
Other current liabilities	(53)	(216)
Current provisions	(192)	34
OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL	2,330	1,120
Taxes paid	(379)	(643)
NET CASH FROM OPERATING ACTIVITIES (A)	1,951	477
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,288)	(152)
Advance towards capital work-in-progress	(40)	(60)
Purchase and sale of investments (net)	(238)	(265)
Increase/(decrease) in other bank accounts	512	(31)
Interest, dividend and other non-operating income	274	280
NET CASH FROM INVESTING ACTIVITIES (B)	(780)	(228)
C.CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in long term liabilities	405	299
Interest paid	(46)	(14)
Dividend paid including tax	(1,498)	(632)
NET CASH FROM FINANCING ACTIVITIES (C)	(1,139)	(347)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	32	(98)
Opening balance of cash and cash equivalents	273	371
Closing balance of cash and cash equivalents	305	273
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	304	270
Cash in hand	1	3

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

A T MALKANI
Chairman
DIN 01585637

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

P GOPA KUMAR
Chief Financial Officer
Bengaluru, June 26, 2020

GEETHA D
Company Secretary

As per our report of even date attached
For PRAVEEN & MADAN
Chartered Accountants
Firm Registration No.011350S

Praveen Kumar N
Partner (Membership No. 225884)
Bengaluru, June 26, 2020

EQUITY SHARE CAPITAL AS AT MARCH 31, 2020

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
AS AT APRIL 1, 2019	13	1,75,00,000	350
Changes during the year		1,75,00,000	350
AS AT MARCH 31, 2020		3,50,00,000	700

OTHER EQUITY AS AT MARCH 31, 2020

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	OCI	
OPENING BALANCE AS AT APRIL 1, 2019	172	6,989	2,838	104	10,103
Transactions during the year	-	-	-	27	27
Net profit/(loss) for the year	-	-	883	-	883
Proposed dividend and related tax	-	-	(1,498)	-	(1,498)
Capitalisation of profit on issue of bonus shares	(172)	-	(178)	-	(350)
Transfer to General reserve	-	200	(200)	-	-
CLOSING BALANCE AS AT MARCH 31, 2020	-	7,189	1,845	131	9,165

EQUITY SHARE CAPITAL AS AT MARCH 31, 2019

Rupees In Lakhs

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

OTHER EQUITY AS AT MARCH 31, 2019

Rupees In Lakhs

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

3D FUTURE TECHNOLOGIES PRIVATE LIMITED

FLASH ORTHODONTICS

Impact of Covid

Dental or Orthodontic treatment is not covered under the medical insurance in India, so it is a 100% out of pocket expenses market. Orthodontic being a discretionary spend compared to other dental treatment, it gets further postponed by the consumers, unless it is driven by a marriage around the corner or the patient is in the show business, where it becomes time sensitive.

Dental Clinics are categorised as high-risk-areas as dental procedures involves aerosol spread with doctors directly working on the patient's mouth. Hence, patient footfall had reduced to less than 10% during the months of April to June 2020 and was limited to only emergency procedures.

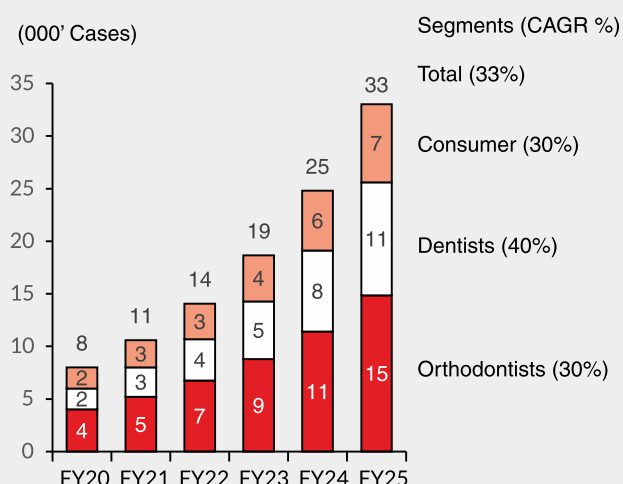
Flash conducts an 'Orthodontists Onboarding Customer Certification Program' to acquire new doctors. During pre-Covid days, the Company used to conduct these programs once in a quarter in a physical location to certify 15-20 doctors at a time. As part of the digital initiative, two of these programs were conducted on digital platforms to certify 1200+ orthodontists and this has led to an increase of Flash Certified Orthodontists from 472 in March 2020 to 1650+ orthodontists around the time of this Report.

Indian Aligner Market and Flash Orthodontics

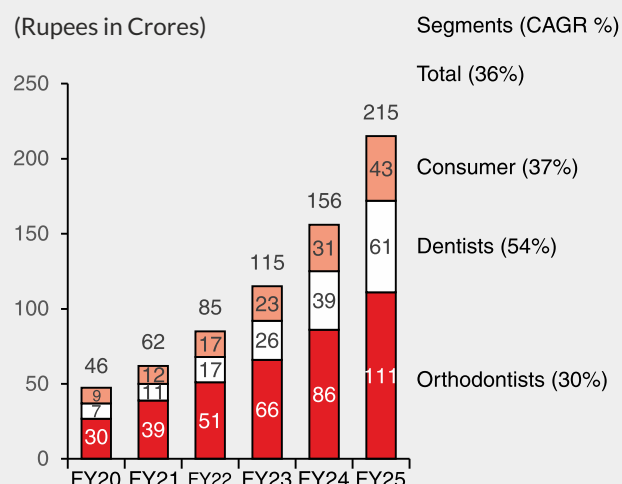
The Aligner market in India has three key customer segments- Orthodontists, Dentists and Direct to Consumers which cater to approximately 8,000 cases of which 4,500 cases are handled by Orthodontists, 2,500 cases by Dentists and 2,000 in the Direct to Consumers category. The market leader 'Innovator Multinational' and 'Flash Orthodontics' primarily address the Orthodontist segment.

3DFT aligners are manufactured and marketed under the brand name 'Flash Orthodontics'. Flash is positioned as a company driven by science and service. As a part of the Ador group 'Flash' has always prioritised the Orthodontic science behind the product. Being into the healthcare business and medical device industry, Flash is absolutely cognizant about the product quality and treatment outcome for the patient. As a result, Flash is one of the most trusted and respected aligner brands in the Indian Aligner market. Currently Flash has a market share of 11% in the orthodontic aligner segment and is targeting to achieve 25% by the end of the year 2020.

Indian Aligner Market segments by Volume



Indian Aligner Market segments by Value



Notes: (i) CAGR for each segment and in total is the average of year on year expected growth. (ii) Data sourced and collated for inferential purpose only. (iii) Safe harbor clause in terms of forward looking statements and data wherein actuals could differ from projections made as on date.

