



Reclamation, Fusion  
Surfacing, Spraying &  
Environmental Solutions

**Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001**

**July 14, 2021**

**Scrip Code: 530431**

**Sir/Madam,**

**Sub: Annual Report 2020- 21**

This is to inform that the 46<sup>th</sup> Annual General Meeting (AGM) of the Company will be held on Friday, August 06, 2021 at 11:00 A.M. through video conferencing ('VC') / other audiovisual means ('OAVM').

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report (inter-alia containing Notice) for the financial year 2020- 21.

In compliance with the Ministry of Corporate Affairs (MCA) circulars, the Annual Report of the 46<sup>th</sup> Annual General Meeting of the Company is being sent only by electronic mode to those Members, whose e-mail addresses are registered with the Company / Depositories / RTA. Further, the Company has fixed Friday, July 30, 2021 as the cut-off date for determining the eligibility of Members entitled to vote through remote e-voting or e-voting at the AGM.

The same has also been uploaded on the Company's website at [www.adorfon.com](http://www.adorfon.com).

Kindly acknowledge and oblige.

**Thanking you,  
Yours faithfully,  
For ADOR FONTECH LIMITED**

**Geetha D  
Company Secretary**

**Sanath Kumar D Rao  
Asst. Company Secretary**



**ADOR FONTECH LIMITED**



**46<sup>th</sup> ANNUAL REPORT** for FY 2020-21

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

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

# APPRECIATION

A big 'Thank You' and Warm thoughts for best support and selfless service



**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 and CEO
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 W: www.adorfon.com

### MANUFACTURING UNITS

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

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

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

### WHOLLY OWNED SUBSIDIARY

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

### STATUTORY AUDITORS

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

### SECRETARIAL AUDITOR

Ms. Manjula Narayan  
Company Secretary  
COP No. 10150  
10 3rd Cross 4th Main Vinayaka Layout  
Bhattarahalli Near Domino's Pizza Bengaluru 560 049

### SHARE TRANSFER AGENT

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

### BANKERS

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

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

### GST REGISTRATIONS

Bengaluru 29AABCA1724H1ZY  
Nagpur 27AABCA1724H1Z2  
Curugram 06AABCA1724H2Z5

# BOARD OF DIRECTORS

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**MR. A T MALKANI**  
Chairman

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

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**MRS. N MALKANI NAGPAL**  
Promoter Director

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**MR. N S MARSHAL**  
Independent Director

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**MR. SANTOSH JANAKIRAM**  
Independent Director

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**MR. RAFIQUE MALIK**  
Independent Director

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NOTICE TO THE  
46TH ANNUAL  
GENERAL MEETING



Notice is hereby given that the **Forty Sixth Annual General Meeting (AGM)** of the Members of the Company will be held through **video conference mode on Friday, August 06, 2021 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, 2021 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, 2021 together with the reports of the Auditors and Directors thereon.

### 3. Declaration of dividend

To declare dividend of Rs. 2.20 (Rupees two and paise twenty only) per equity share for the financial year ended March 31, 2021.

### 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 in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

## **SPECIAL BUSINESS**

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

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

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination and Remuneration Committee; Approval of the Board; Sections 2(78), 2(94), 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 w.e.f April 01, 2021, as a Whole time Director designated as, Managing Director and Chief Executive Officer'.



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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.

## 6. 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, 2022 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.

## 7. 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 2021-22.

## NOTES

- In view of the massive outbreak of Covid-19 pandemic, social distancing is a norm to be followed and pursuant to Circular No. 14/2020 dated April 08, 2020; Circular No. 17/2020 dated April 13, 2020; Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India and all other applicable legislations, circulars and notifications issued by the Statutory/Regulatory Authorities from time to time, physical attendance of Members at the venue of the AGM is not required and General Meetings can be held through video conference (VC) or other audio visual means (OAVM). Hence, Members may kindly attend and participate at the ensuing Annual General Meeting through VC/OAVM.
- In compliance with aforesaid circulars, the 46th AGM of the Company is being held through video conference through the aegis of the National Securities Depository Limited (NSDL).

## NOTICE

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- A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and such proxy need not be a Member of the Company. Since the AGM is being held through VC, facility for appointment of proxies by the Members will not be available. Further, attendance, proxy and location map being not applicable and hence 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@kannancs.in.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and circulars issued by the Ministry of Corporate Affairs dated January 13, 2021, 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 46th AGM by electronic means and the business may 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	August 03, 2021 at 09:00 AM
Date and time of conclusion of remote voting through electronic means	August 05, 2021 at 05:00 PM

- Any person who acquires shares of the Company and becomes a Member after sending of the Notice and holding shares as on the cut-off date, may obtain login ID and password by sending a request to evoting@nsdl.co.in. However, if he/she is already registered with NSDL/CDSL for remote e-Voting, then he/she can use his/her existing user ID and password for casting vote.
- Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently. The voting right of Members shall be in proportion to the shares in the paid-up capital of the Company, as on the cut-off date i.e July 30, 2021.
- Members who have exercised their right to vote by remote e-Voting may attend the Annual General Meeting but shall not be allowed to cast vote again during the AGM.
- Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding); Promoters; Institutional Investors; Directors; Key Managerial Personnel; Chairpersons of the Audit Committee, Management Development Nomination and Remuneration Committee and Stakeholders Relationship Committee; Auditors etc. who are allowed to attend the AGM without restriction.
- Members present at the AGM through VC and who have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- In case of joint Shareholders attending the meeting, only such of the 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.

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- 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.10, 3rd Cross, 4th Main, Vinayaka Layout, Bhattarahalli, Bengaluru 560 049 as Scrutiniser(s) to scrutinise the e-Voting process in a fair and transparent manner. The results of voting on the above resolutions shall be declared not later than 48 hours from the conclusion of the Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report will be communicated to the Stock Exchange (BSE) and shall be made available on the Company's website and on the website of National Securities Depository Limited (NSDL).
  - The Register of Members and Share Transfer Books of the Company will remain closed from July 31, 2021 to August 06, 2021 (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., August 06, 2021. Members seeking to inspect such documents may send an email to [investorservice@adorfon.com](mailto:investorservice@adorfon.com) /[sanathkumar@adorfon.com](mailto:sanathkumar@adorfon.com).
  - Members whose shareholding is/are in electronic mode are requested to direct notifications about change of address and update of bank account details to their respective depository participants (DPs). Members whose shareholding is/are in physical mode are requested to opt for electronic clearing system (ECS) to receive dividends on time.
  - SEBI has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their Depository participant(s) and those in physical form are required to submit to the Registrar and Share Transfer Agent (RTA).
  - As per the provisions of Section 72 of the Companies Act, facility for making nominations is available to the Members in respect of shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form no. SH-13. This form can be downloaded from the Company's website at <https://www2.adorfon.com/investors-info/forms>. Members are requested to submit these details to their Depository Participants in case shares are held in electronic form and to the RTA (Registrar and Share Transfer Agent) in case shares are held in physical form.
  - Pursuant to Section 124(6) of Companies Act, 2013, all shares in respect of which, dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to the Investor Education and Protection Fund. Members who have not encashed dividend warrants of previous year(s) are hereby requested to encash the same at the earliest. Further, in terms of the Investor Education and Protection Fund (IEPF-Rules 2016), the Company has posted requisite details of unclaimed dividends on the website of the Company <https://www2.adorfon.com/investors-info/unclaimed-dividends/> which may be used by the Shareholders for referential check.
  - As per Regulation 40 of the SEBI (LODR) Regulations 2015, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019; except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company or the Registrar and Transfer Agent (Integrated Registry Management Services Private Limited) for assistance, if any, that may be required in this regard.
  - Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profile and other details of Directors proposed to be appointed are annexed to this Notice.
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- The relevant statements pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses set out is annexed.
- Members desiring any information about the annual accounts at the meeting are requested to write to the Company at least five (5) days in advance of the Annual General Meeting.
- Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders with effect from April 1, 2020 and the Company is required to deduct TDS from dividend paid to the Members at prescribed rates under the Income Tax Act, 1961 ('IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ('PAN'), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents through email by Friday, July 30, 2021.
  - (i) A Resident individual Shareholder with Permanent Account Number ('PAN') and who is not liable to pay income tax can submit a yearly declaration in Form No 15G/15H, to avail the benefit of non-deduction of tax at source by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) by Friday, July 30, 2021. Shareholders are requested to note that in case their PAN is not registered, tax will be deducted at a higher rate of twenty percent.
  - (ii) Non-Resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., (a) Self attested copy of tax residency certificate (b) Self declaration in Form 10F (c) PAN card allotted by the Indian Income Tax Authorities (d) Self declaration of Beneficial Ownership (e) Self declaration for not having permanent establishment in India (f) Any other document as prescribed under the Income tax act for lower withholding of taxes, if applicable. The aforesaid declarations and documents by way of scanned copy to be submitted by sending email to [irg@integratedindia.in](mailto:irg@integratedindia.in) by Friday, July 30, 2021.
- The Annual Report 2020-21 and the Notice to the 46th 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. 02/2021 dated January 13, 2021 read with 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](http://www.adorfon.com). The Notice can also be accessed from the website of the Stock Exchange i.e., [www.bseindia.com](http://www.bseindia.com) as also from the NSDL portal i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Statutory Auditors: At the forty second AGM, Members had appointed M/s. Praveen & Madan (earlier known as 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. 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.

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## 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; 49 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 2020-21 she was in receipt of Rs.51,000 (Rupees fifty one thousand only) as Sitting fees.

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

Five out of Five

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

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

- Stakeholders Relationship Committee: Ador Welding 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. H P Ledwani ceased w.e.f. March 31, 2021. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on November 06, 2020 approved his re-appointment, for another term of one year 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; 67 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.

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**RECOGNITION AND AWARDS**

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

- Udyog Rattan Award by the Institute of Economics Studies
- 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 Managing Director and Chief Executive Officer of the Company.

**REMUNERATION DETAILS**

As per Annexure-I

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

Five out of Five

**SHAREHOLDING IN THE COMPANY**

1,23,548 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. 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. 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. Niranjan 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. 6

The Company's manufacturing plants are situated at diverse locations and it is not possible for the Statutory Auditor of the Company to visit and verify all the manufacturing units individually. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 143(8) read with Section 141 of the Companies Act, 2013 and such other Regulations/Notifications, to audit the accounts, for the year ending March 31, 2022 and fix their remuneration.

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.
- 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. 7

With the view to have best practices of Corporate Governance in place, the Board has appointed M/s. Rao Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2021-22 and finalised their remuneration. The same is placed for approval/ratification of the Members.

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

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

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

## 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 from 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, 2021 are as follows: (i) Profit reckoned as per Section 198 for the purpose of managerial remuneration is Rs. 2,180 lakhs (ii) Net worth is Rs. 12,177 lakhs (iii) Effective capital is Rs. 9,442 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

Due to the ongoing pandemic, industries are facing issues with constraints on revenue and profitability. While the Company has performed reasonably well during 2020-21 the future is much dependent on uncertainties associated with the infections being contained.

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

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

## ANNEXURE-1

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

#### APPOINTMENT AND TERM

The Board vide its meeting dated November 06, 2020 appointed/ re-appointed Mr. H P Ledwani as a whole time Director designated as 'Managing Director and Chief Executive Officer' subject to the approval of Members at the Annual General Meeting and in compliance of Statutory regulations. The current term shall be for a period of one year, in consonance with the Companies Act, 2013 read with Schedule 'V' including updated notifications/regulations, as may become applicable.

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

#### REMUNERATION

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

- **SALARY:** Rupees 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. 20.01 crores to Rs. 35 crores	1.00% of the profit
Rs. 35.01 crores and above	1.25% of the profit

Note: Profits implies profits before tax.

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

## NOTICE

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- **ENTERTAINMENT:** Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
- **CONTRIBUTION TO LIFE INSURANCE POLICIES:** The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company mandated 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 UNDERTAKING:** Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 45th Annual General Meeting held on September 23, 2020 and in terms of the Companies Act, 2013 read with Schedule V.
- **STOCK OPTION:** No stock option or ESOP during the current tenure of employment.
- **LOSS OF OFFICE/TERMINATION:** The Managing Director and Chief Executive Officer shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.
- **UNDERTAKING:** The Managing Director and Chief Executive Officer shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
- **SUPERSESSON:** This agreement supersedes all previous agreements entered in to between the Company and Mr. H P Ledwani.

Bengaluru  
May 27, 2021

By order of the Board  
For Ador Fontech Limited

GEETHA D  
Company Secretary

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

The remote e-voting period begins on Tuesday, August 03, 2021 at 09:00 A.M. and ends on Thursday, August 05, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, July 30, 2021 may cast their vote electronically. The voting right of Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, July 30, 2021.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Alternatively, if you are registered with NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you login to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

(iv) Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical

Your User ID is:

- For Members who hold shares in demat account with NSDL 8 Character DP ID followed by 8 Digit Client ID  
For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
  - For Members who hold shares in demat account with CDSL 16 Digit Beneficiary ID  
For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*
  - For Members holding shares in Physical Form.  
EVEN Number followed by Folio Number registered with the Company. For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*
- Password details for Shareholders other than Individual Shareholders are given below:
    - (i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - (ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - (iii) How to retrieve your 'initial password'?
      - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - If your email ID is not registered, please follow steps mentioned below in process for those Shareholders whose email ids are not registered.
  - If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - (i) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (ii) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - (iii) If you are still unable to get the password by aforesaid two options, you can send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, PAN, name and registered address etc.
    - (iv) Members can also use the OTP (One Time Password) based login for casting votes on the e-Voting system of NSDL.
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- After entering your password, tick on Agree to the "Terms and Conditions" by selecting on the check box.
- You will then have to click on the "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

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

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

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of the Company to cast your vote during the remote e-Voting period and for casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take a printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## GENERAL GUIDELINES FOR SHAREHOLDERS

- Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by email to "cs.skannan@gmail.com and/or kannans@kannancs.in" with a copy marked to evoting@nsdl.co.in.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



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

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

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

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

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

- Member(s) will be provided facility to attend the AGM through VC/OAVM by accessing the NSDL e-Voting system. After successful login, Member may see the link of “VC/OAVM link” placed under “Join General Meeting” menu against the name of the Company and need to click on the same. The link for VC/OAVM will also be available in the Shareholder/Member’s login section, where the EVEN of the Company will be displayed. Please note that Member(s) who do not have their 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/raise questions may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number to Mr. Sanath Kumar, Asst. Company Secretary to sanathkumar@adorfon.com on or before August 02, 2021.
- Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- Speakers are requested to submit their questions at the time of registration to enable the Company to respond appropriately.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure smooth conduct of the AGM.

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

As the Managing Director and Chief Executive Officer of Ador Fontech Limited, I hereby declare and certify that all the Board Members and Senior Management Personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2020-21.

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

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

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

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

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

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

**DECLARATION PURSUANT TO SEBI (LODR) REGULATIONS, 2015  
REGULATIONS 34(3) AND 36(3)(C) READ WITH SCHEDULE V (C) (2) (E)**

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

Bengaluru  
May 27, 2021

By order of the Board  
For Ador Fontech Limited

H P LEDWANI  
Managing Director & CEO  
DIN: 00040629

GEETHA D  
Company Secretary  
& Compliance Officer

# DIRECTORS' REPORT

To the Members,

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

We are delighted to present the 46th Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2021.

## FINANCIAL HIGHLIGHTS

Rupees In Lakhs

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue	14,906	17,766	15,197	17,999
Earnings before interest, tax and depreciation	2,256	1,969	2,006	1,726
Finance/Interest cost	-	-	(64)	(45)
Depreciation	(247)	(264)	(297)	(320)
Profit before tax	2,009	1,705	1,645	1,361
Tax	(738)	(572)	(641)	(478)
Profit after tax	1,271	1,133	1,004	883
Opening balance of profit	2,858	3,601	1,845	2,838
Net profit for the year	1,271	1,133	1,004	883
Transfer to General reserve	(300)	(200)	(300)	(200)
Closing balance of profit	3,829	2,858	2,549	1,845
Dividend including distribution tax	-	(1,498)	-	(1,498)
Total comprehensive income	1,298	1,162	1,031	910

## DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors have recommended dividend of Rs. 2.20 (Rupees two and paise twenty) being 110% on the face value of Rs. 2 (Rupees two) per equity share and the entailed outflow shall be Rs.770 lakhs (Rupees seven hundred and seventy lakhs) which shall be inclusive of tax deduction at source as may become applicable to the Member(s) as on the record date being July 31, 2021.

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

## REVIEW OF BUSINESS OPERATIONS

### Standalone

The year 2020-21 was an unprecedented year marked by the Covid-19 pandemic. The month of April 2020 was almost a complete lockdown followed by intermittent closures. The Company immediately took pro-active measures including (i) organising training programmes for its employees and engagement with customers and dealers through online platforms (ii) work from home policy for most employees barring production staff members (iii) Cost control measures etc. The resultant endeavours has ensured that the Company remained buoyant. Further, while there has been a dip in revenue, it may be pertinent to note that the profits of the Company has registered growth over the previous year, which may be deemed commendable.

## Consolidated

The subsidiary 3D Future Technologies Private Limited's revenue increased from Rs.233 lakhs to Rs.302 lakhs, signifying a growth of 30%. The growth was achieved given the backdrop of pandemic and irrespective of the fact that people generally remained dissuaded to orthodontic supports. This was possible through concentration on five dedicated focus areas divided in to three segments.

- Technology
  - (i) Flash dash – IT platform for communication with orthodontists and internal operations
  - (ii) Digital marketing drive – Aggressive digital push
  - (iii) Garnering increased share of the market through loyalty support programmes
- Science and service: Engagement of doctors through webinars
- Improved design service: Better treatment planning softwares

## Support by the Holding Company to the Subsidiary

In the initial stages of the pandemic, when the economy largely plummeted, it was thought that it would be best to redeem mutual fund investments and repay, the HDFC Bank on behalf of the subsidiary, given the fact that diminution in the value of investment, will have dual effect of both reduction in value correlated with enhanced contributions. In effect, the redemption proceeds were transferred as inter-corporate-deposit, which resulted in increase in interest to the parent company and at the group level conservation of cash.

## FINANCE AND ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended March 31, 2021 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, 2021.

## SHARE CAPITAL

The paid-up Equity Share Capital as on March 31, 2021 was Rs. 700 lakhs divided in to 350 lakhs equity shares of Rs. 2/- each. There was no change in the capital structure of the Company during the year under review.

## BOARD OF DIRECTORS

The Company has an appropriate mix of Executive, Non-Executive and Independent Directors with distinctiveness in functions of governance and management. At the end of the financial year 2020-21, the composition of Board was as under:

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

The Board met five 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](http://www.adorfon.com).

## 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 Managing Director & CEO was up to March 31, 2021. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on November 06, 2020 approved the re-appointment of Mr. H P Ledwani for a period of one year, subject to the consent of Members at the ensuing Annual General Meeting.

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

During the year, Mr. A T Malkani took over as the Managing Director (whole-time-Director) of Ador Welding Limited and hence was re-designated as Non-Executive-Director and Chairman of the Company w.e.f. September 12, 2020.

Apart from the above changes, there were no other changes in the Board or Key Managerial Personnel during the financial year 2020-21.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts for the year ended March 31, 2021; the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- The Directors have selected applicable 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, 2021 and profits for the year ended on that date.
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a 'going concern' basis.
- The Directors have laid down internal financial controls to be followed and that such internal financial controls are adequate and are operating effectively and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## AUDIT COMMITTEE RECOMMENDATIONS

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

## PERFORMANCE EVALUATION

### Board members

The Company has, during the year conducted an evaluation of the Board as a whole, its committees and individual Directors including Independent Directors as stipulated in the Nomination and Remuneration Policy adopted by the Company 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:

- Strategies
- Corporate budget
- Capital expenditure
- Performance of products
- Committee wise reviews

Other parameters of evaluation comprised - level of participation, integrity, independence, knowledge, impact and influence on the Board. The Independent Directors of the Company also convened a separate meeting on February 12, 2021 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

The Company has metrics oriented performance management system which is reviewed every half year and appraised at the end of the year besides, quarterly and monthly reviews are undertaken to provide regular feedback and update to the employees.

## INTERNAL CONTROL SYSTEMS

Internal Control system and checks are in place. Every transaction has a maker and checker concept with approval and authorisation matrix 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 a 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 2020-21, 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 2020-21, 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, 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.10, 3rd Cross, 4th Main, Vinayaka Layout, Bhattarahalli, Near Domino's Pizza, Bengaluru-560 049 as the Secretarial Auditor of the Company for the financial year 2021-22.

### 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 2020-21 in form MGT-9 and MGT-7 in respect of the previous year have been uploaded on the website at <https://www2.adorfon.com/investors-info/mgt9/> and a brief summary of the same forms part of this report.

## 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. 14,54,635 (Rupees fourteen lakhs, fifty four thousand, six hundred and thirty five only) and 12,000 equity shares of Rs.2/- each to the IEPF Authority. Details of unclaimed dividend and equity shares transferred have been hosted on the website of the Company.

## SUBSIDIARY

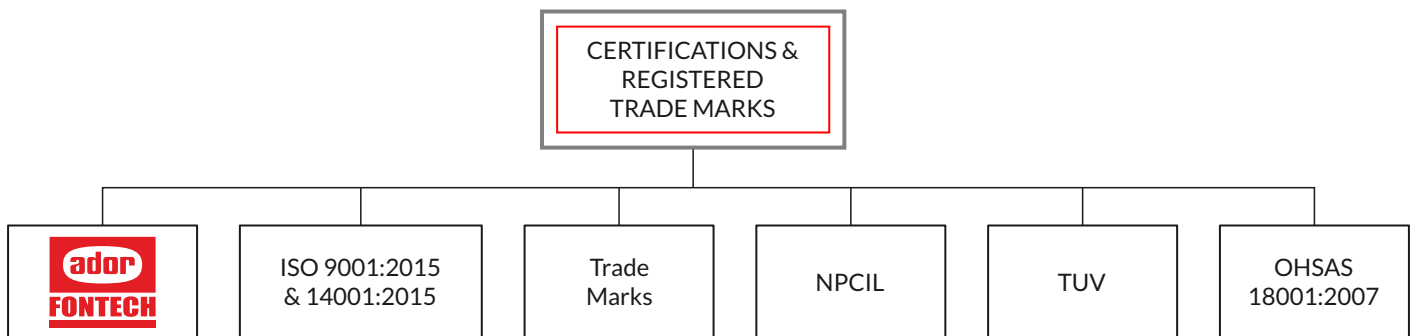
During the financial year 2020-21, Ador Fontech Limited had contributed rupees one crore and twenty five lakhs towards equity of its subsidiary besides inter corporate deposit amounting to rupees five hundred and eighteen lakhs (inclusive of redemption of mutual funds towards repayment to the HDFC bank amounting to rupees four hundred and thirty lakhs). With this the external debt of the group has been restricted to approximately rupees two crores.

## PRODUCTS AND SERVICES

The Company during the year has largely subscribed to digital marketing and has been making its presence in social medias particularly in linkedin, facebook etc. Product compendiums are converted to audio video presentation dossiers for effective and greater marketing reach.

## 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 AND INVESTMENTS

During the financial year 2020-21, 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 had largely restricted its spend on capital expenditure due to the ongoing pandemic.

## DEPOSITS

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

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## LIQUIDITY

From the inception of the pandemic, large thrust was placed on collections from debtors simultaneously ensuring payment to creditors and honouring commitments, thereby managing working capital to the best extent. This has also kept the debt free status of the Company intact. Best of efforts will continue to be made to ensure cost control and maintenance of financial prudence.

## CORPORATE SOCIAL RESPONSIBILITY

During the financial year 2020-21, 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, an amount of rupees twenty four lakhs was contributed to Ador Fontech Charitable Fund which is registered under the Societies Registration Act of Karnataka and recognised by the Income Tax Department, to be defrayed over the coming financial year(s) towards relief measures.

## MATERIAL CHANGES, COMMITMENTS AND ORDERS

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

## EMPLOYEES AND WORKPLACE CULTURE

The Company 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 (whistle-blower) policy and all employees have access to the Chairman of the Audit Committee, in case they may wish to report any concern.

## PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

An internal complaints committee has been specially constituted to redress complaints under sexual harassment.

During the fiscal year 2020-21, there were no complaints received under this category.

## HEALTH AND SAFETY MEASURES

Health and hygiene are the most important factors for a healthy living. The offices and factories are disinfected/sanitised at regular intervals. Employees are also provided with uniforms, non-skid-shoes, safety kits comprising-hand gloves, face shields, goggles, soaps and detergents, masks, sanitisers etc.

On the maintenance front, equipment and machines are regularly re-calibrated. There are in-house-maintenance engineers who regularly check on all safety requirements and in particular of electrical, electronic and mechanical devices or components

## 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 insurance policies covering the following: (i) Assets and inventories of the Company covering perils like fire, burglary, earthquake, storm, tempest, inundation, terrorism etc. (ii) Marine for transit of materials and finished goods (iii) Directors and officer's liability (D&O) (iv) Vehicle insurance (v) Commercial general liability (CGL) (vi) Employee related comprising (a) deposit linked insurance scheme (b) Group personnel accident (c) Group mediclaim policy (d) workmen compensation insurance besides facilitation of Group term insurance.

## 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, 2021: Audit fees: Rs. 4,00,000; Certifications: Rs. 1,00,000; Total: Rs. 5,00,000

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

There were no funds raised by the Company through preferential allotment or qualified institutional placement during the financial year 2020-21.

## 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
- Conservation of energy, technology absorption, foreign exchange earnings and outgo
- Particulars of arrangements/transactions made with related parties
- Particulars of employees
- Details of Subsidiary and Associates

## WEB LINK

All requisite documents have been uploaded on the website of the Company '[www.adorfon.com](http://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.

## DECLARATIONS

### Secretarial Standards

The Company has complied with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).

### Independent Directors

The Company has three independent Directors.

All Independent Directors of the Company have provided declarations under Section 149(7) of the Act, stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations.

Further, in terms of Regulation 25(8) of the SEBI (LODR) Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

## COVID 19 PANDEMIC

The Company's first motto is to safeguard its employees and workers at all levels. Towards this, it has meticulously followed the prescribed guidelines of the Central and State Governments, besides adherence to best practices in terms of safety requirements. Employees who can work remotely have been provided opportunity to work from home. Offices across India, other than the Corporate office have been closed. Employees working in the factories in the production units have been strictly mandated to maintain social distancing, wearing of masks and face shields. Through the aegis of municipal corporations, occasional tests are conducted and employees susceptible to infections are isolated and rested for recuperation. A special team of employees have been constituted which on a day to day basis, monitors the health of its employees and their family members. Support in terms of financial assistance including mediclaim policy and leave with pay are provided to employees and more importantly constant interactions with the employees and their family members are undertaken. Further, during the entire phase of the year, the Company has ensured credit of salaries month on month, besides in April 2021 has provided for increments across the board.

## ACKNOWLEDGEMENTS

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

Bengaluru  
May 27, 2021

For Ador Fontech Limited

A T MALKANI  
Chairman  
DIN: 01585637



# CSR ACTIVITIES



ANNEXURE TO  
THE DIRECTORS'  
REPORT

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ANNEXURE 1

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## ECONOMIC AND BUSINESS ENVIRONMENT

India has evolved through the pandemic at the backdrop of strong policy initiatives of the Government. In fact it is a V-shaped economic recovery which reflects testament to the burgeoning economy and its intrinsic strength. The optimism was reinforced from January 2021 owing to the launch of Covid-19 nation-wide-vaccination programme. Agriculture witnessed strong growth due to healthy climatic conditions. Manufacturing and Merchandise exports also registered reasonable growth. Ironically during the difficult phase of pandemic as well, GST revenue to the exchequer registered an year on year increase. Further, Foreign Direct Investment (FDI) which remains as a significant engine of economic growth and a key source of India's non-debt financing also registered high growth, supporting India's position as a favoured global investor destination. Irrespective of successive waves of the pandemic, International Monetary Fund (IMF) has forecasted growth of 6.8% for FY 2023.

Moving forward, the Union budget 2021-22 for FY 22 has targeted capital expenditure to increase to boost the economy with impetus on Aatmanirbhar Bharat (self-reliant-India), to achieve broad based inclusive development.

## INDUSTRY STRUCTURE AND DEVELOPMENT

The process of welding is precise, reliable, cost-effective and highly technical method of joining materials in the manufacturing industries. Actually, no other technique is so widely used by manufacturers in India to join metals and alloys efficiently. At present, welding is being used in a wide variety of materials and products, with the help of advanced technologies such as laser and plasma arcs. The future of welding holds immense promise as methods are devised for joining dissimilar and non-metallic materials and for creating products of innovative shapes and designs. The global welding market size is projected to reach \$27.22 billion by 2027, exhibiting a CAGR (Compounded annual growth rate) of 4.3 % during the forecasted period.

The off-shot or corollary of fabrication welding is repairs and maintenance. Global repairs and maintenance industries have been gaining prominence after the severe recession of 2009. The key factors in the structure and development of this industry include:

- Increasing end user recognition of the importance of maintenance and services
- Extension of component life through preventive repair
- Key performance indicators include diverse performance, longevity and durability
- Reduction in overall downtime through improved visualisation and process simulation
- Services being directed towards enhancing safety, reliability of parts, extending service lives and cutting down on operations.

The future of repair welding in the long run may perhaps be 3D printing of components and objects, which can easily be fitted part by part.

## CURRENT YEAR OUTLOOK

Pandemic has led to uncertainties, with lock down in various states due to the spread of coronavirus and its variants. However, generally too all industries across the globe have been affected. India and the welding industry are no exception. Nonetheless, it is expected that the requirements for breakdown repairs will subsist, given the fact that industries may try to conserve capital expenditure and generally may prefer to subscribe to need based requirements. The converse challenge is equally important as most organisations do not allow visitors in to their premises and even if repairs have to be carried out, compliances of procedures are getting long drawn and time consuming. Irrespective of the difficulties and new norms, employees of the Company are braving all odds to ensure sustenance and growth.

## OPPORTUNITIES

It may be pertinent to note that (i) Research is ongoing to update and upgrade welding techniques and materials suitable for repair of parts involved in steam generation, transport and turbines. This presents an opportunity for revenue growth for welding repairs in the energy and power sector, as welding constitutes a significant part of the maintenance costs in power plants. (ii) There will also be large substitution of robotic/automated welding with minimised manpower requirement.

Further, during the course of the pandemic where oxygen supply for medical purpose has to be maintained and enhanced, use of plasma cutting equipment is gaining prominence and in replacement of oxy-acetylene- requirements.

## RISK, THREATS AND CONCERNS

The outbreak of Covid-19 has slashed fabrication and construction industry to a large extent.

Inherent end user conservatism remains a key challenge with industries continuing to favour existing technologies and processes over new and sophisticated equivalents. The second challenge is the absence of skilled and qualified welders. The third is contract for repairs are short term and adhoc basis than being of fixed and/or long term in nature.

Further, the pandemic seems long drawn. With lockdown and uncertainties looming large, working is being braved, but there are concerns over the way business may shape up in the future. To a large extent it is turning online and the concept of Application Engineering of observing metallic parts & components and providing solutions are slowly fading, if not absolutely declining.

## INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has over a period of time transitioned to ERP (Enterprise Resource Planning) system. Various modules have been aligned and the last is the Finance and Accounts (F&A) module of which integration is ongoing. As part of the ERP approval and authorisation process, each of the transaction in terms of Revenue, Purchase etc. has distinct inputter and authoriser. This acts as an internal check.

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

## PERFORMANCE ANALYSIS

Details on performances are reflected in the statement of financial results and ratio analysis. Given the backdrop of pandemic, it is deemed that performance at all levels have been predominantly good.

## BUSINESS ORGANISATION

Generally speaking, business organisation in repairs and maintenance comprise both the organised sector of limited liability companies and the unorganized sector which is generally sole proprietorship form of business organisation.



Welding  
consumables



Welding & Cutting  
equipment



Job  
works

In Repair and Maintenance environment, these three verticals may subsume to form a holistic service.

As regards the Company, its business organisation from an overall perspective is based on the philosophy of 'Reclaim, do not replace' as the world has limited supply of mineral resources. Depletion rate resulting from continuous industrialisation is very high. Reclamation and recycling of vital machinery components therefore assumes high priority. The Company is constantly working towards conservation of mineral resources and reducing down-time. Over four decades, the Company has developed in its fold best in class products, services and solutions to cater to the repair segment of life enhancement of industrial components. It has also a well developed network of Authorised Dealers who are channel partners in dispersion of service across the nation alongside industrial belts.

## HUMAN RESOURCE DEVELOPMENT

The year 2020-21 brought in new developments in the way of working. There were lockdowns in various parts of the Country at intermittent and the Company strictly ensured all regulatory compliances. But at the same time, the Company kept its work moving in. Lot of training programmes through webinars were organised to facilitate enhancement of skill levels. Impetus on quiz programme was provided to make learning both fun and interesting.

The Company's staff strength on March 31, 2021 was 193 besides 95 workers were deployed on contract rolls (primarily for repeated manual operations). There was cordial relationship during the course of the year.

The Board wishes to place on record the yeomen service rendered by the working class of the Company during the phase of the pandemic. "Kudos to the Employee's Fraternity".

## COVID 19 IMPACT ASSESSMENT

The Company is closely monitoring the impact of the pandemic on all aspects of its business including on its customers, employees, vendors and business partners. Based on the current estimates, the Company expects full recovery of the carrying amount of assets and does not foresee any significant impact on its operations. Nonetheless, given the uncertain nature of the spread of infections including the extent and duration, actuals in the future may be different from those estimated as at the date of approval of these financial results.

## 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.

## FINANCIAL HIGHLIGHTS

Rupees In Lakhs

Particulars	2020-21		2019-20	
	Standalone	Consolidated	Standalone	Consolidated
<b>KEY FINANCIALS</b>				
Revenue from operations	14,667	14,952	17,492	17,715
Total income	14,906	15,197	17,766	17,999
Earnings before interest, depreciation and tax (EBIDAT)	2,256	2,006	1,969	1,726
Depreciation	247	297	264	320
Earnings before interest, exceptional items and taxes (EBIT)	2,009	1,709	1,705	1,406
Interest expense	-	64	-	45
Profit/(loss) before tax	2,009	1,645	1,705	1,361
Tax expenses	738	641	572	478
Profit/(loss) after tax	1,271	1,004	1,133	883
Total comprehensive income	1,298	1,031	1,162	910
Equity dividend (percent)	110%	-	90%	-
Reserves and surplus	11,477	10,196	10,179	9,165
Net worth	12,177	10,896	10,879	9,865
Gross property (Plant, equipment and intangible assets)	5,171	5,617	5,048	5,464
Net property (Plant, equipment and intangible assets)	2,624	2,755	2,697	2,843
<b>KEY INDICATORS</b>				
Working capital turnover ratio	1.8	2.0	2.6	2.9
Debtors turnover ratio	4.9	4.9	6.2	6.2
Interest coverage ratio (EBIT/Interest exp.)	-	27	-	31
Inventory turnover ratio	3.3	3.3	4.5	4.5
Current ratio	4.0	3.3	3.1	2.6
Debt/Equity ratio	-	0.3	-	0.8
Earnings per share	4.3	4.3	4.3	3.3
EBIDAT/Sales ratio	15%	13%	11%	10%
Gross profit margin percent	39%	40%	36%	36%
Net profit margin percent	9%	7%	6%	5%
Return on year end capital employed (EBIT/Capital employed)	17%	16%	15%	13%
<b>PARAMETERS</b>				
(i) Average debtors	3,011	3,046	2,820	2,849
(ii) Average capital employed	11,768	10,653	11,434	10,563
(iii) Working capital	8,271	7,393	6,653	6,090
(iv) Current assets	11,004	10,598	9,776	9,910
(v) Current liabilities	2,733	3,205	3,123	3,820
(vi) Borrowings		177		575
(vii) Gross profit	5,783	5,959	6,242	6,375
(viii) Cost of goods sold	8,884	8,993	11,250	11,340
(ix) Average inventory	2,696	2,725	2,499	2,519

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## REPORT ON CORPORATE GOVERNANCE

### ANNEXURE 2

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

## POLICIES AND DOCUMENTATION

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

## BOARD OF DIRECTORS

### Broad terms of reference and functions of the Board

The following are generally provided to the Board of Directors:

- Annual strategies and operating plans
- Capital budgets and updates thereon
- Quarterly and half yearly unaudited financial results of the Company and its subsidiary
- Audited financial results of the Company
- Minutes of the meetings of the Board Committees
- Information on recruitment and remuneration of Senior Executives, just below the level of the Board
- Risk mitigation plans and updates
- Show cause, demand, prosecution and penalty notices, which are materially important
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligation by the Company/substantial non-payment of goods sold by the Company
- Details of any joint venture/collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Any issue, which involves possible public or product liability, claims of substantial nature, including any order/judgement/ strictures on the Company or any adverse view regarding another enterprise, that can have negative impact on the Company
- Significant labour problems and their proposed solution
- Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc
- Sale of material nature of investments, subsidiaries, assets etc. which are not in the normal course of business
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement
- Non-compliance of any regulatory, statutory or listing requirements and Shareholder services such as unclaimed dividend, delay in share transfers, etc
- Updates on the working of subsidiary

## Core skills/ expertise competencies of the Board

The Company believes that effective contribution of the Board will impact the Company's performance and therefore, Members 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