NOTES TO
THE FINANCIAL
STATEMENTS
(CONSOLIDATED)

Note 1

COMPANY INFORMATION

Holding company

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

Subsidiary company

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

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The financial results of the subsidiary company was approved at the meeting of the Board of Directors of 3DFT on June 19, 2020 and the consolidated results at the meeting of the Board of Directors of Ador Fontech Limited on June 26, 2020. The Chairman, CEO & Managing Director, Chief Financial Officer and Company Secretary have been authorised to execute their signatures in confirmation of the statements.

Use of estimates and critical accounting judgements

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

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

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

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

Basis of measurement

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

FAIR VALUE MEASUREMENT

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

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

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

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

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

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

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

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

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

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

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

Functional and presentation currency

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

SIGNIFICANT ACCOUNTING POLICIES

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

Revenue recognition

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

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

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

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

Property, plant and equipment

INTANGIBLE ASSETS

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

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

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

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

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

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

CAPITAL WORK-IN- PROGRESS

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

DEPRECIATION

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

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

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

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

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

Intangible assets

The Group has elected to continue with the carrying value of all of its Intangible assets as recognised in the financial statements as at the transition date to Ind-AS, measured as per the previous GAAP and has used that carrying value as the deemed cost as at the transition date pursuant to the exemption provided under Ind-AS 101 'First -time Adoption of Indian Accounting Standards'. The useful lives of intangible assets are assessed as either finite or indefinite. The Group currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate and are treated as changes in accounting estimates. The

amortisation expense on intangible assets are recognised in the statement of profit and loss unless such expenditure forms part of the carrying value of another asset. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is de-recognised.

Borrowing costs

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

Financial instruments

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

Subsequent measurement of financial assets is described below:

DEBT INSTRUMENTS AT AMORTISED COST

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

- The asset is held within the business model whose objective is to hold the assets for collecting contractual cash flows.
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

DEBT INSTRUMENT AT FVTOCI

(Fair value through other comprehensive income)

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

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

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

DEBT INSTRUMENT AT FVTPL

(Fair value through profit and loss)

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

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

FINANCIAL ASSETS - DERECOGNITION

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has

neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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

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

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

FINANCIAL LIABILITIES - RECOGNITION AND MEASUREMENT

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

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

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

- Financial liabilities at fair value through the statement of profit and loss. Financial liabilities at fair value through the statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through the statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered in to by each of the Company in the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
- Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through the statement of profit and loss are designated as such at the initial date of recognition and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as at FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Companies in the group have not designated any financial liability as at fair value through the statement of profit and loss.

LOANS AND BORROWINGS

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

FINANCIAL LIABILITIES – DE-RECOGNITION

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

OFFSETTING OF FINANCIAL INSTRUMENTS

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

Cash and cash equivalents

CASH AND BANK BALANCES

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

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

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

Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations. They are prepared separately for each of the Company to which individual assets are allocated.

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

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

Government Grants

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

Inventories

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

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

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

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

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

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

Taxation

CURRENT TAX

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

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

DEFERRED TAX

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

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

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

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

Deferred tax relating to items recognised outside the profit or loss is recognised either in other comprehensive income or in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

MINIMUM ALTERNATE TAX

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

Employee benefit schemes

SHORT TERM EMPLOYEE BENEFITS

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

COMPENSATED ABSENCES

Liability on account of compensated absences are based on actuarial valuation and recognised in the Statement of profit and loss.

POST-EMPLOYMENT BENEFITS

Defined contribution plans-Provident fund and Superannuation fund

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further

amounts. The Group makes specified monthly contributions towards employee provident fund to the Government administered provident fund. The Holding Company also provides for Superannuation to its select employees (who are outside the ambit of Bonus Act). The Group's contribution is recognised as an expense in the Statement of profit or loss during the period in which the employee renders service.

Defined benefit plan-Gratuity

The Group has a defined benefit plan (the 'Gratuity Plan'). The Gratuity plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the respective company in the Group.

The Group cause an actuarial valuation of amount to be recognised towards gratuity payable to its employees. Broadly, the present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government securities that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

In case of funded scheme, the liability is defrayed year on year to the fund and in the case of unfunded scheme, the liability or asset recognised in the Balance Sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any.

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

Provisions and Contingent Liabilities

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

Provisions represent liabilities to the Group for which the amount or timing is uncertain. Provisions are recognised, when the Company in the Group has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time

value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate, that reflects current market assessments of the time value of money and where ever appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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

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

Foreign Currency Transactions

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

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

Earnings per share

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

Operating segments

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

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

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

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

Leases

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

The Group as a Lessee

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

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

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

The Group as a Lessor

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

Estimation of uncertainties relating to the Covid-19 pandemic

The Group has considered possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables, unbilled revenues, assets etc. In developing assumptions relating to possible future uncertainties because of the pandemic, the Group as at the date of approval of these financial statements has used internal and external sources of information, including reports of reputed organisations and their economic forecasts etc. to perform sensitivity analysis and based on current estimate expects that the carrying amount of assets will be recovered. The impact of Covid-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Note 2 PROPERTY, PLANT AND EQUIPMENT

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2020
	As at 01.04.2019	Additions	Deductions /Adj.	As at 31.03.2020	As at 01.04.2019	For the year	Deductions /Adj.	As at 31.03.2020	
Land - Freehold	76	568	-	644	-	-	-	-	644
Land - Leasehold	2	500	-	502	-	5	-	5	497
Factory buildings	1,081	-	-	1,081	591	47	-	638	443
Office premises	575	-	-	575	167	20	-	187	388
Office premises-Land component	9	-	-	9	-	-	-	-	9
Plant and machinery	1,550	71	-	1,621	928	130	-	1,058	563
Electrical installation	93	-	-	93	73	5	-	78	15
Computers	76	29	-	105	53	24	-	77	28
Office equipment	84	9	-	93	54	15	-	69	24
Furniture and fixtures	101	-	-	101	74	7	-	81	20
Vehicles	480	119	42	557	321	63	35	349	208
TOTAL	4,127	1,296	42	5,381	2,261	316	35	2,542	2,839

Notes: (i) The purchase of freehold and leasehold land by the Holding Company was duly completed in the month of March 2020 and the same stands capitalised. Hitherto, advance paid to Karnataka Industrial Area Development Board (KIADB) during the previous financial year was held under Government Deposit under the category of Loans and Advances. (ii) An amount of Rs. 155 lakhs is held under capital work-in-progress towards implementation of ERP (Enterprise Resource Planning). The same will be appropriated on completion of the project.