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

## Director's identification number

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

## Meetings

During the year 2020-21, five Board meetings were held on

June  
**26**  
2020

Aug  
**14**  
2020

Sep  
**12**  
2020

Nov  
**06**  
2020

Feb  
**12**  
2021



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

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

## Attendance and Directorships

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

Name of the Director	Financial year 2020-2021		As on March 31, 2021		
	Attendance at		Nos.	Other Directorships	
	Board Meetings	AGM 23.09.2020		Committee Positions	
				No. of Membership	Chairmanships
Mr. A T Malkani	Five	Present	One	-	-
Mrs. N Malkani Nagpal	Five	Present	Two	One	-
Mr. H P Ledwani	Five	Present	-	-	-
Mr. N S Marshall	Five	Present	Three	Five	-
Mr. Santosh Janakiram	Five	Present	One	-	One
Mr. Rafique Malik	Five	Present	Two	One	One

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

## AUDIT COMMITTEE

### Broad terms of reference

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

### Meetings

During the year 2020-21, four Audit Committee Meetings held on

June  
**26**  
2020

Aug  
**14**  
2020

Nov  
**06**  
2020

Feb  
**12**  
2021

### Composition and attendance

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

## Vigil mechanism/ whistle blower 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

### Broad terms of reference

Management Development Programmes are addressed through an in-house-educational institute called 'DOTES - Documentation, Training and Educational Services. This department has an earmarked 'Training Head' 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 2020-21, five Management Development, Nomination & Remuneration Committee Meetings were held:

June <b>26</b> 2020	Aug <b>14</b> 2020	Sep <b>12</b> 2020	Nov <b>06</b> 2020	Feb <b>12</b> 2021
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### Composition and attendance

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

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

## Objectives and purpose

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

## Recommendations by the committee to the Board

Size and composition of the Board

Succession planning

Evaluation of performance

Remuneration framework and policies

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

- The remuneration of Managing Director, Whole-time Director(s) and KMPs
- The total level of remuneration/sitting fees payable to Non-Executive Directors and Independent Directors
- Remuneration policies for employees including KMPs and Senior Management-base pay, incentive payments, retirement rights and service contracts having regard to:
  - (i) Attract and motivate talent to pursue the Company's long term growth strategies
  - (ii) Be reasonable and fair in consonance with the best of governance practices and legal requirements
- The Company's incentive schemes including consideration of performance thresholds, regulatory and market requirements
- The Company's retirement benefit schemes including superannuation, gratuity, leave encashment etc.
- The Company's remuneration reporting in the financial statements

## 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 FOR FY 2020-21

Rupees in lakhs

Names	Salary	Benefits	Total
Mr. A T Malkani	41	-	41
Mr. H P Ledwani	162	36	198

## Notes:

- \*Mr. A T Malkani has been re-designated as Non-Executive-Director w.e.f. September 12, 2020. Therefore, the salary stated pertains to the period April 2020 to August 2020
- The agreement with Mr. H P Ledwani was for a period of one year w.e.f April 01, 2021
- Salary includes basic, house rent and other allowances
- Benefits includes contribution to provident fund, superannuation fund and reimbursement of medical expenses, 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 September 23, 2020 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	2020-21	2019-20
Mrs. N Malkani Nagpal	51,000	68,000
Mr. N S Marshall	39,000	39,000
Mr. Santosh Janakiram	51,000	51,000
Mr. Rafique Malik	51,000	51,000
TOTAL	1,92,000	2,09,000

## 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

The outcome of the performance evaluation on a round robin league method reflected 'Outstanding' for all the Directors both individually and collectively.

## Independent Directors

During the year under review, Independent Directors met on February 12, 2021, 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

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

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.

## 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 2020-21, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on

June <b>26</b> 2020	Aug <b>14</b> 2020	Nov <b>06</b> 2020	Feb <b>12</b> 2021
---------------------------	--------------------------	--------------------------	--------------------------

### 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	Four

### Compliance officer

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

### Transfer committee meetings

Twelve periodic sub-committee meetings were held during the year 2020-21.

### Director's shareholding as on March 31, 2021

Name of the Director	Number of shares
Mr. A T Malkani	15,86,452
Mrs. N Malkani Nagpal	54,700
Mr. H P Ledwani	1,23,548
Mr. N S Marshall	1,16,198
Mr. Santosh Janakiram	-
Mr. Rafique Malik	-

## GENERAL BODY MEETINGS

### Dividend history

Financial year	Dividend percent	Dividend outflow	Dividend outflow tax	Total
2019-20 (Interim dividend)	Ninety	630	129	759
2018-19	One hundred and seventy five	612	126	738
2017-18	One hundred and fifty	525	107	632
2016-17	One hundred and fifty	525	107	632
2015-16	One hundred and seventy five	613	125	738
2014-15	One hundred and seventy five	613	125	738
2013-14	One hundred and seventy five	613	104	717
2012-13	One hundred & seventy five	613	104	717

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

Financial year	Date	Location of the meeting	Time (hrs.)
2019-20	23.09.2020	Meeting through video conference	11:00 A.M.
2018-19	01.08.2019	Hotel Ajantha, B'luru	11:30 A.M.
2017-18	02.08.2018	Hotel Ajantha, B'luru	11:30 A.M.

## SPECIAL RESOLUTIONS AND POSTAL BALLOT

Year	Particulars
2020	Re-appointment of (i) Executive Director and Chairman-Mr. A T Malkani (ii) Managing Director and CEO-Mr. H P Ledwani (iii) Independent Director-Mr. Rafique Malik
2019	Postal Ballot for Bonus issue of shares in the ratio of 1:1
2018	Re-appointment of Independent Directors- Mr. N S Marshall and Mr. Santosh Janakiram



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## DISCLOSURES

### Materially significant related party transactions

During the year 2020-21, 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 & Disclosure Requirements) Regulations, 2015 read with SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018, the Company has not made any investment in commodity market. Therefore, 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: Friday, Date: August 06, 2021; Time: 11:00 AM

Mode: Meeting through 'Video Conference'

### Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001

The Company has paid listing fees to the Stock Exchange up to the financial year 2021-22.

### Book closure dates

July 31, 2021 to August 06, 2021 (both days inclusive)

### ISIN

INE853A01022

### Scripcode

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 2020-21 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 2020-21, 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.

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## Insider Trading Regulations

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

## Documents which have been uploaded on the website:

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

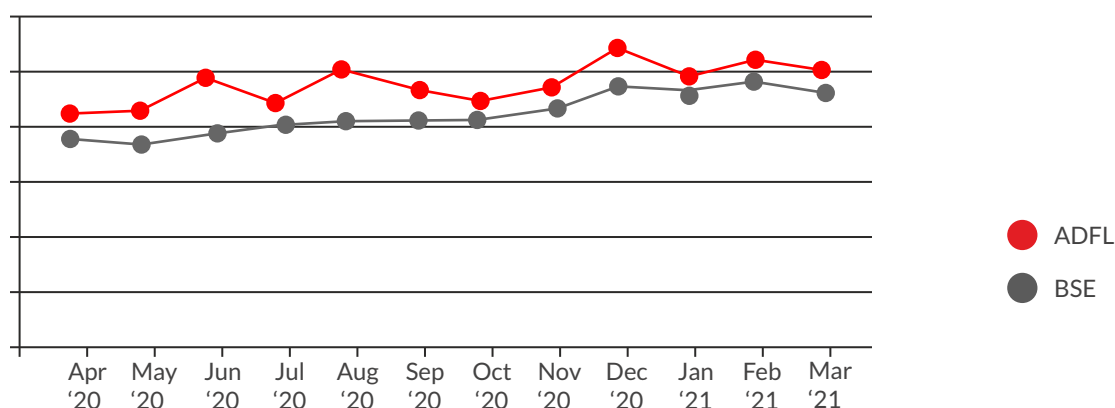
## Distribution schedule as at March 31, 2021

Nominal value (Rs.)	No. of Shareholders		Amount	
	No.	Percent	In Rs.	Percent
Upto 5,000	6,782	86.69	81,69,712	11.68
5,001-10,000	573	7.32	43,89,120	6.28
10,001-20,000	226	2.89	35,69,950	5.10
20,001-30,000	66	0.84	16,75,596	2.39
30,001-40,000	41	0.52	14,79,990	2.11
40,001-50,000	26	0.33	11,94,436	1.71
50,001-1,00,000	49	0.63	35,02,740	5.00
1,00,001 and above	61	0.78	4,60,18,456	65.73
TOTAL	7,824	100.00	7,00,00,000	100.00

## Stock price data: Bombay Stock Exchange, Mumbai

Month	Open	High	Low	Close
Apr-20	29	31	26	28
May-20	27	31	27	29
Jun-20	30	37	29	36
Jul-20	36	36	29	31
Aug-20	32	42	30	37
Sep-20	37	39	32	33
Oct-20	34	34	30	31
Nov-20	31	34	30	33
Dec-20	33	42	31	42
Jan-21	42	44	35	36
Feb-21	38	45	35	39
Mar-21	39	42	36	37

## Comparative closing share prices



## DETAILS OF UNCLAIMED DIVIDENDS AND SHARES

Financial year (s)	Dividend declaration date(s)	Due date(s) for transfer to IEPF account	Unclaimed dividend	Remarks
2013-14	20 August 2014	22 October 2021	16,13,001.00	(i) 12,000 numbers of shares were transferred to the IEPF account in FY 2020-21.
2014-15	26 August 2015	28 October 2022	17,36,619.50	
2015-16	04 August 2016	06 October 2023	16,08,722.50	(ii) 27,620 shares are due for transfer to the IEPF account during the FY 2021-22.
2016-17	02 August 2017	04 October 2024	16,87,440.00	
2017-18	02 August 2018	04 October 2025	9,45,351.00	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).
2018-19	01 August 2019	03 October 2026	8,99,668.00	
2019-20	27 February 2020	30 April 2027	17,94,954.60	

## 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 Eesanje
Website, where results or official news are displayed	www.adorfon.com

## Disclosure of interest

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

## Credit rating

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

## Non-mandatory requirements

- The Company has a Non-Executive-Director who belongs to the Promoter Group and is the Chairman of the Board
- 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: investorservice@adorfon.com

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

### Registrar & Share Transfer Agent

MR. HARISH

Integrated Registry Management Services Private Limited

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

T: (080) 23460815/818

E: irg@integratedindia.in

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## 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, 2021 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, 2021.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Bengaluru  
May 27, 2021

For PRAVEEN & MADAN  
Chartered Accountants

Praveen Kumar N  
Partner (Membership No. 225884)  
Firm Registration No.011350S  
UDIN: 21225884AAAADQ4617

## CORPORATE SOCIAL RESPONSIBILITIES (CSR)

ANNEXURE 3

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### CSR POLICY

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

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

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

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

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

### Meetings

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

June  
**26**  
2020

Aug  
**14**  
2020

Nov  
**06**  
2020

Feb  
**12**  
2021



## Composition and attendance

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

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

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

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

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

Not Applicable

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

Not Applicable

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

Rs.1,685 lakhs (Rupees one thousand, six hundred and eighty five lakhs).

**CSR DETAILS**

Rupees In Lakhs

Two percent of average net profit of the company as per Section 135(5)	33.7
Surplus arising out of the CSR projects or programmes or activities of the previous financial years	-
Amount required to be set off for the financial year, if any	-
Total CSR obligation for the financial year	33.7

**CSR AMOUNT SPENT OR UNSPENT FOR THE FINANCIAL YEAR**

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

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

Not Applicable

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

Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
			State	District			
The Jimmy S Bilimoria Foundation	Promoting health care-palliative support for cancer patients	No	Maharashtra	Mumbai	1,00,000	Yes	-
Domlur Senior Citizens Charitable Trust	Livelihood enhancement project-distribution of iron boxes	Yes	Karnataka	Bengaluru	56,000	Yes	-
Feed the Need Foundation	Disaster management-distribution of food grains	Yes	Karnataka	Bengaluru	50,000	Yes	-
Jaganth Desikan Trust	Promoting health care-for the hearing impaired	No	Tamil Nadu	Chennai	50,000	Yes	-

Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No)	Mode of implementation - Through implementing agency
			State	District			CSR Reg. number
Sri Paripoorna Sanathana Charitable Trust	Vocational training programme for the differently abled	Yes	Karnataka	Bengaluru	1,00,000	Yes	-
Zenith Critical care Hospital	Preventive health care-support for dialysis	No	Kolkata	North 24 Parganas	25,000	Yes	-
Lions Club of Bangalore Sanjaynagar	Promoting health care-eye surgeries	Yes	Karnataka	Bengaluru	25,000	Yes	-
PM cares Fund	Citizen Assistance and Relief in Emergency Situations	-	-	-	5,00,000	Yes	-
Ador Fontech Charitable Fund	1. Livelihood enhancement project 2. Promoting health care including preventive health care 3. Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Karnataka	Bengaluru	24,00,000	No	CSR00011096
PM National Relief Fund	Support to people affected by man made and natural disasters	-	-	-	50,000	Yes	-
Swatch Bharat Kosh	Improving sanitation facilities in rural and urban areas	-	-	-	25,000	Yes	-
<b>TOTAL</b>					<b>33,81,000</b>		

## Amount spent in Administrative Overheads

Not Applicable

## Amount spent on Impact Assessment, if applicable

Not Applicable

## Total amount spent for the Financial Year

Rs. 33.8 lakhs

## Excess amount for set off, if any

Rupees In Lakhs

Particulars	Amount
Two percent of average net profit of the company as per section 135(5)	33.7
Total amount spent for the Financial Year	33.8
Excess amount spent for the financial year	0.10
Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
Amount available for set off in succeeding financial years	-

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

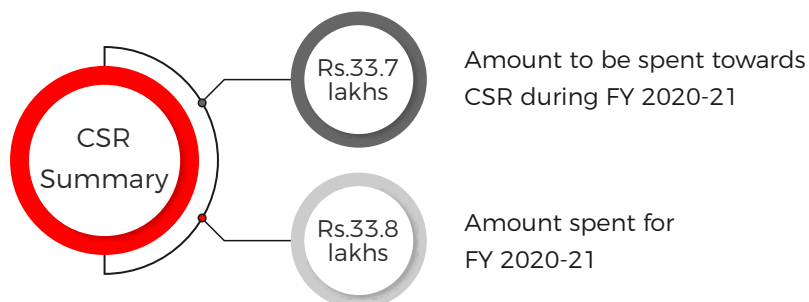
Rupees In Lakhs

Preceding financial year	Amount transferred to Unspent CSR account under Section 135(6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial year	Amount spent through Ador Fontech Charitable fund*
			Name of the fund	Amount	Date of transfer		
2019-20	Not applicable	16	-	Not applicable	-	15	8
2018-19	Not applicable	31	-	Not applicable	-	-	8.25
2017-18	Not applicable	12	-	Not applicable	-	21	6.5

Note\*: The Company has in the year 2003 created a fund called 'Ador Fontech Charitable Fund' which is registered under the Karnataka Society Registration Act and recognised by the Income Tax Department. The Company undertakes CSR programme both directly and through the Charitable Fund. The objective of this fund is to support the 'Poorest of the Poor'. Amount provided by Ador Fontech Limited are held as Corpus and being expensed based on requirements.

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

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



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

Not Applicable

Date of creation or acquisition of the capital asset(s)

Amount of CSR spent for creation or acquisition of capital asset

Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc

Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

Not Applicable

For Ador Fontech Limited

Bengaluru  
May 27, 2021

N Malkani Nagpal  
Chairman of the CSR Committee

A T Malkani  
Chairman

H P Ledwani  
Managing Director and CEO

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

### ANNEXURE 4

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### 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 2020-21

Name of the Director	Designation	Ratio
Mr. A T Malkani **	Chairman	3.7
Mr. H P Ledwani	Managing Director & CEO	18
Mrs. N Malkani Nagpal*	Promoter Director	0.05
Mr. Navroze S Marshall*	Independent Director	0.04
Mr. Santosh Janakiram*	Independent Director	0.05
Mr. Rafique Malik*	Independent Director	0.05

\*\*The salary was paid only for the months of April 2020 to August 2020

\*Were paid sitting fees for Board and Committee Meetings

The number of permanent employees on the rolls of Company as on March 31, 2021

One hundred and ninety-three employees

## Comparative remuneration

- Percentage increase in remuneration of the Directors and KMP's:  
There were no changes in the amount of sitting fees for each of the Board and Committee meetings as also no increment was paid to the Directors and Key Managerial Personnel, during the financial year 2020-21.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2020-21 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:

Due to the onset of the pandemic there was no increment provided to any of the employees as also the Chairman and Managing Director during the financial year 2020-21.

## Affirmation

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

- Details of the Whole time Directors and Employees with annual remuneration of Rs. 102 lakhs or more who are/were employed throughout the year or monthly remuneration of Rs. 8.5 lakhs or more, even if employed for part of the year during the financial year 2020-21: Rupees in lakhs

Name	Designation	Age	Remuneration	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani 4.53 percent	Chairman (Promoter Group)	40 years	41 current year 111 previous year	BA (Economics) MBA	16 years	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.35 percent	Managing Director (Professional)	67 years	198 current year 213 previous year	B.Sc (Hons) DAM, DTMM	47 years	01.12.1979	Group Leader	Ador Welding Ltd (Pre. Advani Oerlikon Limited)
Ms. Tanya H Advani Nil percent	General Manager (Promoter Gr.)	30 years	77 current year 35 previous year	B.Sc MBA	10 years	19.11.2019	Sr. Tech. Strategy Consultant	Accenture

Note: Mr. A T Malkani has been redesignated as Non-Executive-Director and Chairman vide Board Resolution dated September 12, 2020 and consequently was not entitled to remuneration thereafter.

- Details of top ten employees in terms of remuneration during the financial year 2020-21

Name	Designation	Age	Nature of duties/role	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. R Krishna Kumar	COO	54	Business operations	MBA Mkt. SMP- IIM (C)	34 years	07.06.2010	General Manager	Technical Parts Est.
Mr. P Gopa Kumar	CFO	65	Finance and Accounts	BA Corporate Secretaryship	43 years	05.03.1984	Statistical Assistant	Carter Wallace Limited
Mr. Melville Ferns	Executive VP - Technical	60	Life Enhancement (LE) Products and services	BA AMP-IIM(B)	39 years	01.03.1982	-	First employment in Ador Fontech Limited
Mr. Rajesh V Joshi	Executive VP - Technical	57	Welding Equipment, Cutting Products & Coating Services	BE Mechanical	34 years	29.10.1990	Senior Sales Executive	Lloyd Insulations Private Limited
Mr. S S Mohiuddin	Sr. General Manager	59	Plant-in-Charge	DME, DMM EMP-ISB & IIM	38 years	16.10.2008	Asst. General Manager	Ador Welding Limited
Mr. K Paneer Selvam	General Manager	57	Head-SBU-West and South divisions	B.Tech Mechanical	38 years	16.06.1993	Supervisor Welding	Diffusion Engineers Ltd.
Mr. C V V Srinivas	General Manager	55	Railway Business-PAN India	BE Mechanical	31 years	01.04.1991	Engineer Sales	Circuit and Systems
Mr. Hari Kumar	General Manager	56	Head-SBU-North East and Central divisions	B.com	37 years	23.02.1984	-	First employment in Ador Fontech Limited
Mr. H Srinivasan	General Manager	54	Hypertherm Business-PAN India	Diploma Mechanical Engineering	34 years	02.05.1997	Business Manager	Nucor Weld India Private Limited
Mr. Palgun Vembar	General Manager	40	Strategy and IT	BE Polymer Science, PGDBM, Mkt.	15 years	12.10.2015	Head Business Planning	Sundaram Auto Components



## Notes:

- Appointment of Chairman/Executive Director and Managing Director and CEO are contractual in nature and approved vide Shareholder's resolution dated September 23, 2020
- 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 and Superannuation). (ii)Reimbursement of expenses includes payment towards electricity, leave travel allowance, leave encashment and (iii) Perquisites as per IT Act. (c) 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 forty lakhs per annum (Cost to the Company) details on remuneration shall be made available on specific request received from the Shareholders. 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 capital. (iii) The Company has lease rental agreements with Ador Welding Ltd. for sharing of office premises at Pune. (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 June 26, 2020; August 14, 2020; November 06, 2020; February 12, 2021).

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. 975 lakhs - As at 31.03.2021
Reserves and surplus/ other equity	(Rs. 1,281 lakhs) - As on 31.03.2021
Total assets	Rs. 906 lakhs - As on 31.03.2021
Total liabilities (external)	Rs.514 lakhs - As on 31.03.2021
Investments	Rs.15 lakhs - As on 31.03.2021
Turnover	Rs. 302 lakhs - As on 31.03.2021
Profit/ (loss) before tax	(Rs.365 lakhs) - As on 31.03.2021
Provision for tax/ Deferred tax credit	Rs. 97 lakhs - As at March 31.03.2021
Profit/ (loss) after tax	(Rs. 268 lakhs) - As at March 31. 03.2021
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.	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021	31.03.2021
Number of shares	92,13,301	-	-	-	-	-
Amount of investment in Associate/ joint venture	-	-	-	-	-	-
Extent of holding (percent)	-	-	-	-	-	-
Description of how there is significant influence	Promoter	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 92,13,301 equity shares (26.32%) in Ador Fontech Ltd. and has investments in other Ador Group of Companies. Hence, classified as Associates/Related Parties.					
Considered in consolidation	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 ANNUAL RETURN – MGT-9

ANNEXURE 8

### REGISTRATION AND OTHER DETAILS

Corporate Identification Number (CIN)	L31909KA1974PLC020010
Registration number & date of incorporation	020010 and August 22, 1974
Category/ Sub- category of Company	Company Limited by Shares/ Indian Non-Government Company
Address and contact details	Belview 7 Haudin Road Bengaluru-42
	Tel: 080- 25596045/73
	Email: investorservice@adorfon.com
Whether listed company	Yes - Bombay Stock Exchange (BSE)
Name, address and contact details of Registrar & Share Transfer Agent	Integrated Registry Management Services Private Limited
	30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003
	Tel: 080- 23460816/18
	Email: irg@integratedindia.in

### PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Name and description of main products/services	Name and description of main products/services	Total turnover of the Company
Consumables	241-242	60%
Equipment/Automation and ancillaries	271	24%
Services	331	16%

### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

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

## SHAREHOLDING PATTERN

### 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	9213201	-	9213201	26.32	9213301	-	9213301	26.32	-
Promoter Group	3946525	-	3946525	11.28	4531654	-	4531654	12.95	1.67
Public Shareholding									
Banks/ Financial Institution	406	-	406	0.00	104	-	104	-	-
Alternative Investment Fund	870736	-	870736	2.49	870736	-	870736	2.49	-
Foreign Institutional Investors	1700000	-	1700000	4.86	1705500	-	1705500	4.87	0.01
Bodies Corporate	579347	48000	627347	1.79	542103	48000	590103	1.69	(0.10)
Individual Shareholders holding nominal share capital up to 1 lakh	10819225	1887895	12707120	36.31	10773738	1848395	12622133	36.06	(0.24)
Individual Shareholders holding nominal share capital in excess of 1 lakh	4755790	255400	5011190	14.32	4361256	255400	4616656	13.19	(1.13)
Clearing Members Others	30376	-	30376	0.09	26090	-	26090	0.08	(0.01)
NRI	372947	-	372947	1.07	292071	-	292071	0.83	(0.23)
IEPF	520152	-	520152	1.48	531652	-	531652	1.52	0.03
TOTAL	32808705	2191295	35000000	100.00	32848205	2151795	35000000	100.00	-

### Shareholding of Directors and Key Managerial Personnel

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
Mr. A T Malkani	10,85,986	3.10	15,86,452	4.53
Mrs. N Malkani Nagpal	54,700	0.16	54,700	0.16
Mr. H P Ledwani	1,21,998	0.35	1,23,548	0.35
Mr. N S Marshall	6,198	0.02	1,16,198	0.33
Mr. Santosh Janakiram	-	-	-	-
Mr. Rafique Malik	-	-	-	-
Mr. P Gopa Kumar	4,360	0.01	4,660	0.01
Ms. Geetha D	5,000	0.01	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	17,00,000	4.86	17,00,000	4.86
M/s. Malabar Value Fund	8,70,736	2.49	8,70,736	2.49
Mr. S. Shyam	6,08,952	1.74	3,06,199	0.87
Mr. Anil Kumar Goel	5,31,214	1.52	5,31,214	1.52
Investor Education And Protection Fund	5,20,152	1.49	5,32,152	1.52
Ms. Sarla Chandna	3,60,000	1.03	3,60,000	1.03
Mr. Megh Ishwer Manseta	3,30,000	0.94	3,30,000	0.94
Ms. Sneha Vishal Sood	3,05,786	0.87	3,05,786	0.87
Mr. Kiyomi Anant Talaulicar	2,28,742	0.65	2,28,742	0.65
Mr. J K Chandna	2,28,000	0.65	2,28,000	0.65

## 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.	92,13,201	26.32	-	92,13,301	26.32	-	0.00
Aditya Tarachand Malkani*	10,85,986	3.10	-	15,86,452	4.53	-	1.43
Shirin Aditya Malkani	1,63,268	0.47	-	1,81,918	0.52	-	0.05
Rajbir Tarachand Malkani	4,58,577	1.31	-	5,21,327	1.49	-	0.18
Ninotchka Malkani Nagpal*	54,700	0.16	-	54,700	0.16	-	0.00
Michelle Gulu Malkani	83,700	0.24	-	83,700	0.24	-	0.00
Gulshan Gulu Malkani	7,06,000	2.02	-	7,06,000	2.02	-	0.00
Deep Ashda Lalvani*	34,652	0.10	-	37,915	0.11	-	0.01
Reshma A Lalvani	75,000	0.21	-	75,000	0.21	-	0.00
Reshma Ashda Lalvani	22,000	0.06	-	22,000	0.06	-	0.00
Vimla A Lalvani	5,000	0.01	-	5,000	0.01	-	0.00
Vimla Ashda Lalvani	27,722	0.08	-	27,722	0.08	-	0.00
Ravin A Mirchandani*	11,910	0.03	-	11,910	0.03	-	0.00
Ajit T Mirchandani	1,47,460	0.42	-	1,47,460	0.42	-	0.00
Tania A Mirchandani	1,69,550	0.48	-	1,69,550	0.48	-	0.00
Aruna B Advani*	9,01,000	2.57	-	9,01,000	2.57	-	0.00

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

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## SECRETARIAL AUDIT REPORT

### ANNEXURE 9

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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, 2021 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, 2021 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 Byelaws 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  
May 27, 2021

Manjula Narayan  
ACS No. 28374  
COP No. 10150  
UDIN: A028374C000376392



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## CEO AND CFO CERTIFICATION

ANNEXURE 10

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Pursuant to Regulation 17(8) of the SEBI (LODR) Regulations, 2015

The Board of Directors  
Ador Fontech Limited

Dear Sir/Madam,

We, H P Ledwani, Managing Director and Chief Executive Officer and P Gopa Kumar, Chief Financial Officer of Ador Fontech Limited, to the best of our knowledge and belief, certify that:

- We have reviewed the financial and cash flow statements for the financial year ended March 31, 2021.
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) the statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered in to by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit committee :
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Ador Fontech Limited

Bengaluru  
May 27, 2021

H P Ledwani  
Managing Director and CEO

P Gopa Kumar  
Chief Financial Officer

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

ANNEXURE 11

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

To  
The Members  
Ador Fontech Limited

I have examined the status of 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, 2021, as stipulated in item 10 (i) of Clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 read with Regulation 34(3) of the Listing Regulations.

It is neither an audit nor an expression of opinion regarding the legality of 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](http://www.mca.gov.in)) and explanations provided to me and the representations made by the Directors and the Management, I certify that none of the Directors on the Board of Ador Fontech Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority during the year ended March 31, 2021.

As on March 31, 2021, the Board of Directors of the Company was constituted by

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

Bengaluru  
May 27, 2021

Manjula Narayan  
ACS No. 28374  
COP No. 10150  
UDIN: A028374C000376381

# FONTECH THUNDER-i 400 WITH VRD

Ador Fontech's Contribution to 'Atmanirbhar Bharat - Make in India'  
Development of indigenous equipment



AUDITORS'  
REPORT  
(STANDALONE)

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# 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, 2021, 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, 2021, the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

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

### Key audit matters

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

Key Audit Matters	Auditor's Response
<p><b>DISCLOSURE OF REVENUE</b></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><b>PRINCIPAL AUDIT PROCEDURES</b></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"> <li>• Evaluated the design of internal controls relating to implementation of the accounting standard.</li> <li>• 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.</li> <li>• 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.</li> <li>• Selected samples of continuing as well as new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>(i) Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>(ii) Compared these performance obligations with those identified and recorded by the Company.</li> <li>(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.</li> <li>(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.</li> <li>(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.</li> <li>(vi) Sample of revenues disaggregated by type and service offerings were tested with the performance obligations specified in the underlying contracts.</li> <li>(vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>(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.</li> </ul> </li> </ul>

Key Audit Matters	Auditor's Response
<p><b>EVALUATION OF UNCERTAIN TAX POSITIONS</b></p> <p>The Company has uncertain tax positions including matters under appeal and for reconsideration, which involves significant judgement to determine the possible outcome of the decisions.</p>	<p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from the Management. We involved our internal experts to challenge the Management's underlying assumptions in estimating the tax provisions and the possible outcome of the disputes. Our internal experts also considered legal precedence and other rulings in evaluating the Management's position on these uncertain tax positions. The same have also been reflected as part of contingent liabilities in the notes to the accounts.</p>
<p><b>LEASE ACCOUNTING</b></p> <p>Accuracy of recognition, measurement, presentation and disclosures of lease transactions in compliance with Ind-AS 116 'Leases' (New Revenue Accounting Standard).</p>	<p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>We observed that the Company has entered in to lease agreement with Karnataka Industrial Area Development Board (KIADB) for lease of 12,465 Sq. mtr. for a period of 99 years. As the lease transaction is of a long term and the underlying asset is of significant value, the same requires compliance with IND AS 116.</p> <p>As per IND AS 116, the fair value of asset has to be booked at the present value of all lease related payments to be made. 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>

Key Audit Matters	Auditor's Response
<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 &amp; 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, 2021.</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)(l) 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, 2021 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2021 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.

Bengaluru  
May 27, 2021

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
UDIN: 21225884AAAADM8063

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

## 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 (l) 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, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Key Audit Matters (KAM)

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

Key Audit Matters	Auditor's Response
Implementation of Enterprise Resource Planning (ERP) 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, 2021, based on the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Bengaluru  
May 27, 2021

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
UDIN: 21225884AAAADM8063

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

## 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 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, 2021 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, 2021 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, 2021 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	Commissioner of Central Excise, Nagpur	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: 2013-14	283

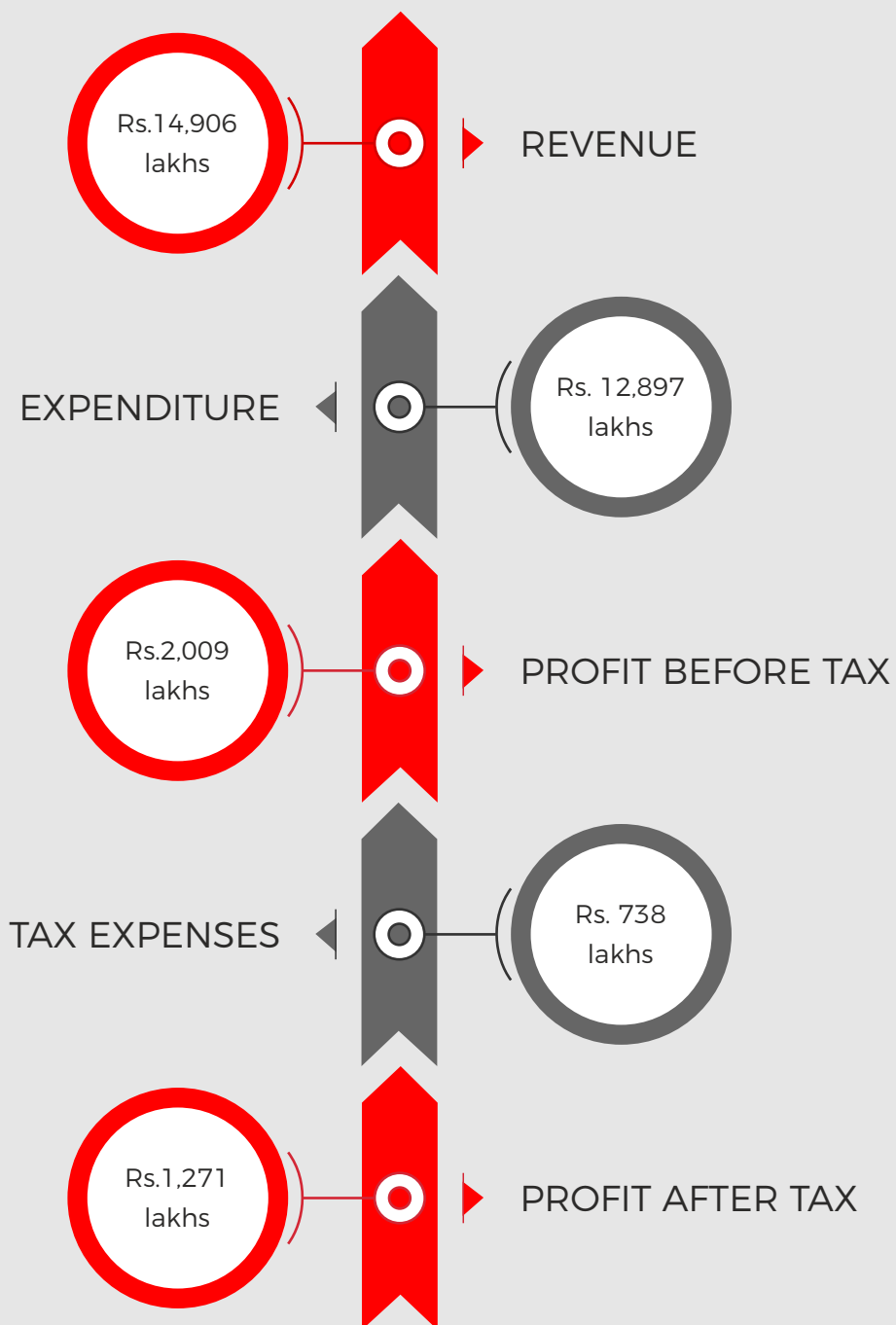
- The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- The Company has not raised moneys by way of initial public offer or further public 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  
May 27, 2021

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
UDIN: 21225884AAAADM8063

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

# STANDALONE PERFORMANCE AT A GLANCE FOR THE YEAR ENDED MARCH 31, 2021





FINANCIAL  
STATEMENTS  
(STANDALONE)

## BALANCE SHEET (STANDALONE)

			Rupees In Lakhs
Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	2,624	2,697
Capital work-in-progress		244	155
Financial assets			
Investments	3	1,163	1,675
Deferred tax (net)	4	(58)	112
<b>TOTAL</b>		<b>3,973</b>	<b>4,639</b>
<b>2. CURRENT ASSETS</b>			
Inventories	5	2,523	2,869
Financial assets			
(i) Investments	6	1,572	309
(ii) Trade receivables	7	2,722	3,300
(iii) Cash and bank balances	8	52	304
(iv) Bank balances other than cash and cash equivalents	9	2,644	1,810
(v) Loans and advances	10	961	527
Other current assets	11	116	199
Current tax assets	12	414	458
<b>TOTAL</b>		<b>11,004</b>	<b>9,776</b>
<b>TOTAL ASSETS</b>		<b>14,977</b>	<b>14,415</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
Equity share capital	13	700	700
Other equity	14	11,477	10,179
<b>TOTAL</b>		<b>12,177</b>	<b>10,879</b>
<b>2. LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Provisions	15	67	413
<b>TOTAL</b>		<b>67</b>	<b>413</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
(i) Trade payables	16	1,865	2,533
(ii) Other financial liabilities	17	328	277
Other current liabilities	18	116	23
Provisions	19	424	290
<b>TOTAL</b>		<b>2,733</b>	<b>3,123</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,977</b>	<b>14,415</b>
Significant accounting policies	1		
Notes to the financial statements	2-46		

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

## STATEMENT OF PROFIT AND LOSS (STANDALONE)

Rupees In Lakhs			
Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>1. INCOME</b>			
(i) Revenue from operations	20	14,667	17,492
(ii) Other income	21	239	274
<b>TOTAL</b>		<b>14,906</b>	<b>17,766</b>
<b>2. EXPENSES</b>			
Cost of materials consumed	22	3,935	3,703
Purchase of stock-in-trade	23	3,458	6,553
Changes in inventories of work-in-progress, finished goods & stock-in-trade	24	257	(631)
Employee benefit expenses	25	2,386	2,698
Depreciation and amortisation expenses		247	264
Other expenses	26	2,614	3,474
<b>TOTAL</b>		<b>12,897</b>	<b>16,061</b>
<b>3. PROFIT BEFORE TAXES</b>		<b>2,009</b>	<b>1,705</b>
<b>4. TAX EXPENSES</b>	27		
Current tax		590	490
Short-Fall/(Excess)of previous year		(14)	49
Deferred tax		162	33
<b>TOTAL</b>		<b>738</b>	<b>572</b>
<b>5. NET PROFIT AFTER TAX (3-4)</b>		<b>1,271</b>	<b>1,133</b>
<b>6. OTHER COMPREHENSIVE INCOME</b>	28		
Items that will not be re-classified to profit and loss			
Net (loss)/gain on fair market valuation of assets		58	69
Actuarial gains/(losses) on retirement benefits		(22)	(24)
Less: Income tax effect on the above		(9)	(16)
<b>TOTAL</b>		<b>27</b>	<b>29</b>
<b>7. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (5+6)</b>		<b>1,298</b>	<b>1,162</b>
<b>8. EARNINGS PER EQUITY SHARE</b>	29		
Basic and diluted (in Rs.)		3.6	4.3
Face value of equity share (in Rs.)		2.0	2.0
Significant accounting policies	1		
Notes to the financial statements	2-46		