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2020
	As at 01.04.2019	Additions	Deductions /Adj.	As at 31.03.2020	As at 01.04.2019	For the year	Deductions /Adj.	As at 31.03.2020	
Software	17	-	-	17	9	4	-	13	4
Product development	66	-	-	66	66	-	-	66	-
TOTAL	83	-	-	83	75	4	-	79	4

TANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2019
	As at 01.04.2018	Additions	Deductions /Adj.	As at 31.03.2019	As at 01.04.2018	For the year	Deductions /Adj.	As at 31.03.2019	
Land - Freehold	76	-	-	76	-	-	-	-	76
Land - Leasehold	2	-	-	2	-	-	-	-	2
Factory buildings	1,081	-	-	1,081	540	51	-	591	490
Office premises	581	-	6	575	150	21	4	167	408
Office premises- Land component	9	-	-	9	-	-	-	-	9
Plant and machinery	1,469	81	-	1,550	793	135	-	928	622
Electrical installation	89	4	-	93	67	6	-	73	20
Computers	52	25	1	76	35	19	1	53	23
Office equipment	63	21	-	84	39	15	-	54	30
Furniture and fixtures	100	1	-	101	64	10	-	74	27
Vehicles	479	41	40	480	275	67	21	321	159
TOTAL	4,001	173	47	4,127	1,963	324	26	2,261	1,866

Note: An amount of Rs.115 lakhs was held under capital work-in-progress on account of in-process-implementation of Enterprise Resource Planning (ERP).

INTANGIBLE ASSETS

Rupees In Lakhs

Description	Gross Block				Depreciation				Net Block as at 31.03.2019
	As at 01.04.2018	Additions	Deductions /Adj.	As at 31.03.2019	As at 01.04.2018	For the year	Deductions /Adj.	As at 31.03.2019	
Software	17	-	-	17	6	4	1	9	8
Website	-	2	-	2	-	2	-	2	-
Product development	66	-	-	66	66	-	-	66	-
TOTAL	83	2	-	85	72	6	1	77	8

Note 3 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN UNQUOTED SHARES & BONDS - FULLY PAID				
IRFC Capital Gain Bonds	-	50	500	50
SUB-TOTAL	-	50	-	50
INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)				
Aditya Birla Sun Life Fixed Term Plan	5,00,000	57	5,00,000	54
Aditya Birla Sun Life Corporate Bond*	7,72,815	108	-	-
HDFC FMP 1177 days*	10,00,000	115	10,00,000	107
HDFC FMP 1208 days*	13,73,803	159	-	-
HDFC FMP 1218 days*	10,00,000	128	10,00,000	117
Kotak Bond Regular Plan*	-	-	1,47,750	75
Franklin India Ultra Short Bond	2,77,125	52	-	-
Nippon Fixed Horizon Fund*	6,55,525	76	-	-
SBI Dynamic Bond Fund*	-	-	3,40,120	78
SBI Magnum Low Duration Fund	-	-	4,161	101
SUB-TOTAL	-	695	-	532
TOTAL NON-CURRENT INVESTMENTS	-	745	-	582
Aggregate amount of quoted investments and market value thereof	-	695	-	532
Aggregate amount of unquoted investments	-	50	-	50

Notes:

- The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (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, 2020, 3D Future Technologies Private Limited had a liability of rupees five hundred and seventy five lakhs (previous year rupees three hundred and one lakhs) with regard to loan availed from the HDFC Bank Limited.
- All mutual fund investments are in growth funds.

Note 4 DEFERRED TAX ASSET

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	25	(71)
Fair market value of increase in investments of mutual funds and actuarial gains	(16)	(19)
Tax losses	-	249
SUB-TOTAL	9	159
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	40	131
Provision for warranties	3	75
Diminution in the valuation of shares of the joint venture	26	26
Provision for doubtful debts	10	22
Service tax disallowance U/s. 43B	37	37
Others	342	(29)
SUB-TOTAL	458	262
TOTAL	467	421

Note 5 INVENTORIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Raw materials	790	694
Less: FVTPL adjustments	-	-
Fair value of raw materials (A)	790	694
Work-in-progress (B)	667	161
Traded goods	1,157	1,077
Less: FMTPL adjustments	-	-
Fair market value of traded goods (C)	1,157	1,077
Finished goods (D)	268	223
TOTAL (A)+(B)+(C)+(D)	2,882	2,155

Note 6 INVESTMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN MUTUAL FUNDS (QUOTED)				
Aditya Birla Sun Life Corporate Bond Fund*	-	-	7,72,815	106
Aditya Birla Sun Life Savings Fund* (lien marked FY 2019-20)	15,279	61	27,245	101
Franklin India Corporate Bond Opportunities Fund	-	-	2,77,125	54
Franklin India Low Duration Fund	-	-	3,82,769	101
HDFC FMP1208 days*	-	-	13,73,803	146
HDFC Liquid Fund	2,569	100	-	-
HDFC Liquid Direct Plan	-	-	5,492	202
ICICI Prudential Regular Savings Fund*	5,65,032	123	5,65,032	112
ICICI Prudential Short Term Fund	-	-	72,956	202
LIC Arbitrage Fund	-	-	9,97,317	101
LIC Banking and PSU Debt Fund	-	-	2,08,669	51
LIC Savings Plus Fund	-	-	2,88,519	86
Nippon India Fixed Horizon Fund	-	-	6,55,525	70
SBI Magnum Ultra Short Duration Fund	573	25	-	-
HDFC Liquid Fund (Investment by 3DFT)	-	-	155	6
TOTAL INVESTMENT IN MUTUAL FUNDS	-	309	-	1,338
Aggregate book value and market value of quoted investments	-	309	-	1,338

Notes :The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be in the nature of working capital/demand loan) to 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited).

Note 7 TRADE RECEIVABLES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Secured, considered good	-	-
Unsecured, considered good	3,337	2,360
Unsecured, considered doubtful	80	89
Less : Provision for doubtful debts	(80)	(89)
Unsecured and considered bad	52	18
Bad debts written off	(52)	(18)
TOTAL	3,337	2,360

Note 8 CASH AND BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Balances with banks in current accounts	304	270
Cash on hand	1	3
TOTAL	305	273

Note 9 OTHER BANK BALANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Fixed deposit with banks	1,711	2,213
Balance with banks in unclaimed dividend accounts	103	113
TOTAL	1,814	2,326

Note 10 LOANS AND ADVANCES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured, considered good		
SECURITY DEPOSITS		
Deposits-Government departments	103	1,032
Deposits-premises	17	50
Deposits-security	30	35
Performance guarantee deposit	64	25
Deposits-EMD	305	228
OTHER ADVANCES		
Loans and advances to employees and others	13	5
TOTAL	532	1,375

Note 11 OTHER CURRENT ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
ADVANCES OTHER THAN CAPITAL ADVANCES		
Advance recoverable in cash or kind	5	-
Advance to suppliers	37	37
Prepaid expenses	91	85
Taxes, duties and input credit refund due	140	134
TOTAL	273	256

Note 12 CURRENT TAX ASSETS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance income tax (net of provision for tax)	458	618
TOTAL	458	618

Note 13 EQUITY SHARE CAPITAL

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
AUTHORISED		
5,00,00,000 equity shares of Rs. 2 each	1,000	500
TOTAL	1,000	500
ISSUED, SUBSCRIBED AND PAID-UP		
3,50,00,000 equity shares of Rs.2 each	700	350
TOTAL	700	350

Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	(In Nos.)	(in Indian Rs.)	(In Nos.)	(in Indian Rs.)
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	3,50,00,000	700	1,75,00,000	350

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.