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

## CASH FLOW STATEMENT (STANDALONE)

Rupees In Lakhs		
Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS	2,009	1,705
Add/(Less): Depreciation, amortisation and impairment	247	264
Non-operating income including interest income	(174)	(192)
Other non-cash-items	35	45
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>2,117</b>	<b>1,822</b>
Adjustments for:		
Trade receivables	578	(960)
Inventories	346	(740)
Current investments	(1,263)	1,022
Loans	(434)	841
Other current assets	83	4
Trade payables	(668)	1,016
Other financial liabilities	51	3
Other current liabilities	93	(78)
Current provisions net of adjustments	134	(200)
<b>OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL</b>	<b>1,037</b>	<b>2,730</b>
Taxes paid	(532)	(379)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>505</b>	<b>2,351</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(174)	(1,286)
Advance towards capital work-in-progress	(89)	(40)
Purchase and sale of investments (net)	512	(244)
Increase/(decrease) in other bank accounts	(834)	509
Interest, dividend and other non-operating-income	174	192
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(411)</b>	<b>(869)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in long term liabilities	(346)	51
Dividend paid including tax	-	(1,498)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(346)</b>	<b>(1,447)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(252)</b>	<b>35</b>
Opening balance of cash and cash equivalents	304	269
Closing balance of cash and cash equivalents	52	304
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Balances with banks in current accounts	51	303
Cash on hand	1	1

Notes: 1. Figures in brackets represent cash outflow. 2. 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  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

**EQUITY SHARE CAPITAL AS AT MARCH 31, 2021**

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
AS AT APRIL 1, 2020	13	3,50,00,000	700
Changes during the year		-	-
AS AT MARCH 31, 2021		3,50,00,000	700

**OTHER EQUITY AS AT MARCH 31, 2021**

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2020	-	7,189	2,858	132	10,179
Transactions during the year	-	-	-	27	27
Net profit/(loss) for the year	-	-	1,271	-	1,271
Dividend and dividend tax	-	-	-	-	-
Bonus issue	-	-	-	-	-
Transfer to general reserve	-	300	(300)	-	-
CLOSING BALANCE AS AT MARCH 31, 2021	-	7,489	3,829	159	11,477

**EQUITY SHARE CAPITAL AS AT MARCH 31, 2020**

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
AS AT APRIL 1, 2019	13	3,50,00,000	700
Changes during the year		-	-
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

Note:\* OCI : Other comprehensive income

# CLASSIFIER ROTOR

Ador Fontech's Contribution to 'Atmanirbhar Bharat - Make in India'  
Life enhancement of industrial components



NOTES TO  
THE FINANCIAL  
STATEMENTS  
(STANDALONE)

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## Note 1

### COMPANY INFORMATION

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

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

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The financial statements were authorised for issue in accordance with the resolution of the Board of Directors on May 27, 2021. 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 byproducts are included in revenue.

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

## Property, plant and equipment

### 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	05 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 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 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.

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## 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.

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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.

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

The Company has considered possible effects that may result from the pandemic relating to Covid-19 on the carrying amounts of receivables, unbilled revenues, assets etc. In developing assumptions relating to possible future uncertainties because of the pandemic, the Company as at the date of approval of these financial statements has used internal and external sources of information, including reports of reputed organisations and their economic forecasts etc. to perform sensitivity analysis and based on current estimate expects that the carrying amount of assets will be recovered. The impact of Covid-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## Note 2 PROPERTY, PLANT AND EQUIPMENT

### TANGIBLE ASSETS

Rupees In Lakhs

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

Note: An amount of Rs.244 lakhs was held under capital work-in-progress on account of in-process-implementation of Enterprise Resource Planning (ERP).

**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 installations	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
<b>TOTAL</b>	<b>3,795</b>	<b>1,295</b>	<b>42</b>	<b>5,048</b>	<b>2,121</b>	<b>264</b>	<b>34</b>	<b>2,351</b>	<b>2,697</b>

Note: An amount of Rs.155 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 31.03.2021		As at 31.03.2020	
	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	97,50,000	975	85,00,000	850
Inter corporate deposit	-	-	-	80
SUB-TOTAL		975		930
IRFC Capital Gain Bonds	-	-	500	50
SUB-TOTAL	-	-	-	50
TOTAL	-	975	-	980
INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)				
Aditya Birla Sun Life Fixed Term Plan 1135 days	5,00,000	60	5,00,000	57
Aditya Birla Sun Life Corporate Bond	-	-	7,72,815	108
HDFC FMP 1177 days	10,00,000	128	10,00,000	115
HDFC FMP 1208 days	-	-	13,73,803	159
HDFC FMP 1218 days	-	-	10,00,000	128
Franklin India Credit Risk Fund	-	-	2,77,125	52
Nippon Fixed Horizon Fund	-	-	6,55,525	76
SUB-TOTAL	-	188	-	695
TOTAL	-	1,163	-	1,675
Aggregate amount of quoted investments and market value thereof	-	188	-	695
Aggregate amount of unquoted investments	-	975	-	980

Note: All mutual fund investments are in growth funds

**Note 4 DEFERRED TAX**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	(315)	27
Fair market value of increase in investments of mutual funds and actuarial gains	(9)	(16)
SUB-TOTAL	(324)	11
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	61	40
Provision for warranties	84	3
Diminution in the value of shares of the joint venture	26	26
Provision for doubtful debts	45	10
Provision for asset retirement obligation	37	37
Others	13	(15)
SUB-TOTAL	266	101
TOTAL	(58)	112

**Note 5 INVENTORIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Raw materials	690	779
Less: FVTPL adjustments	-	-
Fair value of raw materials (A)	690	779
Work-in-progress (B)	226	667
Traded goods	1,203	1,155
Finished goods (C)	404	268
TOTAL (A+B+C)	2,523	2,869

Note: FVTPL: Fair value through profit and loss account

**Note 6 INVESTMENTS**

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)				
Franklin India Credit Risk Fund	2,77,125	43	-	-
Aditya Birla Sun Life Savings Fund	-	-	15,279	61
HDFC FMP 1208 days	13,73,803	176	-	-
HDFC Liquid Growth Fund	23,981	970	2,569	100
ICICI Liquid Growth Plan	98,571	300	5,65,032	123
Nippon India Fixed Horizon Fund-XXVII-Series 3-Growth Plan	6,55,525	83	-	-
SBI Magnum Ultra Short Duration Fund	-	-	573	25
TOTAL	-	1,572	-	309
Aggregate book value and market value of quoted investments	-	1,572	-	309

Note: All mutual fund investments are in growth funds.

**Note 7 TRADE RECEIVABLES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good	2,722	3,300
Unsecured, considered doubtful	95	80
Less : Provision for doubtful debts	(95)	(80)
Unsecured and considered bad	127	52
Less: Bad debts written off	(127)	(52)
TOTAL	2,722	3,300

**Note 8 CASH AND BANK BALANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with banks in current accounts	51	303
Cash on hand	1	1
TOTAL	52	304

**Note 9 OTHER BANK BALANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed deposit with banks	2,541	1,707
Balance with banks in unclaimed dividend accounts	103	103
TOTAL	2,644	1,810



**Note 10 LOANS AND ADVANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
<b>SECURITY DEPOSITS</b>		
Deposits -Government departments	25	103
Deposits -Premises	6	17
Deposits -Security	28	26
Deposits-Performance guarantees	13	64
Deposits -Earnest money deposits	274	305
<b>LOANS TO RELATED PARTY</b>		
Loan and advances to Joint venture entity or Subsidiaries	598	-
<b>OTHER ADVANCES</b>		
Loans and advances to employees	17	12
<b>TOTAL</b>	<b>961</b>	<b>527</b>

**Note 11 OTHER CURRENT ASSETS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>ADVANCES OTHER THAN CAPITAL ADVANCES</b>		
Advance to suppliers	68	37
Prepaid expenses	48	80
Taxes duties, input credit refund due	-	82
<b>TOTAL</b>	<b>116</b>	<b>199</b>

**Note 12 CURRENT TAX ASSETS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance income tax (net of provision for tax)	414	458
<b>TOTAL</b>	<b>414</b>	<b>458</b>

**Note 13 EQUITY SHARE CAPITAL**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>AUTHORISED</b>		
5,00,00,000 equity shares of Rs. 2 each	1,000	1,000
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
3,50,00,000 equity shares of Rs. 2 each	700	700
<b>TOTAL</b>	<b>700</b>	<b>700</b>

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

Rupees In Lakhs

Particulars	2020-21		2019-20	
	In Nos.	Amount	In Nos.	Amount
Shares outstanding at the beginning of the year	3,50,00,000	700	1,75,00,000	350
Shares outstanding at the end of the year	3,50,00,000	700	3,50,00,000	700

## 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

Rupees In Lakhs

Particulars	2020-21		2019-20	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
J B Advani and Company Private Limited (JBA)	92,13,301	26.32%	92,13,201	26.32%

## As on the date of the Balance Sheet

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

## Issue/conversion of equity shares

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

## Note 14 OTHER EQUITY

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Securities premium	-	-
General reserve	7,189	7,189
Retained earnings	4,129	2,858
Other comprehensive income	159	132
TOTAL	11,477	10,179

**SECURITIES PREMIUM ACCOUNT**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	-	172
Transactions during the year	-	(172)
Closing balance	-	-

**GENERAL RESERVE**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	7,189	6,989
Transferred from surplus in the statement of profit and loss	300	200
Closing balance	7,489	7,189

**RETAINED EARNINGS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	2,858	3,601
Net profit / loss for the year	1,271	1,133
Equity dividend including distribution tax	-	(1,498)
Capitalisation of profits on account of bonus issue	-	(178)
Transfer to general reserve	(300)	(200)
Closing balance	3,829	2,858

**OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	132	103
Transaction during the year	27	29
Closing balance	159	132

**Note 15 PROVISIONS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for compensated absences	67	413
TOTAL	67	413

**Note 16 TRADE PAYABLES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Micro, Small and Medium Enterprises	-	-
Other than Micro, Small and Medium Enterprises	1,865	2,533
<b>TOTAL</b>	<b>1,865</b>	<b>2,533</b>

**Note 17 OTHER FINANCIAL LIABILITIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Deposit from dealers and employees	225	174
Unclaimed dividends	103	103
<b>TOTAL</b>	<b>328</b>	<b>277</b>

**Note 18 OTHER CURRENT LIABILITIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance from customers	-	-
Statutory liabilities	116	23
<b>TOTAL</b>	<b>116</b>	<b>23</b>

**Note 19 PROVISIONS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>PROVISION FOR EMPLOYEE BENEFITS</b>		
Provision for compensated absences	68	-
Due to gratuity trust	21	-
<b>OTHERS</b>		
Warranties	335	290
<b>TOTAL</b>	<b>424</b>	<b>290</b>

**Note 20 REVENUE FROM OPERATIONS**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>SALE OF PRODUCTS</b>		
Manufactured goods (net of taxes)	8,645	7,805
Scrap sales	35	28
Traded goods	4,628	7,588
<b>SALE OF SERVICES</b>		
Job work income	1,356	2,045
Export services	3	26
<b>TOTAL</b>	<b>14,667</b>	<b>17,492</b>

**Note 21 OTHER INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest income	174	192
Other non-operating-income	-	67
Profit on sale of assets	(1)	-
Write backs, discounts, forex gains, etc	53	-
Profit on sale of investments	13	15
<b>TOTAL</b>	<b>239</b>	<b>274</b>

**DETAILS OF INTEREST INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>INTEREST INCOME</b>		
Interest on bank deposits	90	115
Others	84	77
<b>TOTAL</b>	<b>174</b>	<b>192</b>

**Note 22 COST OF MATERIALS CONSUMED**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Opening stock	779	669
Add: Purchases	3,846	3,812
Less: Closing stock	(690)	(778)
<b>TOTAL</b>	<b>3,935</b>	<b>3,703</b>

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

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Welding consumables, equipment and spares	3,458	6,553
<b>TOTAL</b>	<b>3,458</b>	<b>6,553</b>

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

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
AT THE BEGINNING OF THE YEAR		
Work-in-progress	667	161
Finished goods	268	223
Stock-in-trade	1,156	1,076
SUB-TOTAL (A)	2,091	1,460
AT THE END OF THE YEAR		
Work-in-progress	226	667
Finished goods	404	268
Stock-in-trade	1,204	1,156
SUB-TOTAL (B)	1,834	2,091
TOTAL (A-B)	257	(631)

## Note 25 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, allowances and other benefits	1,962	2,223
Contribution to provident and other funds	289	265
Staff welfare	135	210
TOTAL	2,386	2,698

**Note 26 OTHER EXPENSES**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Rent	76	88
Insurance	33	26
Rates and taxes	73	102
Consumables and stores	74	155
Power, fuel and utilities	80	100
Security charges	27	26
Product development, fabrication and welding	952	1,188
Labour charges	59	82
Books, printing and stationary	26	20
Communication expenses	46	64
Repairs to building	41	55
Repairs to machinery	26	34
Office maintenance	110	125
Legal and professional fees	119	130
Travelling and conveyance	160	557
Freight and forwarding	208	282
Sales commission and promotional expenses	215	265
Seminar and conferences	1	25
Provision and warranties	57	26
Audit fees	7	7
Bank and other charges	11	19
Corporate social responsibility	34	16
General expenses	1	2
Bad debts written off	178	80
<b>TOTAL</b>	<b>2,614</b>	<b>3,474</b>

**AUDITORS REMUNERATION**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	5	5
Taxation	-	-
Other services	2	2
<b>TOTAL</b>	<b>7</b>	<b>7</b>

Note: Remuneration is excluding GST

**Note 27 TAX EXPENSES**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Current tax	590	539
Short-fall/(excess) of previous year(s)	(14)	-
Deferred tax	162	33
<b>TOTAL</b>	<b>738</b>	<b>572</b>

**TAX RECONCILIATION**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before tax	2,009	1,705
Tax on business income	820	490
Tax on capital gains	21	-
Tax effect of amounts which are not deductible		
(a) TDS not deducted	-	-
(b) Provision for retirement benefits	(61)	(40)
(c) Provision for bad debts	(44)	10
(d) Provision for warranties	(84)	3
(e) Salary and bonus unpaid as at the year end	(12)	-
(f) Others	(63)	27
(g) Interest U/S 234C & 234B	13	-
Income tax expenses	590	490

**Note 28 OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Increase in the value of investments	58	69
Actuarial gains / (losses) on defined benefit obligations	(22)	(24)
Tax impact on the same	(9)	(16)
<b>TOTAL</b>	<b>27</b>	<b>29</b>

**Note 29 EARNINGS PER SHARE**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit/(loss) after tax for the year	1,271	1,133
Weighted average number of equity shares outstanding	350	266
Basic and diluted earnings per share (Rs.)	3.6	4.3
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, 2021. 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. 76 lakhs (Previous year Rs. 88 lakhs) has been charged to the Statement of Profit and Loss.

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Lease payments for the year	76	88
<b>Minimum lease payments</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Not later than one year	5	88
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 31.03.2021	As at 31.03.2020
Employer's contribution to provident fund	114	124
Employer's contribution to superannuation fund	93	101
Employer's contribution to gratuity fund	80	38
Employer's contribution to Employees State Insurance Corporation	2	2
<b>TOTAL</b>	<b>289</b>	<b>265</b>

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

## Details of actuarial valuation of Gratuity

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
ACTUARIAL ASSUMPTIONS		
Discount rate (per annum)	5.4%	6.7%
Salary escalation rate	6.0%	6.0%
ATTRITION RATE		
21-44 years	-	3.0%
45-57 years	-	2.0%
21-30 years	37%	-
31-40 years	27%	-
41-50 years	7%	-
51-57 years	17%	-
Normal retirement age	58 years	58 years

Particulars	As at 31.03.2021	As at 31.03.2020
Other investments	100%	100%
TOTAL	100%	100%

Particulars	As at 31.03.2021	As at 31.03.2020
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	31	27
Past service/administration cost	37	2
Interest cost	12	9
TOTAL	80	38

Particulars	As at 31.03.2021	As at 31.03.2020
<b>MOVEMENT IN BENEFIT OBLIGATIONS</b>		
Present value of obligation at the beginning of the year	507	463
Interest cost	30	30
Service cost	31	27
Actuarial (gain)/loss	26	26
Benefits paid	(66)	(39)
Present value of obligation at the end of the year	528	507
<b>MOVEMENT IN PLAN ASSETS</b>		
Fair value of plan assets at the beginning of the year	311	327
Expected return on plan assets	136	22
Employer's contribution	82	-
Actuarial (gain)/loss	(22)	1
Benefits paid	-	(39)
Fair value of plan assets at the end of the year	507	311
<b>ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET</b>		
Present value of defined benefit obligation at the end of the year	528	507
Less: Fair value of plan assets at the end of the year	(507)	(311)
<b>NET LIABILITY RECOGNISED</b>	<b>21</b>	<b>196</b>

### SENSITIVITY ANALYSIS

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

Currencies	As at 31.03.2021		As at 31.03.2020	
	Increase	Decrease	Increase	Decrease
Impact of increase/decrease in 100 bps on defined benefit obligation (DBO)				
As at 31.03.2021	(3.2%)	3.5%	3.2%	3.4%
As at 31.03.2020	(5.3%)	6.0%	6.0%	5.4%

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

### 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**

Rupees In Lakhs

<b>Particulars</b>	<b>As at 31.03.2021</b>
Opening defined benefit liability as at April 1, 2020	413
Add: Provisions made during the year	-
Less: Payments made to employees on cessation during the year	13
Less: Contribution to LIC towards systematic funding during the year	265
Closing defined benefit liability as at March 31, 2021	135

**Notes:**

- (i) The Company's policy under leave encashment was modified during 2018-19.
- (ii) As at December 31, 2018 available leave balances of the employees less sixty days (carry forward leave) was frozen.
- (iii) The liability on account of frozen leave was rupees three hundred and thirty seven lakhs as per Actuarial Valuation as at March 31, 2021.
- (iv) The Company has entered into an agreement with the Life Insurance Corporation of India to systematically fund its provision towards leave encashment.
- (v) The total amount paid to LIC inclusive of the current year's contribution is rupees three hundred and forty three lakhs as at March 31, 2021.
- (vi) 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 31.03.2021	Year ended 31.03.2020
Opening balance as at April 1, 2020	290	301
Add: Provisions during the year	45	26
Less: Amount defrayed during the year	-	37
Closing balance as at March 31, 2021	335	290

**Note 34 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Guarantees (Bank and Corporate)	611	591
Disputed excise duty demand under appeal	71	71
Disputed income tax demands under appeal	283	320
Investments lien marked for facilitating working capital loan to 3DFT*	237	659
*Market value of lien marked investments	304	770

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)	Ms. Tanya 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 and Chief Executive Officer
	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 31.03.2021	Year ended 31.03.2020
(i) Associate companies			
J B Advani and Co. Private Limited	Purchase of traded goods	-	1
	Motor car expenses	-	5
Ador Welding Limited	Purchase of traded goods	93	39
	Purchase of manufactured goods	61	175
	Purchase of fixed assets	-	26
	Sale of traded goods	45	7
	Rent paid	1	1
Ador Powertron Limited	Inter corporate deposit	-	700
	Interest on Inter corporate deposit	40	39
	Purchase of fixed assets	-	3
	Other expenses	1	-
	Rent received	1	1
(ii) Key Managerial Personnel (KMPs)	Aggregate of salaries as per Income Tax Act	277	346
(iii) Related Personnel	Remuneration	78	111
(iv) Relatives of KMPs	Rent	28	28

## Balances of related parties

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Ador Welding Limited	9	10

## Balances of related parties receivable

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Ador Welding Limited	4	-

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

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Dr.	Cr.	Dr.	Cr.
Ador Welding Limited	29	39	-	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 crystallising on the individuals, the same has not been apportioned to the KMPs separately.