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding
JBA in ADFL	92,13,201	26.32%	46,06,598	26.32%
ADFL in 3DFT	85,00,000	100%	85,00,000	100%

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

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

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

As on the date of the Balance Sheet

- The Group has not issued any equity share as fully paid pursuant to contracts without payment being received in cash.
- Ador Fontech Limited has issued bonus shares in the ratio of 1:1 vide its Board meeting dated August 1, 2019.
- The Group did not buy back any equity share.
- Issue/conversion of equity shares: As on the date of the Balance Sheet, the Company has not issued securities like convertible preference shares, convertible debentures etc., which are convertible in to equity/preference shares

Note 14 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
General reserve	7,189	6,989
Retained earnings	1,845	2,838
Securities premium	-	172
Other comprehensive income (OCI)	131	104
TOTAL	9,165	10,103

SECURITIES PREMIUM ACCOUNT

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	172	172
Transactions during the year	(172)	-
CLOSING BALANCE	-	172

GENERAL RESERVE

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	6,989	6,789
Surplus transferred from the Statement of Profit and Loss	200	200
CLOSING BALANCE	7,189	6,989

OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	104	45
Transactions during the year	27	59
CLOSING BALANCE	131	104

RETAINED EARNINGS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
OPENING BALANCE	2,838	2,571
Net profit /loss for the year	883	1,099
Equity dividend and distribution tax thereon	(1,498)	(632)
Capitalisation of profits on account of bonus issue of shares	(178)	-
Transfer to general reserve	(200)	(200)
CLOSING BALANCE	1,845	2,838

Note 15 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
PROVISION FOR EMPLOYEE BENEFITS		
Provision for gratuity	6	3
Provision for compensated absences	429	370
TOTAL	435	373

Note 16 BORROWINGS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Bank overdraft - Payable on demand	575	301
TOTAL	575	301

Note 17 TRADE PAYABLES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Micro, Small and Medium Enterprises		
Other than Micro, Small and Medium Enterprises	2,547	1,541
TOTAL	2,547	1,541

Note: Trade Payables includes Creditors for Capital Goods, Raw Materials, Consumables, Traded Goods and Other Materials as well as Expenses whether Capital or Revenue in nature.

Note 18 OTHER FINANCIAL LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Deposit from dealers and employees	179	165
Creditor for capital goods	-	78
Outstanding expenses	1	3
Other payables	39	36
Unclaimed dividends	103	113
TOTAL	322	395

Note 19 OTHER CURRENT LIABILITIES

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Advance from customers	56	34
Statutory liabilities	27	104
TOTAL	83	138

Note 20 PROVISIONS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
PROVISION FOR EMPLOYEE BENEFITS		
Provision for compensated absences	3	166
Provision for gratuity	-	25
OTHERS		
Warranties	290	301
TOTAL	293	492

Note 21 REVENUE FROM OPERATIONS

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
SALE OF PRODUCTS		
Manufactured goods net of excise duty	8,019	8,008
Scrap sales	29	33
Traded goods	7,588	8,404
SALE OF SERVICES		
Job work income	2,045	2,166
Other operating revenue	8	6
Commission on export services	26	26
TOTAL	17,715	18,643

Note 22 OTHER INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest income	193	187
Profit on sale of assets	-	34
Other non operating income	76	62
Profit on sale of investments	15	8
TOTAL	284	291

DETAILS OF INTEREST

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
INTEREST INCOME		
Interest on bank deposits	115	142
Others	78	45
TOTAL	193	187

Note 23 COST OF MATERIALS CONSUMED

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
RAW MATERIAL CONSUMED		
Opening stock	694	897
Add: Purchases	3,877	4,350
Less: Closing stock	(790)	(694)
TOTAL	3,781	4,553

Note 24 PURCHASE OF STOCK-IN-TRADE

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Welding consumables, equipment and spares	6,555	6,012
TOTAL	6,555	6,012

Note 25 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
AT THE BEGINNING OF THE YEAR		
Work-in-progress	161	118
Finished goods	224	242
Stock-in-trade	1,076	934
SUB-TOTAL	1,461	1,294
AT THE END OF THE YEAR		
Work-in-progress	667	161
Finished goods	268	223
Stock-in-trade	1,157	1,076
SUB-TOTAL	2,092	1,460
TOTAL	(631)	(166)

Note 26 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries, allowances and other benefits	2,389	2,196
Contribution to various funds	275	254
Staff welfare	214	159
Labour charges	82	75
TOTAL	2,960	2,684

Note 27 FINANCE COST

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest on bank borrowings	44	15
Interest on inter corporate deposit	1	-
TOTAL	45	15

Note 28 OTHER EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Rent	94	92
Insurance	27	21
Rates and taxes	102	79
Consumables and stores	162	157
Power, fuel and utilities	104	121
Security charges	26	27
Product development, fabrication and welding	1,188	1,189
Books, printing and stationary	22	26
Communication expenses	68	80
Repairs to building	60	85
Repairs to machinery	34	37
Office maintenance	127	123
Legal and professional fees	234	198
Travelling and conveyance	582	612
Freight and forwarding	285	305
Sales commission and promotional expenses	278	416
Seminar and conferences	25	9
Provision for warranties	26	53
Audit fees	8	9
Bank and other charges	19	22
Corporate social responsibility	16	31
General expenses	35	26
Bad debts written off	80	107
Miscellaneous expenses	6	4
Provision for diminution in the value of investments	-	50
TOTAL	3,608	3,879

AUDITORS' REMUNERATION

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Statutory audit	5	6
Taxation	3	2
Other services	-	1
TOTAL	8	9

Note: Remuneration is excluding GST

Note 29 TAX EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
CURRENT TAX EXPENSE		
Current tax for the year	539	575
DEFERRED TAX EXPENSE	(61)	(45)
TOTAL	478	530

TAX RECONCILIATION

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before income tax expense	1,361	1,629
Tax on business and other income	539	583
Tax on short term capital gains	-	9
Tax effect of amounts which are not deductible		
(a) Provision for retirement benefits	(40)	(23)
(b) Provision for bad debts	10	22
(c) Provision for warranties	3	8
(d) Others	27	(24)
Income tax expense	539	575