## Transactions with the wholly owned subsidiary

Rupees In Lakhs

Particulars	Value of the transactions	
	Year ended 31.03.2021	Year ended 31.03.2020
Contribution to equity share capital by Ador Fontech Limited	125	-
Inter Company deposits	518	80
Lease rentals paid by 3DFT	11	7
Security deposit	3	-
Interest received	42	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	
	Year ended 31.03.2021	Year ended 31.03.2020
E Ventures Private Limited (Subsidiary of Ador Multiproducts Limited)		
Purchase of traded goods	-	2



## Note 37 FINANCIAL INSTRUMENTS

### Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	975	188	-	1,163	850	775	50	1,675
FINANCIAL ASSETS-CURRENT								
Investments	-	1,572	-	1,572	-	309	-	309
Trade receivables	-	-	2,722	2,722	-	-	3,300	3,300
Cash and cash equivalents	-	-	52	52	-	-	304	304
Bank balances other than cash and cash equivalents	-	-	2,644	2,644	-	-	1,810	1,810
Loans and advances	-	-	961	961	-	-	527	527
TOTAL	975	1,760	6,379	9,114	850	1,084	5,991	7,925
FINANCIAL LIABILITIES-CURRENT								
Trade payables	-	-	1,865	1,865	-	-	2,533	2,533
Other financial liabilities	-	-	328	328	-	-	277	277
TOTAL	-	-	2,193	2,193	-	-	2,810	2,810

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

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS-NON-CURRENT				
Investments	188	975	775	850
FINANCIAL ASSETS-CURRENT				
Investments	1,572	-	309	-

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

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2021		As at 31.03.2020	
		Fair value	Carrying amount	Fair value	Carrying amount
Non-current-investment	Level 2	-	-	50	50
Current assets and current liabilities	Level 2	The carrying amounts of trade receivables, cash and bank balances, current loans and advances, trade payables and other current financial liabilities are considered to be approximately equal to their fair values.			

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

## Note 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

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Up to 30 days	935	888
30-60 days	494	1,442
60-90 days	309	813
More than 90 days	984	157
<b>TOTAL</b>	<b>2,722</b>	<b>3,300</b>

### 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 31.03.2021

Rupees In Lakhs

Particulars	Within 6 months	6 months to 1 year	TOTAL
FINANCIAL LIABILITIES - CURRENT			
Trade payables	1,833	32	1,865
Other financial liabilities	-	328	328
TOTAL	1,833	360	2,193

As at 31.03.2020

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

## 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 31.03.2021			As at 31.03.2020		
	USD	EUR	CNY	USD	EUR	CNY
FINANCIAL LIABILITIES						
Trade payables	327	41	169	753	8.5	17

**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 31.03.2021		As at 31.03.2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(16)	16	(38)	38
EURO	(2)	2	(0.5)	0.5
CNY	(8)	8	(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 31.03.2021	As at 31.03.2020
Impact on profit after tax for 5% increase in NAV	88	50
Impact on profit after tax for 5% decrease in NAV	(88)	(50)

**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	Appropriated in the accounts during the financial year 2020-21	Appropriated in the accounts during the financial year 2019-20
EQUITY DIVIDEND		
Final dividend for the year ended March 31, 2019 of Rs.3.50/- per fully paid share		630 (including dividend tax of Rs. 106 lakhs)
Interim dividend for the year ended March 31, 2020 of Rs.1.80 per fully paid share		739 (including dividend tax Rs.126 lakhs)
The Board has recommended a dividend of Rs.2.20 (Rupees two and paise twenty only) being one hundred and ten percent on the nominal value of Rs.2/- per equity share. The outflow would be Rs.770 lakhs. This proposed dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting (AGM). On approval necessary entries will be passed in the books of accounts.		

## 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 three crores to the General reserve for the financial year 2020-21.

## 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 31.03.2021	Proportion of ownership/investment interest as at 31.03.2020	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 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	As at 31.03.21/31.03.20				Year ended 31.03.21/31.03.20		
			Assets	Liabilities (external)	Contingent liabilities	Capital commitments	Income	Expenditure	Profit before tax
3D Future Technologies Private Limited	India	100%	788	514	-		302	666	(364)
Previous year data	India	100%	635	719	-		240	577	(337)

Note: Commitment by 3D Future Technologies Private Limited (Subsidiary) to Ador Fontech Limited (Holding Company): Monthly rental payments for usage of leased equipment (i) For the period 09.06.2017 to 08.06.2022 - Rs.50,726 (Rupees fifty thousand, seven hundred and twenty six only) (ii) For the period 01.02.2021 to 01.01.2025 - Rs.2,40,500 (Rupees two lakh, forty thousand and five hundred only) plus applicable GST thereon.

### 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.

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

# PLASMA CUTTING SOLUTIONS

Ador Fontech's Contribution to National Requirement

More oxygen for medical use and superior alternate for conventional oxy-fuel-cutting process



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, 2021, 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, 2021, the consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

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

Key Audit Matters	Auditor's Response
<p><b>DISCLOSURE OF REVENUE</b></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><b>PRINCIPAL AUDIT PROCEDURES</b></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"> <li>• Evaluated the design of internal controls relating to implementation of the accounting standard pertaining to revenue.</li> <li>• 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.</li> <li>• 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.</li> <li>• Selected samples of continuing as also new contracts and performed the following procedures: <ul style="list-style-type: none"> <li>(i) Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>(ii) Compared these performance obligations with those identified and recorded by the Group.</li> <li>(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.</li> <li>(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.</li> <li>(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.</li> <li>(vi) Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.</li> <li>(vii) Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.</li> <li>(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.</li> </ul> </li> </ul>

Key Audit Matters	Auditor's Response
<p><b>EVALUATION OF UNCERTAIN TAX POSITIONS</b></p> <p>The Group has uncertain tax positions, which involves significant judgement to determine possible outcomes.</p>	<p><b>PRINCIPAL AUDIT PROCEDURES</b></p> <p>Obtained details of completed tax assessments and demands for the year ended March 31, 2021 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 &amp; 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.

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## 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 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 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:

Particulars	Rupees In Lakhs	
	3D Future Technologies Private Limited (3DFT)	
	2020-21	2019-20
Net worth	(306)	(164)
Revenue	302	233
Profit/(loss) after tax	(268)	(250)

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:
  - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (ii) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
  - (iii) The reports on the accounts of the Subsidiary and the Branch office of the Holding Company audited 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.
  - (iv) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (v) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (vi) On the basis of written representations received from the Directors of the Company as on March 31, 2021 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, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (vii) 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.
  - (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 Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group.

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.

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.

Bengaluru  
May 27, 2021

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
UDIN: 21225884AAAADN4065

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

## 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, 2021, we have audited the internal financial controls over financial reporting of Ador Fontech Limited (hereinafter referred to as the 'Company') and its subsidiary company, which are companies incorporated in India, as of that date.

#### Key Audit Matters (KAM)

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

Key Audit Matters	Auditor's Response
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.



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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, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

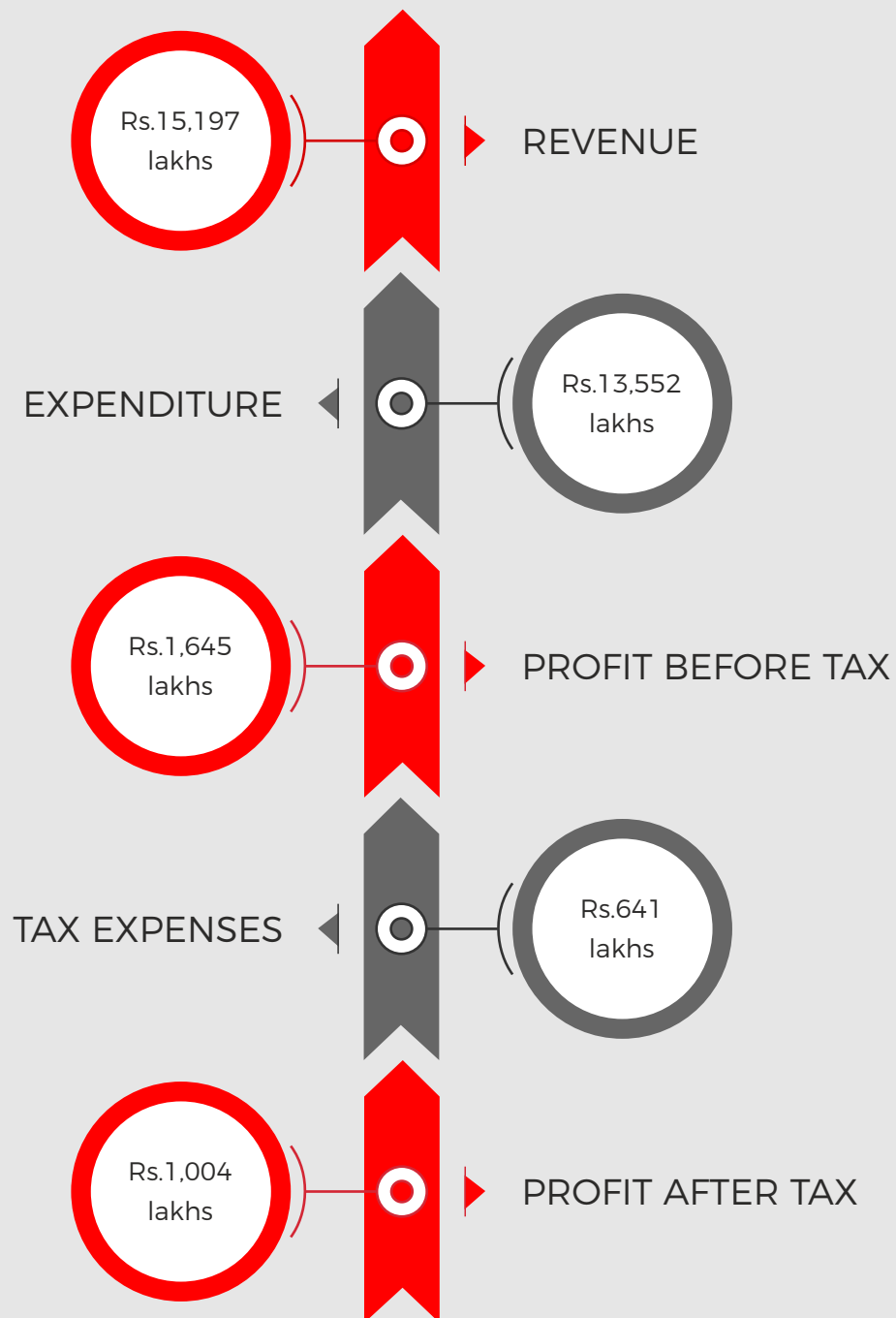
Bengaluru  
May 27, 2021

PRAVEEN KUMAR N  
Partner (Membership No: 225884)  
UDIN: 21225884AAAADN4065

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



# CONSOLIDATED PERFORMANCE AT A GLANCE FOR THE YEAR ENDED MARCH 31, 2021



FINANCIAL  
STATEMENTS  
(CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
Property, plant and equipment	2	2,754	2,839
Right to use		14	-
Capital work-in-progress		244	155
Intangible assets		1	4
Financial assets			
Investments	3	203	745
Loans	4	1	-
Deferred tax (net)	5	394	467
Other non-current assets		1	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,612</b>	<b>4,210</b>
<b>2. Current assets</b>			
Inventories	6	2,567	2,882
Financial assets			
(i) Investments	7	1,572	309
(ii) Trade receivables	8	2,754	3,337
(iii) Cash and bank balances	9	57	305
(iv) Bank balances other than cash and cash equivalents	10	2,648	1,814
(v) Loans and advances	11	366	532
Other current assets	12	220	273
Current tax assets	13	414	458
<b>TOTAL CURRENT ASSETS</b>		<b>10,598</b>	<b>9,910</b>
<b>TOTAL ASSETS</b>		<b>14,210</b>	<b>14,120</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
Equity share capital	14	700	700
Other equity	15	10,196	9,165
<b>TOTAL EQUITY</b>		<b>10,896</b>	<b>9,865</b>
<b>2. LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	16	6	-
Provisions	17	103	435
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>109</b>	<b>435</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
(i) Borrowings	18	177	575
(ii) Trade payables	19	1,901	2,547
(iii) Other financial liabilities	20	437	322
Other current liabilities	21	263	83
Provisions	22	427	293
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,205</b>	<b>3,820</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,210</b>	<b>14,120</b>

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

## STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

Rupees In Lakhs

Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
<b>1. INCOME</b>			
Revenue from operations	23	14,952	17,715
Other income	24	245	284
<b>TOTAL</b>		<b>15,197</b>	<b>17,999</b>
<b>2. EXPENSES</b>			
Cost of materials consumed	25	4,023	3,781
Purchase of stock-in-trade	26	3,463	6,555
Changes in inventories of work-in-progress, finished goods & stock-in-trade	27	256	(631)
Employee benefit expenses	28	2,590	2,878
Finance cost	29	64	45
Depreciation and amortisation expenses		297	320
Other expenses	30	2,859	3,690
<b>TOTAL</b>		<b>13,552</b>	<b>16,638</b>
<b>3. OPERATING PROFIT</b>		<b>1,645</b>	<b>1,361</b>
<b>4. PROFIT BEFORE TAXES</b>		<b>1,645</b>	<b>1,361</b>
<b>5. TAX EXPENSES</b>	31		
Current tax		590	490
Shortfall of previous year		(14)	49
Deferred tax		65	(61)
<b>TOTAL</b>		<b>641</b>	<b>478</b>
<b>6. NET PROFIT AFTER TAX (4-5)</b>		<b>1,004</b>	<b>883</b>
<b>7. OTHER COMPREHENSIVE INCOME</b>	32		
Items that will not be re-classified to profit and loss		36	43
Income tax relating to items that will not be reclassified to profit and loss		(9)	(16)
Items that will be reclassified to Profit or loss		-	-
Income tax relating to items that will be reclassified to profit and loss		-	-
<b>TOTAL</b>		<b>27</b>	<b>27</b>
<b>8. TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (AFTER TAX)</b>		<b>1,031</b>	<b>910</b>
<b>9. EARNINGS PER EQUITY SHARE</b>	33		
Basic and diluted (in Rs.)		2.9	3.3
Face value of equity share (in Rs.)		2.0	2.0
Weighted average number of equity shares		350	266
Significant accounting policies	1		
Notes to the consolidated financial statements	2-50		

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

## CASH FLOW STATEMENT (CONSOLIDATED)

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX AS PER STATEMENT OF PROFIT AND LOSS</b>	<b>1,645</b>	<b>1,361</b>
Add/(Less): Depreciation, amortisation and impairment	297	320
Non-operating income including interest income	(174)	(284)
Other non-cash-items	40	45
Finance cost	64	45
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>1,872</b>	<b>1,487</b>
Adjustments for:		
Trade receivables	583	(976)
Inventories	315	(726)
Current investments	(1,263)	1,022
Loans	165	841
Other current assets	156	(16)
Trade payables	(646)	1,006
Other financial liabilities	115	(69)
Other current liabilities	180	(53)
Current provisions	134	(192)
<b>OPERATING PROFIT AFTER CHANGES IN WORKING CAPITAL</b>	<b>1,611</b>	<b>2,324</b>
Taxes paid	(636)	(379)
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>975</b>	<b>1,945</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(312)	(1,332)
Purchase and sale of investments (net)	542	(238)
Increase/(decrease) in other bank accounts	(834)	512
Interest, dividend and other non-operating-income	174	284
<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>	<b>(430)</b>	<b>(774)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in non-current provisions	(332)	(63)
Increase/(decrease) in borrowings	(398)	468
Interest paid	(64)	(46)
Dividend paid including tax	-	(1,498)
<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>	<b>(794)</b>	<b>(1,139)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(249)</b>	<b>32</b>
Opening balance of cash and cash equivalents	306	273
Closing balance of cash and cash equivalents	57	305
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Balances with banks in current accounts	56	304
Cash on hand	1	1

Notes: 1. Figures in brackets represent cash outflow 2. The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in Ind-AS-7-Cash Flow Statement notified under Section 133 of the Companies Act, 2013.

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

**EQUITY SHARE CAPITAL AS AT MARCH 31, 2021**

Rupees In Lakhs

Particulars	Note	Number of shares	Amount
AS AT APRIL 1, 2020	13	3,50,00,000	700
Changes during the year		3,50,00,000	700
AS AT MARCH 31, 2021		3,50,00,000	700

**OTHER EQUITY AS AT MARCH 31, 2021**

Rupees In Lakhs

Particulars	Reserves and surplus				Amount
	Securities premium	General reserve	Retained earnings	*OCI	
OPENING BALANCE AS AT APRIL 1, 2020	-	7,189	1,845	131	9,165
Transactions during the year	-	-	-	27	27
Net profit/(loss) for the year	-	-	1,004	-	1,004
Dividend and dividend tax	-	-	-	-	-
Bonus issue	-	-	-	-	-
Transfer to general reserve	-	300	(300)	-	-
CLOSING BALANCE AS AT MARCH 31, 2021	-	7,489	2,549	158	10,196

**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
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	1,845	131	9,165

Note:\* OCI : Other comprehensive income

# APPRECIATION

A big 'Thank You' to the employees for best support and solidarity in working



NOTES TO  
THE FINANCIAL  
STATEMENTS  
(CONSOLIDATED)



## Note 1

### COMPANY INFORMATION

#### Holding company

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

#### Subsidiary company

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

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### Basis of preparation and compliance with Ind-AS

- These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind-AS') as notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016.
- The financial results of the subsidiary company was approved at the meeting of the Board of Directors of 3DFT on May 21, 2021 and the consolidated results at the meeting of the Board of Directors of Ador Fontech Limited on May 27, 2021. 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.