Note 30 OTHER COMPREHENSIVE INCOME

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS		
Increase in the value of investments	69	75
Actuarial gains / (losses) on defined benefit obligations	(26)	3
Tax impact on the same	(16)	(19)
TOTAL	27	59

Note 31 EARNINGS PER SHARE

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Net Profit / (loss) after tax for the year	883	1,099
Weighted average number of equity shares outstanding during the year	266	175
Basic and diluted earnings per share (Rs.)	3.3	6.3
Face value per share (Rs.)	2.0	2.0

Note 32 MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises, to whom the Group owes dues, which are outstanding for more than 45 days as at March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 33 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.94 Lakhs (Previous year Rs.92 Lakhs) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Lease payments for the year	94	92
Minimum lease payments	As at 31.03.2020	As at 31.03.2019
Not later than one year	70	99
Later than one year but not later than five years	7	13
Later than five years	-	-
TOTAL	77	112

Note 34 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 Group has various schemes for employee benefits such as provident fund, gratuity, superannuation besides leave encashment.

DEFINED CONTRIBUTION PLANS: Under the defined contribution plan, the Group contributes towards: (i) Provident fund (ii) Superannuation and (iii) Employers' State Insurance Corporation. While the holding company has all three schemes, the subsidiary as of present does not extend superannuation benefit to its employees.

DEFINED BENEFIT PLANS: Under the defined benefit plan, the group contributes towards employees' gratuity. While the amount is funded to a trust by the Holding company, in respect of the Subsidiary, for the present, it remains unfunded.

EMPLOYEE WELFARE BENEFIT: Both companies provide for liability on account of compensated absences.

Details of payments made towards provident & other funds

Rupees In Lakhs		
Particulars	As at 31.03.2020	As at 31.03.2019
Employer's contribution to provident fund	133	124
Employer's contribution to superannuation fund	101	95
Employer's contribution to gratuity fund	39	32
Employer's contribution to Employees State Insurance Corporation	2	3
TOTAL	275	254

Notes: The Group causes an actuarial valuation of both Gratuity and Leave encashment facilities year on year.

Details of actuarial valuation of gratuity

Particulars	As at 31.03.2020	As at 31.03.2019
ACTUARIAL ASSUMPTIONS		
Discount rate (per annum)-Holding/Subsidiary	6.65%/6.85%	7.5%/7.6%
Salary escalation rate-Holding/Subsidiary	6%/2% until one year and thereafter at 7.5%	6.0%/7.5%
Computation of gratuity: 15/26 reckoned for actual no. of years of service subject to ceiling as per Income Tax Act		
Mortality table	Indian assured lives mortality (2012-14)	
MOVEMENT IN BENEFIT OBLIGATIONS		
Present value of obligation at the beginning of the year	468	409
Interest cost	31	30
Service cost	29	26
Actuarial (gain) /loss	29	25
Benefits paid	(39)	(25)
Present value of obligation at the end of the year	518	465
MOVEMENT IN PLAN ASSETS		
Fair value of plan assets at the beginning of the year	327	315
Expected return on plan assets	22	27
Employer's contribution	-	15
Actuarial (gain)/loss	1	(4)
Benefits paid	(39)	(26)
Fair value of plan assets at the end of the year	311	327
ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET		
Present value of defined benefit obligation at the end of the year	518	465
Less: Fair value of plan assets at the end of the year	(311)	(327)
Net liability recognised	207	138
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	28	27
Past service/administration cost	2	2
Interest cost	9	3
TOTAL	39	32

SENSITIVITY ANALYSIS

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

Particulars	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
DISCOUNT RATE (Percent change compared to base due to sensitivity)				
Holding Company: Impact of increase/decrease of 100 bps on defined benefit obligation (DBO)	(5.3%)	6.0%	(5.3%)	5.9%
Subsidiary company: Impact of increase/decrease of 50 bps on DBO	(8.1%)	9.0%	(7.7%)	8.5%
SALARY GROWTH RATE (Percent change compared to base due to sensitivity)				
Holding Company: Impact of increase/decrease of 100 bps on DBO	6.0%	(5.4%)	5.5%	(5.1%)
Subsidiary company: Impact of increase/decrease of 50 bps on DBO	8.9%	(8.1%)	8.5%	(7.8%)

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

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the Balance Sheet.

Risk analysis

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

SALARY GROWTH RISKS

The present value of the defined benefit plan liability is calculated by reference to the future salaries of the participants in the scheme. Salary increase considered for holding company is at 6% and 7.5% for the subsidiary. As such, an increase in the salary of the plan participants will increase the plan's liability.

LIFE EXPECTANCY / LONGEVITY RISKS

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

INTEREST RATE RISKS

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

Compensated absences

The Group has provided for liability on the basis of actuarial valuation using the projected accrued benefit method which is the same as the projected unit credit method in respect of past services and generally accepted accounting principles and practices..

Rupees In Lakhs

Particulars	Year ended 31.03.2020
Ador Fontech Limited	413
3D Future Technologies Private Limited	19
TOTAL	432

Note: Ador Fontech Limited has entered in to a contract with the Life Insurance Corporation of India (LIC) and has defrayed rupees one hundred and ten lakhs during the year 2019-20 and in aggregate the amount funded is to the extent of rupees one hundred and twenty five lakhs as at March 31, 2020 to systematically fund its liability towards leave encashment.

Note 35 DETAILS PERTAINING TO WARRANTIES

Rupees In Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Opening balance as at April 1, 2019	301	270
Add: Provisions during the year	26	54
Less: Amount defrayed during the year	37	23
Closing balance as at March 31, 2020	290	301

Note 36 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Guarantees (Bank and Corporate)	591	576
Disputed excise duty demand under appeal	71	71
Disputed income tax demands under appeal	320	320
Investments lien marked for facilitating working capital loan to 3DFT*	659	637
*Market value of investments on which lien marking has been facilitated	770	741

Note: Amount reflected as part of disputed liability pertains to principal claim by the respective Departments. (ii) There are no contingent liabilities in respect of 3DFT. (iii) As a group there are no commitments except lease payment for rental of equipment payable by 3DFT to ADFL. Kindly refer lease arrangements – Note no. 33 of the Consolidated Financial Statements.

Note 37 SEGMENT RESULTS

The group has two segments (i) Life enhancement of industrial components and (ii) 3DFT dental care services.