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## 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 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 companies in the group commits to purchase or sell the asset.

Subsequent measurement of financial assets is described below:

### DEBT INSTRUMENTS AT AMORTISED COST

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

- The asset is held within a business model whose objective is to hold the assets for collecting contractual cash flows.
- 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 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 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 a 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 creditimpaired (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 - DERECOGNITION

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.



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## 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 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.

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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

## Provision for liabilities, charges, contingent liabilities and contingent assets

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

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

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

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

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

Note: An amount of Rs. 244 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 31.03.2021
	As at 01.04.2020	Additions	Deductions /Adj.	As at 31.03.2021	As at 01.04.2020	For the year	Deductions /Adj.	As at 31.03.2021	
Software	17	-	-	17	13	3	-	16	1
Product development	66	-	-	66	66	-	-	66	-
TOTAL	83	-	-	83	79	3	-	82	1

**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	-	1058	563
Electrical installations	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
<b>Total</b>	<b>4,127</b>	<b>1,296</b>	<b>42</b>	<b>5,381</b>	<b>2,261</b>	<b>316</b>	<b>35</b>	<b>2,542</b>	<b>2,839</b>

Note: An amount of Rs. 155 lakhs was held under capital work-in-progress towards implementation of ERP (Enterprise Resource Planning).

**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	-
<b>TOTAL</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>75</b>	<b>4</b>	<b>-</b>	<b>79</b>	<b>4</b>

**Note 3 INVESTMENTS**

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (UNQUOTED, FULLY PAID UP)				
IRFC Capital Gain Bonds	-	-	-	50
Centre for Technology Assisted Reconstructive Surgery Pvt. Ltd.	2,345	15	-	-
SUB-TOTAL	-	15	-	50
INVESTMENT IN MUTUAL FUNDS (QUOTED & GROWTH FUNDS)				
Aditya Birla Sun Life FTP 1135 days	5,00,000	60	5,00,000	57
Aditya Birla Sun Life Corporate Bond	-	-	7,72,815	108
HDFC FMP 1177 days	10,00,000	128	10,00,000	115
HDFC FMP 1208 days	-	-	13,73,803	159
HDFC FMP 1218 days	-	-	10,00,000	128
Franklin India Credit Risk Fund	-	-	2,77,125	52
Nippon Fixed Horizon Fund	-	-	6,55,525	76
SUB- TOTAL	-	188	-	695
TOTAL NON- CURRENT	-	203	-	745
Aggregate amount of quoted investments and market value thereof	-	188	-	695
Aggregate amount of unquoted investments	-	15	-	50

Note: All mutual fund investments are in growth funds.

**Note 4 LOANS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
Security deposits	-	-
Others	1	-
<b>TOTAL</b>	<b>1</b>	<b>-</b>

**Note 5 DEFERRED TAX**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
DEFERRED TAX LIABILITY ON ACCOUNT OF		
Difference between book and tax balance of fixed assets	(315)	25
Fair market value of increase in investments of mutual funds and actuarial gains	(9)	(16)
<b>SUB-TOTAL</b>	<b>(324)</b>	<b>9</b>
DEFERRED TAX ASSETS ON ACCOUNT OF		
Provision for compensated absences	61	40
Provision for warranties	84	3
Diminution in the value of shares of the joint venture	26	26
Provision for doubtful debts	45	10
Provision for asset retirement obligation	37	37
Others	465	342
<b>SUB-TOTAL</b>	<b>718</b>	<b>458</b>
<b>TOTAL</b>	<b>394</b>	<b>467</b>

**Note 6 INVENTORIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Raw materials	730	790
Less: FVTPL adjustments	-	-
Fair value of raw materials (A)	730	790
Work-in-progress (B)	226	667
Traded goods	1,207	1,157
Less: FMTPL adjustments		
Fair market value of traded goods (C)	1,207	1,157
Finished goods (D)	404	268
<b>TOTAL (A+B+C+D)</b>	<b>2,567</b>	<b>2,882</b>



**Note 7 INVESTMENTS**

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Quantity (Nos.)	Amount	Quantity (Nos.)	Amount
INVESTMENT IN EQUITY SHARES (QUOTED, FULLY PAID UP)				
Franklin India Credit Risk Fund	2,77,125	43	-	-
Aditya Birla Sun Life Savings Fund	-	-	15,279	61
HDFC FMP 1208 days	13,97,785	176	-	-
HDFC Liquid Growth Fund	23,981	970	2,569	100
ICICI Liquid Growth Plan	98,571	300	5,65,032	123
Nippon India Fixed Horizon Fund - XXVII-Series 3-Growth Plan	6,55,525	83	-	-
SBI Magnum Ultra Short Duration Fund	-	-	573	25
TOTAL	-	1,572	-	309
Aggregate book value and market value of quoted investments	-	1,572	-	309

Note: All mutual fund investments are in growth funds.

**Note 8 TRADE RECEIVABLES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Secured, considered good	-	-
Unsecured, considered good	2,754	3,337
Unsecured, considered doubtful	95	80
Less : Provision for doubtful debts	(95)	(80)
Unsecured and considered bad	127	52
Less: Bad debts written off	(127)	(52)
TOTAL	2,754	3,337

**Note 9 CASH AND BANK BALANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with banks in current accounts	56	304
Cash on hand	1	1
TOTAL	57	305

**Note 10 OTHER BANK BALANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed deposit with banks	2,545	1,711
Balance with banks in unclaimed dividend accounts	103	103
TOTAL	2,648	1,814

**Note 11 LOANS AND ADVANCES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
<b>SECURITY DEPOSITS</b>		
Deposits -Government departments	25	103
Deposits-Premises	6	17
Deposits-Security	30	30
Deposits-Performance guarantees	13	64
Deposits-Earnest money deposits	274	305
<b>OTHER ADVANCES</b>		
Loans and advances to employees	18	13
<b>TOTAL</b>	<b>366</b>	<b>532</b>

**Note 12 OTHER CURRENT ASSETS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>ADVANCES OTHER THAN CAPITAL ADVANCES</b>		
Advance recoverable in cash or kind	-	5
Advance to suppliers	71	37
Prepaid expenses	73	91
Balance with statutory/Government authorities	76	140
<b>TOTAL</b>	<b>220</b>	<b>273</b>

**Note 13 CURRENT TAX ASSETS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance income tax (net of provision for tax)	414	458
<b>TOTAL</b>	<b>414</b>	<b>458</b>

**Note 14 EQUITY SHARE CAPITAL**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>AUTHORISED</b>		
5,00,00,000 equity shares of Rs. 2 each	1,000	1,000
<b>TOTAL</b>	<b>1,000</b>	<b>1,000</b>
<b>ISSUED, SUBSCRIBED AND PAID-UP</b>		
3,50,00,000 equity shares of Rs. 2 each	700	700
<b>TOTAL</b>	<b>700</b>	<b>700</b>

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

Rupees In Lakhs

Particulars	2020-21		2019-20	
	In Nos.	Amount	In Nos.	Amount
Shares outstanding at the beginning of the year	3,50,00,000	700	1,75,00,000	350
Shares outstanding at the end of the year	3,50,00,000	700	3,50,00,000	700

## 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

Rupees In Lakhs

Particulars	2020-21		2019-20	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
JBA in ADFL	92,13,301	26.32%	92,13,201	26.32%
ADFL in 3DFT	97,50,000	100%	85,00,000	100%

Notes: In view of J B Advani and Company Private Limited's (JBA) shareholding being 26.32% and Directors of JBA being Directors of Ador Fontech and/or its Associate Companies; the accounts of Ador Fontech and its subsidiary are being consolidated by JBA.

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.
- 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 15 OTHER EQUITY**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Securities premium	-	-
General reserve	7,489	7,189
Retained earnings	2,549	1,845
Other comprehensive income	158	131
<b>TOTAL</b>	<b>10,196</b>	<b>9,165</b>

**SECURITIES PREMIUM ACCOUNT**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	-	172
Transactions during the year	-	(172)
Closing balance	-	-

**GENERAL RESERVE**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	7,189	6,989
Transferred from surplus in the statement of profit and loss	300	200
Closing balance	7,489	7,189

**RETAINED EARNINGS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	1,845	2,838
Net profit / loss for the year	1,004	883
Equity dividend including distribution tax	-	(1,498)
Capitalisation of profits on account of bonus issue	-	(178)
Transfer to general reserve	(300)	(200)
Closing balance	2,549	1,845

**OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Opening balance	131	104
Transaction during the year	27	27
Closing balance	158	131

**Note 16 OTHER FINANCIAL LIABILITIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Lease liabilities	6	-
TOTAL	6	-

**Note 17 PROVISIONS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits		
Provision for gratuity	9	6
Provision for compensated absences	94	429
TOTAL	103	435

**Note 18 BORROWINGS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Bank overdraft - Payable on demand	177	575
TOTAL	177	575

**Note 19 TRADE PAYABLES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Micro, Small and Medium Enterprises	3	-
Other than Micro, Small and Medium Enterprises	1,898	2,547
TOTAL	1,901	2,547

Note: Trade Payables includes Creditors for Capital Goods, Raw Materials, Consumables, Traded Goods and Other Materials as well as Expenses be it Capital or Revenue in nature.

**Note 20 OTHER FINANCIAL LIABILITIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Deposit from dealers and employees	225	179
Outstanding expenses	-	1
Other payables	74	39
Unclaimed dividend	103	103
Employee related dues	29	-
Lease liabilities	6	-
TOTAL	437	322

**Note 21 OTHER CURRENT LIABILITIES**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Advance from customers	142	56
Statutory liabilities	121	27
<b>TOTAL</b>	<b>263</b>	<b>83</b>

**Note 22 PROVISIONS**

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>PROVISION FOR EMPLOYEE BENEFITS</b>		
Provision for compensated absences	71	3
Due to gratuity trust	21	-
<b>OTHERS</b>		
Warranties	335	290
<b>TOTAL</b>	<b>427</b>	<b>293</b>

**Note 23 REVENUE FROM OPERATIONS**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>SALE OF PRODUCTS</b>		
Manufactured goods (net of taxes)	8,925	8,019
Scrap sales	35	29
Traded goods	4,628	7,588
<b>SALE OF SERVICES</b>		
Job work income	1,356	2,045
Other operating revenue	5	8
Commission on export services	3	26
<b>TOTAL</b>	<b>14,952</b>	<b>17,715</b>

**Note 24 OTHER INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest income	163	193
Other non-operating-income	(1)	72
Profit on sale of assets	70	4
Profit on sale of investments	13	15
<b>TOTAL</b>	<b>245</b>	<b>284</b>

**DETAILS OF INTEREST INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>INTEREST INCOME</b>		
Interest on bank deposits	90	115
Others	73	78
<b>TOTAL</b>	<b>163</b>	<b>193</b>

**Note 25 COST OF MATERIALS CONSUMED**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Opening stock	790	694
Add: Purchases	3,964	3,877
Less: Closing stock	731	(790)
<b>TOTAL</b>	<b>4,023</b>	<b>3,781</b>

**Note 26 PURCHASE OF STOCK-IN-TRADE**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Welding consumables, equipment and spares	3,463	6,555
<b>TOTAL</b>	<b>3,463</b>	<b>6,555</b>

## Note 27 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
AT THE BEGINNING OF THE YEAR		
Work-in-progress	667	161
Finished goods	269	224
Stock-in-trade	1,155	1,076
SUB-TOTAL (A)	2,091	1,461
AT THE END OF THE YEAR		
Work-in-progress	226	667
Finished goods	406	268
Stock-in-trade	1,203	1,157
SUB-TOTAL (B)	1,835	2,092
TOTAL (A-B)	256	(631)

## Note 28 EMPLOYEE BENEFIT EXPENSES

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, allowances and other benefits	2,145	2,389
Contribution to provident and other funds	302	275
Staff welfare	143	214
TOTAL	2,590	2,878

## Note 29 FINANCE COST

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest on bank borrowings	21	44
Interest on inter corporate deposit	42	1
Interest on lease	1	-
TOTAL	64	45



**Note 30 OTHER EXPENSES**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Rent	76	94
Insurance	34	27
Rates and taxes	73	102
Consumables and stores	86	162
Power, fuel and utilities	80	104
Security charges	27	26
Product development, fabrication and welding	952	1,188
Labour charges	59	82
Books, printing and stationary	27	22
Communication expenses	51	68
Repairs to building	41	60
Repairs to machinery	52	34
Office maintenance	123	127
Legal and professional fees	203	234
Travelling and conveyance	184	582
Freight and forwarding	213	285
Sales commission and promotional expenses	230	278
seminar and conferences	-	25
Provision and warranties	57	26
Audit fees	8	8
Bank and other charges	11	19
Corporate social responsibility	34	16
General expenses	17	35
Website and web portal expenses	19	-
Software license fee	23	-
Foreign currency fluctuation expenses	1	-
Bad debts written off	178	80
Miscellaneous expenditure	-	6
<b>TOTAL</b>	<b>2,859</b>	<b>3,690</b>

**AUDITORS REMUNERATION**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Statutory audit	5	5
Taxation	3	3
Other services	-	-
<b>TOTAL</b>	<b>8</b>	<b>8</b>

Note: Remuneration is excluding GST

**Note 31 TAX EXPENSES**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Current tax	590	490
Short-fall/(excess) of previous year(s)	(14)	49
Deferred tax	65	(61)
<b>TOTAL</b>	<b>641</b>	<b>478</b>

**TAX RECONCILIATION**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit before tax	2,009	1,705
Tax on business income	821	497
Tax on capital gains	22	-
Tax effect of amounts which are not deductible		
(a) Provision for retirement benefits	(61)	(40)
(b) Provision for bad debts	(45)	10
(c) Provision for warranties	(84)	3
(d) Salary and bonus unpaid as at the year end	(13)	-
(e) Others	(63)	20
(f) Interest U/S 234C & 234B	13	-
Income tax expenses	590	490

**Note 32 OTHER COMPREHENSIVE INCOME**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Increase in the value of investments	58	69
Actuarial gains / (losses) on defined benefit obligations	(22)	(26)
Tax impact on the same	(9)	(16)
<b>TOTAL</b>	<b>27</b>	<b>27</b>

**Note 33 EARNINGS PER SHARE**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Net Profit/(loss) after tax for the year	1,004	883
Weighted average number of equity shares outstanding	350	266
Basic and diluted earnings per share (Rs.)	2.9	3.3
Face value per share (Rs.)	2.0	2.0

## Note 34 MICRO, SMALL AND MEDIUM ENTERPRISES

Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end was rupees three lakhs.

## Note 35 LEASE ARRANGEMENTS

The Group has entered in to cancellable operating lease with an option to renew in respect of certain godowns, offices and residential premises.

(i) The Holding company has charged expenses incurred towards lease rental payments made to the profit and loss account. Due to the pandemic the Company has closed all offices and hence lease rental for following years shall be only for residential purpose of few employees, who have opted out of house rent allowance.

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Lease payments for the year	76	88
<b>Minimum lease payments</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Not later than one year	5	88

(ii) The Subsidiary on the other hand has adopted Ind AS 116 'Leases' and had recognised 'Right to use with the date of initial application being April 1, 2020 using modified retrospective approach. Right of use assets as at April 1, 2020 for leases previously classified as operating leases were recognized and measured at an amount equal to lease liability (adjusted for any related prepayments/accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using incremental borrowing rate as at April 1, 2020 for measuring lease liability.

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

Rupees In Lakhs

Name of the party	ROU*	Depreciation	Net	Lease liability		Interest	Lease payments
				Non-current	Current		
Ador Powertron Limited	10	6	4	-	5	1	6
Hewlett Packard Financial Services	3	-	3	2	1	-	-
J B Advani & Company Pvt. Ltd.	7	-	7	4	2	-	1-
<b>TOTAL</b>	<b>20</b>	<b>6</b>	<b>14</b>	<b>6</b>	<b>8</b>	<b>1</b>	<b>7</b>

Note: ROU-Right of Use

## Note 36 EMPLOYEE BENEFITS

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

### Brief description of the plans:

The Group has various schemes for employee benefits such as provident fund, gratuity, superannuation besides leave encashment.

**Defined Contribution Plans:** Under the defined contribution plan, the Group contributes towards (i) Provident fund (ii) Superannuation and (iii) Employers' State Insurance Corporation. While the holding company has all three schemes, the subsidiary as of present does not extend superannuation benefit to its employees.

**Defined benefit plans:** Under the defined benefit plan, the group contributes towards employees' gratuity. While the amount is funded to a trust by the Holding Company, in respect of the Subsidiary, for the present, it remains unfunded.

**Employee welfare benefit:** Both companies provide for liability on account of compensated absences.

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

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
Employer's contribution to provident fund	124	133
Employer's contribution to superannuation fund	93	101
Employer's contribution to gratuity fund	83	39
Employer's contribution to Employees State Insurance Corporation	2	2
<b>TOTAL</b>	<b>302</b>	<b>275</b>

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

## Details of actuarial valuation of Gratuity

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
<b>ACTUARIAL ASSUMPTIONS</b>		
<b>HOLDING COMPANY</b>		
Discount rate (per annum)	5.4%	6.7%
Salary escalation rate	6.0%	6.0%
<b>SUBSIDIARY COMPANY</b>		
Discount rate (per annum)	6.95%	6.85%
Salary escalation rate	7.5%	7.5%
<b>MOVEMENT IN BENEFIT OBLIGATIONS</b>		
Present value of obligation at the beginning of the year	513	466
Interest cost	34	28
Service cost	30	30
Actuarial (gain) /loss	26	26
Benefits paid	(66)	(38)
Present value of obligation at the end of the year	537	512
<b>MOVEMENT IN PLAN ASSETS</b>		
Fair value of plan assets at the beginning of the year	311	327
Expected return on plan assets	136	22
Employer's contribution	82	-
Actuarial (gain)/loss	(23)	1
Benefits paid	-	(39)
Fair value of plan assets at the end of the year	506	311
<b>ASSETS AND LIABILITIES RECOGNISED IN THE BALANCE SHEET</b>		
Present value of defined benefit obligation at the end of the year	537	513
Less: Fair value of plan assets at the end of the year	(506)	(311)
<b>NET LIABILITY RECOGNISED</b>	31	202
<b>EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>		
Current service cost	31	28
Past service/ administration cost	37	2
Interest cost	12	9
<b>TOTAL</b>	80	39

**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 31.03.2021		As at 31.03.2020	
	Increase	Decrease	Increase	Decrease
Impact of increase/decrease in 100 bps on defined benefit obligation (DBO)				
As at 31.03.2021	(3.2%)	3.5%	3.2%	3.4%
As at 31.03.2020	(5.3%)	6.0%	6.0%	5.4%

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

**Risk analysis**

The Group 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:

**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 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**

Rupees In Lakhs

Particulars	As at 31.03.2021
Opening defined benefit liability as at April 1, 2020	413
Add: Provisions made during the year	-
Less: Payments made to employees on cessation during the year	13
Less: Contribution to LIC towards systematic funding during the year	265
Closing defined benefit liability as at March 31, 2021	135

**Note 37 DETAILS PERTAINING TO WARRANTIES**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Opening balance	290	301
Add: Provisions during the year	45	26
Less: Amount defrayed during the year	-	37
Closing balance	335	290

Note: No warranty provision has been made in respect of 3D Future Technologies Private Limited.

**Note 38 CONTINGENT LIABILITIES, CAPITAL AND OTHER COMMITMENTS**

Rupees In Lakhs

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Guarantees (Bank and Corporate)	611	591
Disputed excise duty demand under appeal	71	71
Disputed income tax demands under appeal	283	320
Investments lien marked for facilitating working capital loan to 3DFT*	237	659
*Market value of lien marked investments	304	770

Notes: (i) Amount reflected as part of disputed liability pertains to the principal claim by the respective Departments.  
(ii) There are no contingent liabilities in respect of 3D Future Technologies Private Limited however it has operating lease commitment as specified in Note no.35.

## Note 39 SEGMENT REPORTING

The group has two segments (i) Life enhancement of industrial components and (ii) 3DFT dental care services.

Details of segmental revenue, results and capital are as under

Rupees In Lakhs

Particulars	FY 2020-21			FY 2019-20		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
SEGMENT REVENUE						
Operations	14,667	296	14,963	17,492	230	17,722
Other income	239	6	245	274	10	284
<b>TOTAL</b>	<b>14,906</b>	<b>302</b>	<b>15,208</b>	<b>17,766</b>	<b>240</b>	<b>18,006</b>
Less: Inter segment revenue	(11)	-	(11)	(7)	-	(7)
<b>NET SEGMENT REVENUE</b>	<b>14,895</b>	<b>302</b>	<b>15,197</b>	<b>17,759</b>	<b>240</b>	<b>17,999</b>
SEGMENT RESULTS						
Segment results before interest and tax	1,770	(306)	1,464	1,431	(309)	1,122
Interest charges	-	(64)	(64)	-	(45)	(45)
Other income	239	6	245	274	10	284
Profit before tax	2,009	(364)	1,645	1,705	(344)	1,361
Tax expenses	738	(97)	641	572	(94)	478
Profit after tax	1,271	(267)	1,004	1,133	(250)	883
SEGMENT CAPITAL EMPLOYED						
Segment assets	14,977	(767)	14,210	14,415	(295)	14,120
Segment liabilities	(2,800)	(514)	(3,314)	(3,536)	(719)	(4,255)
<b>NET CAPITAL EMPLOYED</b>	<b>12,177</b>	<b>(1,281)</b>	<b>10,896</b>	<b>10,879</b>	<b>(1,014)</b>	<b>9,865</b>
Capital expenditure	183	28	211	1,295	1	1,296
Depreciation and amortisation	247	50	297	264	56	320

Details based on geographical segments

Rupees In Lakhs

Particulars	FY 2020-21			FY 2019-20		
	ADFL	3DFT	Total	ADFL	3DFT	TOTAL
India	14,895	299	15,194	17,759	233	17,992
Outside India	-	3	3	-	7	7
<b>Total</b>	<b>14,895</b>	<b>302</b>	<b>15,197</b>	<b>17,759</b>	<b>240</b>	<b>17,999</b>



## Note 40 RELATED PARTY TRANSACTIONS

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

Names of related parties and description of relationship with the Company

Particulars	Related parties
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)	Ms. Tanya A 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. Closure documents submitted to the Authorised Dealer (AD)- HDFC Bank for approval by the Reserve Bank of India.
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 31.03.2021	Year ended 31.03.2020
(i) Associate companies			
J B Advani and Company Private Limited	Security deposit	2	-
	Purchase of traded goods	-	1
	License fees and common area maintenance charges paid	1	-
	Motor car expenses	-	5
	Business support charges paid	2	2
Ador Welding Limited	Purchase of traded goods	93	39
	Purchase of manufactured goods	61	175
	Purchase of fixed assets	-	26
	Sale of manufactured goods	-	-
	Sale of traded goods	45	7
	Other expenses	-	-
	Rent paid	1	1
Ador Powertron Limited	Inter corporate deposit	-	700
	Interest on Inter corporate deposit	40	39
	Purchase of fixed assets	-	3
	Other expenses	1	-
	Rent received	1	1
	Website maintenance and database development expenses	5	-
	License fees and common area maintenance charges paid	7	8
	Reimbursement of expenses	9	10
Ador Multiproducts Limited	Purchase of materials	2	1
Life Force Health Systems Private Limited	Consultancy fees paid	17	-
(ii) Key Managerial Personnel (KMPs)	Aggregate of salaries as per Income Tax Act	277	348
(iii) Related Personnel	Remuneration	105	111
(iv) Relatives of KMPs	Rent	28	28

## Balances of related parties

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
J B Advani and Company Private Limited	5	2
Ador Welding Limited	9	10
Ador Powertron Limited	10	5
Ador Multiproducts Limited	1	1

## Balances of related parties receivable

Rupees In Lakhs

Particulars	As at 31.03.2021	As at 31.03.2020
J B Advani and Company Private Limited	2	-
Ador Welding Limited	4	-
Ador Powertron Limited	2	2

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

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Dr.	Cr.	Dr.	Cr.
Ador Welding Limited	29	39	-	10

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

## Transactions with the wholly owned subsidiary

Rupees In Lakhs

Particulars	Value of the transactions	
	Year ended 31.03.2021	Year ended 31.03.2020
Contribution to equity share capital by Ador Fontech Limited	125	-
Inter Company Deposits paid by Ador Fontech Limited	518	80
Lease rentals paid by 3DFT	11	7
Security deposit	3	-
Interest received	42	1

## Note 41 FINANCIAL INSTRUMENTS

### Fair value of assets and liabilities

Rupees In Lakhs

Particulars	As at 31.03.2021				As at 31.03.2020			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
FINANCIAL ASSETS-NON-CURRENT								
Non-current investments	-	203	-	203	-	695	50	745
FINANCIAL ASSETS-CURRENT								
Investments	-	1,572	-	1,572	-	309	-	309
Trade receivables	-	-	2,754	2,754	-	-	3,337	3,337
Cash and cash equivalents	-	-	57	57	-	-	305	305
Bank balances other than cash & cash equivalents	-	-	2,648	2,648	-	-	1,814	1,814
Loans and advances	-	-	366	366	-	-	532	532
TOTAL	-	1,775	5,825	7,600	-	1,004	6,038	7,042
FINANCIAL LIABILITIES-CURRENT								
Bank borrowings	-	-	177	177	-	-	575	575
Trade payables	-	-	1,901	1,901	-	-	2,547	2,547
Other financial liabilities	-	-	437	437	-	-	322	322
TOTAL	-	-	2,515	2,515	-	-	3,444	3,444

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

Rupees In Lakhs

Particulars	As at 31.03.2021		As at 31.03.2020	
	Level 1	Level 3	Level 1	Level 3
FINANCIAL ASSETS-NON-CURRENT				
Investments	203	-	695	-
FINANCIAL ASSETS-CURRENT				
Investments	1,572	-	309	-

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

Rupees In Lakhs

Particulars	Hierarchy	As at 31.03.2021		As at 31.03.2020	
		Fair value	Carrying amount	Fair value	Carrying amount
Non-current-investment	Level 2	-	-	50	50
Financial assets	Level 3	5,825	5,825	6,038	6,038
Financial liabilities	Level 3	2,515	2,515	3,444	3,444

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

## Note 42 FINANCIAL RISK MANAGEMENT

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

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

### New business venture

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

### Credit risk

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

#### CREDIT RISK MANAGEMENT

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

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	Rupees In Lakhs	
	As at 31.03.2021	As at 31.03.2020
Up to 30 days	939	895
30-60 days	499	1,455
60-90 days	316	823
More than 90 days	1,000	164
<b>TOTAL</b>	<b>2,754</b>	<b>3,337</b>

### Liquidity risk

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

#### LIQUIDITY RISK MANAGEMENT

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

**Maturities of non-derivative financial liabilities**

As at 31.03.2021

Rupees In Lakhs

Particulars	Less than one year	Between 1 to 5 years	Greater than 5 years	TOTAL
FINANCIAL LIABILITIES - CURRENT				
Borrowings	177	-	-	177
Trade payables	1,901	-	-	1,901
Other financial liabilities	437	-	-	437
TOTAL	2,515	-	-	2,515

As at 31.03.2020

Rupees In Lakhs

Particulars	Less than one year	Between 1 to 5 years	Greater than 5 years	TOTAL
FINANCIAL LIABILITIES - CURRENT				
Borrowings	575	-	-	575
Trade payables	2,547	-	-	2,547
Other financial liabilities	322	-	-	322
TOTAL	3,444	-	-	3,444

## Commodity risk

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

## Market risk

### FOREIGN CURRENCY RISK

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

### FOREIGN CURRENCY RISK MANAGEMENT

In respect of the foreign currency transactions, the Group does not hedge 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 Group's exposure to foreign currency risks at the end of the reporting period are as under:

Rupees In Lakhs

Particulars	As at 31.03.2021			As at 31.03.2020		
	USD	EUR	CNY	USD	EUR	CNY
Financial liabilities	354	47	169	762	11	17
Financial assets	0.02	-	-	0.3	-	-

**SENSITIVITY TO FOREIGN CURRENCY RISK**

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

Currencies	As at 31.03.2021		As at 31.03.2020	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(18)	18	(38)	38
EURO	(2)	2	(1)	1
CNY	(8)	8	(1)	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.

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

Sensitivity	As at 31.03.2021	As at 31.03.2020
Impact on profit after tax for 5% increase in NAV	88	50
Impact on profit after tax for 5% decrease in NAV	(88)	(50)

**Note 43 CAPITAL MANAGEMENT**

The Group's objectives in managing capital includes:

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

Apart from trade payables, current liabilities and borrowings of 3D Future Technologies Private Limited, there are no liabilities subsisting on the Group. The Treasury Management Team facilitates investment of surplus funds with banks and mutual funds in the best interest of all Stakeholders.

## Dividends

Rupees In Lakhs

Particulars	Appropriated in the accounts during the financial year 2020-21	Appropriated in the accounts during the previous financial years
EQUITY DIVIDEND		
Final dividend for the year ended March 31, 2019 of Rs.3.50/- per fully paid share	-	739 (including dividend tax of Rs. 126 lakhs)
Interim dividend for the year ended March 31, 2020 of Rs.1.80 per fully paid share	-	759 (including dividend tax Rs.129 lakhs)
The Board has recommended a dividend of Rs.2.20 (Rupees two and paise twenty only) being one hundred and ten percent on the nominal value of Rs.2/- per equity share. The outflow would be Rs.770 lakhs. This proposed dividend is subject to the approval of Shareholders at the ensuing Annual General Meeting (AGM). On approval necessary entries will be passed in the books of accounts.	-	-

### Note 44 GENERAL RESERVE

In terms of the proviso to Section 123 of the Companies Act, 2013, the Board of Ador Fontech Limited has elected to transfer an amount of rupees three crores to the General reserve for the financial year 2020-21.

### Note 45 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 31.03.2021	Proportion of ownership/investment interest as at 31.03.2020	Method of accounting	Remarks
Subsidiary	3D Future Technologies Private Limited	India	100%	100%	Fair value	-

### Note 46 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	As at 31.03.21/31.03.20				Year ended 31.03.21/31.03.20		
			Assets	Liabilities (external)	Contingent liabilities	Capital commitments	Income	Expenditure	Profit before tax
3D Future Technologies Private Limited	India	100%	788	514	-	-	302	(666)	(364)
Previous year data	India	100%	635	719	-	-	240	(584)	(344)

Note: Commitment by 3D Future Technologies Private Limited (Subsidiary) to Ador Fontech Limited (Holding Company): Monthly rental payments for usage of leased equipment (i) For the period 09.06.2017 to 08.06.2022 - Rs.50,726 (Rupees fifty thousand, seven hundred and twenty six only) (ii) For the period 01.02.2021 to 01.01.2025 - Rs.2,40,500 (Rupees two lakh, forty thousand and five hundred only) plus applicable GST thereon.

## Note 47 CONTRACTUAL LIABILITIES

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

## Note 48 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 49 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 50 AMOUNTS IN FINANCIAL STATEMENTS

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

For and on behalf of the Board of Directors

A T MALKANI  
Chairman  
DIN 01585637

H P LEDWANI  
Managing Director and CEO  
DIN 00040629

P GOPA KUMAR  
Chief Financial Officer  
Bengaluru, May 27, 2021

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, May 27, 2021

## 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 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>ASSETS</b>						
Property, plant & equipment	2,624	2,697	130	142	2,754	2,839
Right to use an asset	-	-	14	-	14	-
Capital work-in-progress	244	155	-	-	244	155
Intangible assets	-	-	1	4	1	4
Investments	1,163	1,675	(960)	(930)	203	745
Loans and advances	-	-	1	-	1	-
Other non-current assets	-	-	1	-	1	-
Deferred tax assets	(58)	112	452	355	394	467
Inventories	2,523	2,869	44	13	2,567	2,882
Investments	1,572	309	-	-	1,572	309
Trade receivables	2,722	3,300	32	37	2,754	3,337
Cash and bank balances	52	304	5	1	57	305
Other bank balances	2,644	1,810	4	4	2,648	1,814
Loans and advances	961	527	(595)	5	366	532
Other current assets	116	199	104	74	220	273
Current tax assets	414	458	-	-	414	458
<b>TOTAL ASSETS</b>	<b>14,977</b>	<b>14,415</b>	<b>(767)</b>	<b>(295)</b>	<b>14,210</b>	<b>14,120</b>
<b>EQUITY AND LIABILITIES</b>						
Equity share capital	700	700	-	-	700	700
Other equity	11,477	10,179	(1,281)	(1,014)	10,196	9,165
Provisions	67	413	36	22	103	435
Lease liabilities	-	-	6	-	6	-
Borrowings	-	-	177	575	177	575
Trade payables	1,865	2,533	36	14	1,901	2,547
Other financial liabilities	328	277	109	45	437	322
Other current liabilities	116	23	147	60	263	83
Provisions	424	290	3	3	427	293
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,977</b>	<b>14,415</b>	<b>(767)</b>	<b>(295)</b>	<b>14,210</b>	<b>14,120</b>

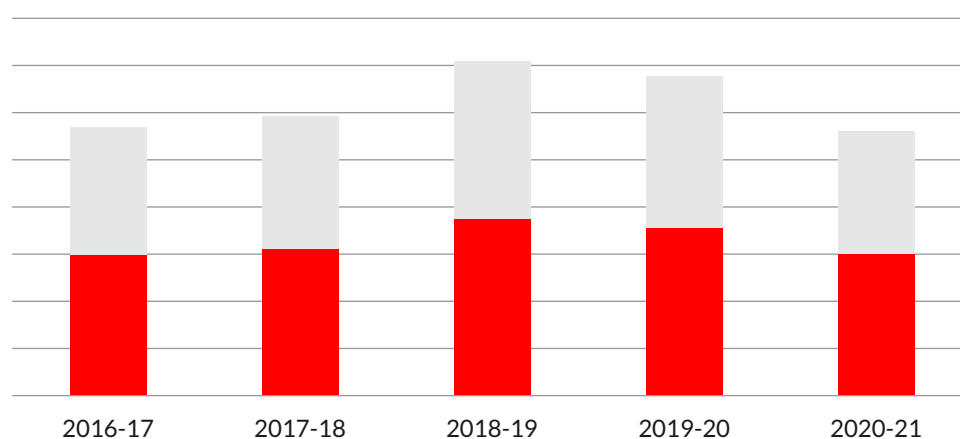
## INCOME STATEMENT

Rupees In Lakhs

Particulars	Ador Fontech Limited		3DFT		Consolidated	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Revenue (net of inter-segment)	14,895	17,759	302	240	15,197	17,999
Cost of sales and operating expenses	(12,886)	(16,054)	(666)	(584)	(13,552)	(16,638)
Profit before tax	2,009	1,705	(364)	(344)	1,645	1,361

Note: Inter-segment-revenue adjusted in Ador Fontech's account to facilitate comparison.

## FIVE YEARS AT A GLANCE-STANDALONE FINANCIAL STATEMENTS



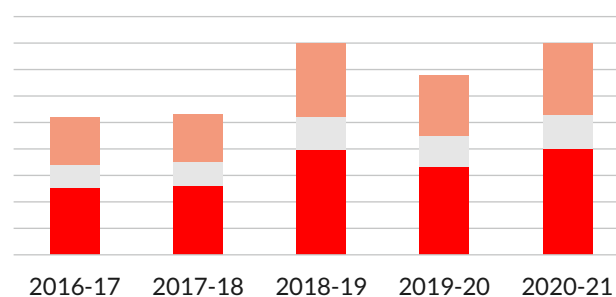
■ INCOME ■ EXPENDITURE

Rupees In Lakhs

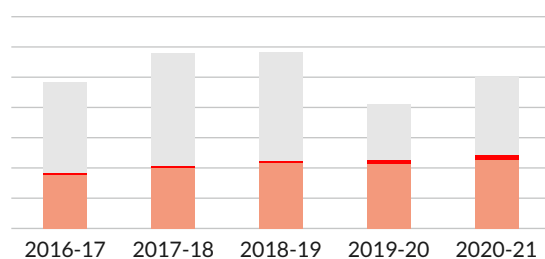
Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Income	14,890	15,474	18,723	17,766	14,906
Expenditure	13,581	14,132	16,716	16,061	12,897

Rupees In Lakhs

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
PBT	1,309	1,342	2,007	1,705	2,009
Tax	426	444	625	572	738
PAT	883	898	1,382	1,133	1,271



■ PBT ■ TAX ■ PAT



Rupees In Lakhs

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Reserves and surplus	9,112	10,055	10,865	10,179	11,477
Share capital	350	350	350	700	700
Market capitalisation	14,761	18,550	17,850	9,800	12,950

■ Share capital ■ Reserves and surplus  
■ Market capitalisation





## **ADOR FONTECH LIMITED**

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