Details of segmental revenue, results & capital are as under

Particulars	FY 2019-20			FY 2018-19		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
SEGMENT REVENUE						
Operations	17,492	223	17,715	18,443	200	18,643
Other income	274	10	284	280	11	291
TOTAL	17,766	233	17,999	18,723	211	18,934
SEGMENT RESULTS						
Segment results before interest and tax	1,431	(309)	1,122	1,727	(374)	1,353
Interest charges	-	(45)	(45)	-	(15)	(15)
Other income	274	10	284	280	11	291
Profit before tax	1,705	(344)	1,361	2,007	(378)	1,629
Tax expenses	(572)	94	(478)	(625)	95	(530)
Profit after tax	1,133	(250)	883	1,382	(283)	1,099
SEGMENT CAPITAL EMPLOYED						
Segment assets	13,565	635	14,200	13,957	586	14,543
Segment liabilities	(3,536)	(799)	(4,335)	(2,742)	(1,348)	(4,090)
NET CAPITAL EMPLOYED	10,029	(164)	9,865	11,215	(762)	10,453
Capital expenditure	1,295	1	1,296	108	67	175
Depreciation and amortisation	264	56	320	276	54	330

Details based on geographical segments

Particulars	FY 2019-20			FY 2018-19		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
India	17,740	232	17,972	18,697	210	18,907
Outside India	26	1	27	26	1	27
Total	17,766	233	17,999	18,723	211	18,934

Note 38 RELATED PARTY TRANSACTIONS

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

Names of related parties and description of relationship with the Company

Particulars	Related parties
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 & Ms. Tanya H Advani
Joint venture reduced to an investment proposition	Dualrank Fontech (M) Sdn. Bhd. It has been duly closed as per Malaysian Laws vide the process of striking off by the Companies Commission of Malaysia (Suruhanjaya Syarikat Malaysia) under Section 550 of the Malaysian Companies Act, 2016 dated January 17, 2020.
Wholly owned subsidiary	3D Future Technologies Private Limited
Key management personnel	Mr. A T Malkani-Chairman of ADFL & 3DFT
	Mr. H P Ledwani-Managing Director of ADFL
	Mr. Harsh Pramod Joshi, Company Secretary of 3DFT (up to Dec 16, 2018)
	Ms. Nidhi Khandelwal, Company Secretary of 3DFT (up to Jan 31, 2020)
	Mr. P Gopa Kumar- Chief Financial Officer of ADFL
	Ms. Geetha D-Company Secretary of ADFL
Related personnel	Mr. Deep A Lalvani
	Ms. Tanya H Advani
Relatives of Key Management Personnel where transactions have taken place	Mrs. Sunila H Ledwani - W/o. Mr. H P Ledwani

Transactions with related parties during the year are as follows

Rupees In Lakhs

Particulars	Holding, Subsidiary and Associate		Key Management Personnel		Other Related Parties	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
J B ADVANI AND COMPANY PRIVATE LIMITED						
Purchase of traded goods	1	3	-	-	-	-
Availment of services	-	8	-	-	-	-
Reimbursement of expenses/professional fees -Group IND-AS	1	4	-	-	-	-
Motor car expenses	5	-	-	-	-	-
Security deposit re-paid	-	3	-	-	-	-
Purchase of fixed assets	-	8	-	-	-	-
License fees & common area maintenance charges paid	-	13	-	-	-	-
Business support charges	2	2	-	-	-	-
ADOR FONTECH LIMITED						
Lease rent paid by 3DFT to ADFL	6	6	-	-	-	-
Equity capital paid by ADFL to 3DFT	-	200	-	-	-	-
Inter corporate deposit paid by ADFL to 3DFT	80	-	-	-	-	-
Interest paid by 3DFT to ADFL	1	-	-	-	-	-
ADOR WELDING LIMITED						
Purchase of traded goods	39	60	-	-	-	-
Purchase of manufactured goods	175	102	-	-	-	-
Purchase of fixed assets	26	14	-	-	-	-
Sale of manufactured goods	-	6	-	-	-	-
Sale of traded goods	7	34	-	-	-	-
Rent paid	1	2	-	-	-	-
ADOR POWERTRON LIMITED						
Inter-corporate-deposit	700	500	-	-	-	-
Interest on inter-corporate-deposit (ICD)	39	45	-	-	-	-
Purchase of fixed assets	3	4	-	-	-	-
Rent received	1	-	-	-	-	-
Reimbursement of expenses	10	3	-	-	-	-
License fees & common area maintenance charges paid	8	2	-	-	-	-
ADOR MULTIPRODUCTS LIMITED						
Purchase of materials	1	2	-	-	-	-
Key management personnel compensation						
Salaries of KMPs of Ador Fontech Limited	-	-	346	287	-	-
Salaries of KMPs of 3D Future Technologies Pvt. Ltd.	-	-	2	3	-	-
Salaries of Related personnel	-	-	-	-	111	107
Rent paid to relative of KMP towards lease rental agreement	-	-	-	-	28	26

Balances at the end of the year

Rupees In Lakhs

Particulars	Holding, Subsidiary and Associate		Key Management Personnel		Other Related Parties	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.20
J B Advani and Company Private Limited	2	6	-	-	-	-
Ador Welding Limited	10	-	-	-	-	-
Ador Powertron Limited	7	8	-	-	-	-
Ador Fontech Limited	81	1	-	-	-	-

Note 39 FINANCIAL INSTRUMENTS

(i) Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2020				As at 31.03.2019			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	-	695	50	745	-	532	50	582
FINANCIAL ASSETS-CURRENT								
Investments	-	309	-	309	-	1,338	-	1,338
Cash and cash equivalents	-	-	305	305	-	-	273	273
Other bank balances	-	-	1,814	1,814	-	-	2,326	2,326
Trade receivables	-	-	3,337	3,337	-	-	2,360	2,360
Loans and advances	-	-	532	532	-	-	1,375	1,375
TOTAL	-	1,004	6,038	7,042	-	1,870	6,384	8,254
FINANCIAL LIABILITIES-NON-CURRENT								
Other financial liabilities	-	-	-	-	-	-	-	-
FINANCIAL LIABILITIES-CURRENT								
Bank borrowings	-	-	575	575	-	-	301	301
Trade payables	-	-	2,547	2,547	-	-	1,541	1,541
Other current financial liabilities	-	-	322	322	-	-	395	395
TOTAL	-	-	3,444	3,444	-	-	2,237	2,237

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

Rupees In Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS - NON-CURRENT				
Investments	695	-	532	-
FINANCIAL ASSETS - CURRENT				
Investments	309	-	1,338	-

(iii) Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed:

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2020		As at 31.03.2019	
		Fair value	Carrying amount	Fair value	Carrying amount
NON-CURRENT					
Investments	Level 2	50	50	50	50
Loans and advances	Level 3	2	2	7	7
Other financial liabilities	Level 3	-	-	-	-
Current assets and liabilities	The carrying amounts of trade receivables, cash and bank balances, current loans and advances, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.				

Note 40 FINANCIAL RISK MANAGEMENT

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables. The Group's senior management oversees the management of these risks.

New business venture

3DFT is a comparatively new venture and is operating on a nascent terrain in India. Management is of the opinion that the chances of break-even-point may happen in the foreseeable future, (span of 3 to 5 years) considering the new product line and expansion of business segments in different locations/states. As such, the Group is carrying the equity investment at fair value which is equivalent to the cost of the investment. Further, in consonance it may pertinent to note that the Company has recognised deferred tax asset for all deductible temporary differences and accumulated unused tax losses as per applicable provisions of the Income Tax Act for the period under review.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Group.

CREDIT RISK MANAGEMENT

To manage credit risk, the Group follows a policy of providing credit to domestic customers on the basis of nature of customers. The credit limit policy is established considering the current economic trends of the industry in which the companies in the Group are operating. However, trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provisions are created accordingly. The Group's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets. Consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking in to account the age of the outstandings, specific credit circumstances, track record of the counterparty etc. Bank balances are held with only high rated banks and majority of other security deposits are placed with Government agencies/public sector undertakings/well known private business entities.

AGE OF RECEIVABLES

Particulars	Rupees In Lakhs	
	As at 31.03.2020	As at 31.03.2019
Up to 30 days	895	1,179
30-90 days	1,455	995
90-365 days	823	140
Greater than 365 days	164	46
TOTAL	3,337	2,360

Liquidity risk

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

LIQUIDITY RISK MANAGEMENT

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages liquidity risk by maintaining adequate funds in cash, cash equivalents and investments. The Group also has adequate credit facilities agreement with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2020			As at March 31, 2019		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
Expiring within one year	15	25	40	9	9	18
Expiring beyond one year	-	-	-	-	-	-

The table below analyses non-derivative financial liabilities of the Group in to relevant maturity groupings based on the remaining period from the reporting date to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Rupees In Lakhs					
Particulars	Less than one year	Between one year to five years	Over five years	Total	Carrying value
AS AT MARCH 31, 2020					
Borrowings	575	-	-	575	575
Trade payables	2,547	-	-	2,547	2,547
Other financial liabilities	322	-	-	322	322
AS AT MARCH 31, 2019					
Borrowings	301	-	-	301	301
Trade payables	1,541	-	-	1,541	1,541
Other financial liabilities	395	-	-	395	395

Commodity risk

The Group procures materials/consumables for manufacturing/3D printing and hence exposed to commodity risks. In an effort to mitigate the risks, the Group has multiple source of Suppliers both in India and from abroad.

Market risk

FOREIGN CURRENCY RISK

The Group is exposed to foreign exchange risk on their receivables, payables which are held in USD and Euro. The fluctuation in the exchange rate of INR relative to USD and Euro may not have material impact on the Group's assets and liabilities.

FINANCING ARRANGEMENTS

In respect of foreign currency transactions, the Group does not hedge exposures since the Management believes that (i) there will be some offsets between receivables and payables (ii) Hedging comes with a cost - premium (iii) Market volatility in the short term is generally not high and most purchase transactions are settled within a period of 30-60 days (iv) Governmental/Reserve Bank intervention generally stabilises the exchange rate.

Group's exposure to foreign currency risk at the end of reporting period are as under:

Rupees In Lakhs				
Particulars	Liabilities		Assets	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
USD	762	464	0.3	0.1
EURO	11	104	-	-
CNY	17	-	-	-

The below table demonstrates the sensitivity to a 5% increase or decrease in the USD and EURO against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. Five percent represents the Management's assessment of a reasonable possible change in foreign exchange rate.

Rupees In Lakhs

Particulars	Effect on profit after tax	
	As at 31.03.2020	As at 31.03.2019
US Dollar +5%	(38)	(23)
US Dollar -5%	38	23
Euro +5%	(1)	(5)
Euro -5%	1	5
CNY +5%	(1)	-
CNY -5%	1	-

Price Risk

The Group is exposed to price risk from its investment in mutual funds classified in the Balance Sheet at fair value through Profit and Loss.

PRICE RISK MANAGEMENT

To manage its price risk arising from investment, the Group has invested in mutual funds after considering risk and return profile of the funds i.e. the debt profile of mutual funds indicate that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering performance of the stock. However, the entity being risk averse has opted to invest its substantial funds in debt oriented mutual funds. The below table demonstrates sensitivity to a 5% increase or decrease in the NAV, with all other variables held constant.

Rupees In Lakhs

Sensitivity	As at 31.03.2020	As at 31.03.2019
Impact on profit after tax for 5% increase in NAV	50	93
Impact on profit after tax for 5% decrease in NAV	(50)	(93)

Cash flow and fair value interest rate risk

The Holding company has no borrowings. The subsidiary company sources its working capital funds and interest rate risk is mainly due to borrowings acquired at floating rate.

Rupees In Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Variable rate borrowings	575	301
Fixed rate borrowings	80	-
Total	655	301

Rupees In Lakhs

Sensitivity	As at 31.03.2020	As at 31.03.2019
Increase by 0.5% in borrowing costs	3	2
Decrease by 0.5% in borrowing costs	(3)	(2)

Note 41 CAPITAL MANAGEMENT

The Group's objectives in managing capital includes:

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

Capital risk management

The holding company has no debt, but the subsidiary is utilising overdraft facility accorded by the HDFC Bank. The net debt to total equity for the group is as under:

Particulars	As at 31.03.2020	As at 31.03.2019
Net debt	575	301
Total equity	9,865	10,453
Net debt to total equity	0.06	0.03

Net debt reconciliation

Particulars	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents	305	273
Current borrowings	(575)	(301)
Net debt	(270)	(28)

Particulars	Cash and cash equivalents	Current borrowings	TOTAL
BALANCE AS AT 31 MARCH 2018	371	(189)	182
Cash flows (net)	(98)	(112)	(210)
Finance costs	-	15	15
Finance costs paid	-	(15)	(15)
BALANCE AS AT 1 APRIL 2019	273	(301)	(28)
Cash flows (net)	32	(274)	(242)
Finance costs	-	45	45
Finance costs paid	-	(45)	(45)
BALANCE AS AT 31 MARCH 2020	305	(575)	(270)

Note 42 GENERAL RESERVE

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board of the Holding Company has elected to transfer an amount of rupees two crores to the General reserve for the financial year 2019-20 (previous year being rupees two crores only).

Note 43 CONTRACTUAL LIABILITIES

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

Note 44 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 45 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 46 AMOUNTS IN FINANCIAL STATEMENTS

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

Note 47 COMPANY AND ITS SUBSIDIARY

Unless otherwise specified, Ador Fontech Limited is referred to in this Annual Report as the 'Company/Holding Company/ADFL' and 3D Future Technologies Private Limited is referred to as the 'Subsidiary/3DFT'. Both Ador Fontech Limited and 3D Future Technologies Private Limited are together referred to as the 'Group'.

SNAPSHOT OF THE FINANCIAL STATEMENTS OF ADOR FONTECH LIMITED AND ITS WHOLLY OWNED SUBSIDIARY

Rupees In Lakhs

Particulars	Ador Fontech Limited		3DFT		Consolidated	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
ASSETS						
Property, plant & equipment	2,697	1,674	142	192	2,839	1,866
Capital work-in-progress	155	115	-	-	155	115
Intangible assets	-	-	4	8	4	8
Investments	1,675	1,432	(930)	(850)	745	582
Loans and advances	-	-	2	7	2	7
Deferred tax assets	112	161	355	260	467	421
Inventories	2,869	2,129	13	26	2,882	2,155
Investments	309	1,332	-	6	309	1,338
Trade receivables	3,300	2,339	37	21	3,337	2,360
Cash and bank balances	304	269	1	4	305	273
Other bank balances	1,810	2,319	4	7	1,814	2,326
Loans and advances	527	1,368	3	-	530	1,368
Other current assets	199	201	74	55	273	256
Current tax assets	458	618	-	-	458	618
TOTAL ASSETS	14,415	13,957	(295)	(264)	14,120	13,693
EQUITY AND LIABILITIES						
Equity share capital	700	350	-	-	700	350
Other equity	10,179	10,865	(1,014)	(762)	9,165	10,103
Provisions	413	361	22	12	435	373
Borrowings	-	-	575	301	575	301
Trade payables	2,533	1,517	14	24	2,547	1,541
Other financial liabilities	277	274	45	121	322	395
Other current liabilities	23	100	60	38	83	138
Provisions	290	490	3	2	293	492
TOTAL EQUITY AND LIABILITIES	14,415	13,957	(295)	(264)	14,120	13,693

INCOME STATEMENT

Rupees In Lakhs

Particulars	Ador Fontech Limited		3DFT		Consolidated	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Revenue	17,766	18,723	233	211	17,999	18,934
Cost of sales & operating expenses	(16,061)	(16,716)	(577)	(589)	(16,638)	(17,305)
Profit before tax	1,705	2,007	(344)	(378)	1,361	1,629

INFORMATION AT A GLANCE

Time and date of AGM

11.00 a.m., Wednesday, September 23, 2020

Mode

Video conference and other audio- visual means

Book closure dates

September 17, 2020 to September 23, 2020
(both days inclusive)

Cut off date for e-Voting

Wednesday, September 16, 2020

e-Voting start time and date

9.00 a.m., Saturday, September 19, 2020

e-Voting end time and date

5.00 p.m., Tuesday, September 22, 2020

e-Voting website of NSDL

<https://www.evoting.nsdl.com/>

Name, address and contact details of e-voting service provider

Ms. Sarita Mote - Asst. Manager
National Securities Depository Limited
Trade World-A Wing Kamala Mills Compound Lower Parel
Mumbai-400013
E: evoting@nsdl.co.in or SaritaM@nsdl.co.in
T: 022 24994890

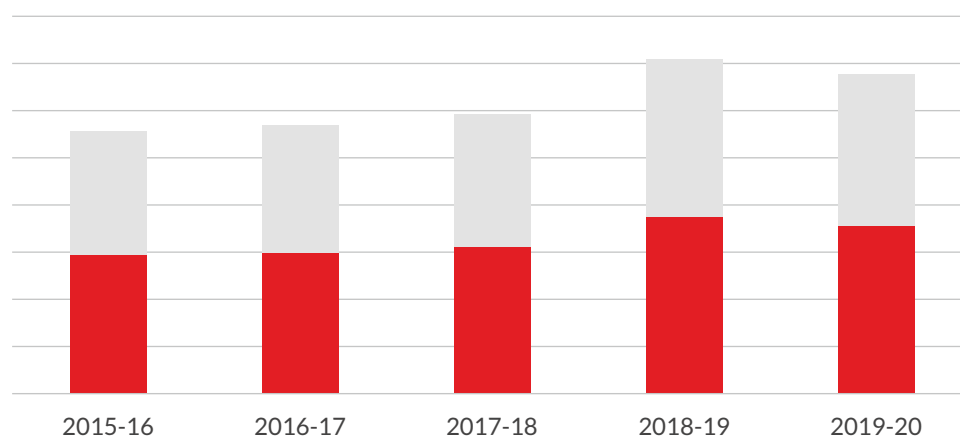
Name, address, contact details of designated official of the Registrar and Transfer Agent

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

Name, address, contact details of designated official of the Company

Mr. Sanath Kumar D Rao - Asst. Company Secretary
Ador Fontech Limited
Belview 7 Haudin Road Bengaluru 560 042
E: sanathkumar@adorfon.com
T: 080 25596045/25596073

FIVE YEARS AT A GLANCE-STANDALONE FINANCIAL STATEMENTS



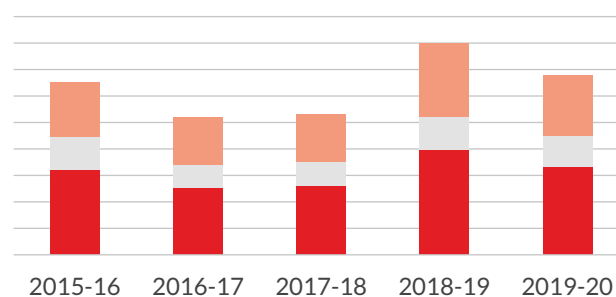
■ INCOME ■ EXPENDITURE

Rupees In Lakhs

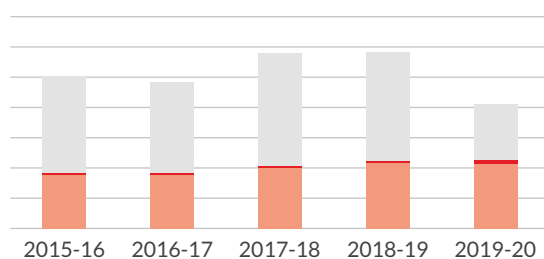
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Income	14,707	14,890	15,474	18,723	17,766
Expenditure	13,061	13,581	14,132	16,716	16,061

Rupees In Lakhs

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
PBT	1,644	1,309	1,342	2,007	1,705
Tax	607	426	444	625	572
PAT	1,037	883	898	1,382	1,133



■ PBT ■ TAX ■ PAT



■ Share capital ■ Reserves and surplus
■ Market capitalisation

Rupees In Lakhs

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Reserves and surplus	8,860	9,112	10,055	10,865	10,179
Share capital	350	350	350	350	700
Market capitalisation	15,715	14,761	18,550	17,850	*9,800

Note*: Fall in market capitalisation may primarily be attributed to the impact/onset of Covid-19.



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