



Life Enhancement Of Industrial Components



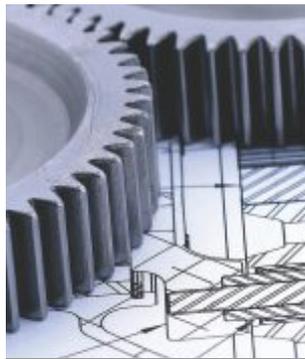
CEMENT



STEEL



POWER



ENGINEERING



RAILWAYS

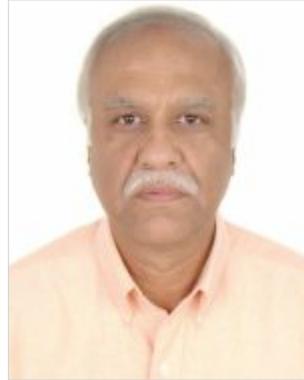


Left to right

Mr. A T Malkani
Chairman

Mr. H P Ledwani
Managing Director

Mrs. N Malkani Nagpal
Promoter Director



Mr. N S Marshall
Independent Director

Mr. Santosh Janakiram
Independent Director

Mr. Rafique Abdul Malik
Independent Director

Left to right

BOARD OF DIRECTORS

The Board of Directors

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

Company Secretary

Ms. Geetha D

Management Team

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

Registered and Corporate Office**Ador Fontech Limited**

CIN: L31909KA1974PLC020010
 Belview 7 Haudin Road Bengaluru-560 042
 Tel: (080) 25596045 / 73 Fax: (080) 25597085 Web: www.adorfon.com
 E-mail: investorservice@adorfon.com

Manufacturing Units**Manufacturing Plant I**

486 B-1 14th Cross 3rd Main 4th Phase Peenya Industrial Estate Bengaluru-58

Manufacturing Plant II

A-288 6th Main 2nd Stage Peenya Industrial Estate Bengaluru-58

Reclamation Centre

S-60-61 MIDC Hingna Industrial Estate Nagpur-16

Share Transfer Agent**Integrated Registry Management Services Private Limited**

CIN: U74900TN2015PTC101466
 30 Ramana Residency Sampige Road Malleswaram Bengaluru-03
 Tel: (080) 23460815 – 818 Fax: (080) 23460819
 E-mail: irg@integratedindia.in

Auditors**Amarnath Kamath and Associates**

Chartered Accountants
 Firm Registration No. 000099S
 Carewel House 6th Cross Muniswamappa Layout Opp. Kemp Fort
 Off HAL Airport Road Bengaluru-17

Banker**HDFC Bank Limited**

8/24 Salco Centre Richmond Road Bengaluru-25

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NOTICE

Notice is hereby given that the 42nd Annual General Meeting (AGM) of the Members of the Company will be held at Woodlands Hotel Private Limited No.5 Raja Ram Mohan Roy Road Bengaluru 560 025 on Wednesday, August 2, 2017 at 11.30 hours to transact the following business:

ORDINARY BUSINESS

1. Adoption of accounts

To consider and adopt the audited financial statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors ('the Board') and Auditors thereon.

2. Declaration of dividend

To declare dividend of ₹ 3/- (Rupees three only) per equity share for the financial year ended March 31, 2017.

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

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

4. Appointment of Statutory Auditors

To appoint Auditors, fix their remuneration and to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

RESOLVED THAT pursuant to the proposal of the Audit Committee, approval of the Board and subject to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 and the rules made there under (as amended from time to time), M/s. Srinivas and Subbalakshmi, Chartered Accountants (Firm registration no. 011350S), be and are hereby appointed as the Statutory Auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18, (subject to year on year ratification), on a remuneration that may be determined by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis. RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to undertake all necessary steps, including delegation to facilitate such acts, deeds, matters and things as may be deemed necessary in this regard.

Explanation: The Companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down criteria for appointment and mandatory rotation of Statutory Auditors. Pursuant to Section 139 of the Act and the rules made there under (including any statutory modification or re-enactment thereof), it is mandatory to rotate the Statutory Auditors on completion of two terms of five consecutive years. The rules also lay down transitional period that can be served by the existing Auditors depending on the number of consecutive years for which an audit firm has been functioning as Auditors in the same company. M/s. Amarnath Kamath and Associates, Chartered Accountants (Firm registration no. 000099S) have served the Company for over ten years before the Act was notified and will be completing maximum number of transitional period (three years) at the ensuing Annual General Meeting.

Based on the proposal of the Audit Committee, the Board has recommended appointment of M/s. Srinivas and Subbalakshmi, Chartered Accountants (Firm registration no. 011350S) as the Statutory Auditors to hold office for a period of five consecutive years beginning from the conclusion of the 42nd Annual General Meeting (AGM) till the conclusion of the 47th AGM of the Company, to be held in 2022.

SPECIAL BUSINESS

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

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

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination and Remuneration Committee; Approval of the Board; Provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 including Rules and Schedules there under; Securities and Exchange Board of India Regulations (particularly SEBI (LODR) 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. A T Malkani (DIN 01585637) for a term of three years, as a Whole time Director designated as 'Executive Chairman'.

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

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

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

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

RESOLVED THAT pursuant to the recommendation of the Management Development, Nomination and Remuneration Committee; Approval of the Board; Provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 including Rules and Schedules there under; Securities and Exchange Board of India Regulations (particularly SEBI (LODR) 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 three years, as a Whole time Director designated as 'Managing Director'.

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

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

7. Appointment of Branch Auditors

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

RESOLVED THAT pursuant to Section(s) 139, 143 and other applicable provisions of the Companies Act, 2013 read with rules made there under, the accounts for the year ending March 31, 2018 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 appointment.

8. Cost Auditors and their remuneration

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

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Company (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, appointment of M/s. Rao, Murthy and Associates (Firm registration no. 000065) and payment of rupees one lakh and twenty five thousand only as remuneration plus applicable taxes thereon for the conduct of Cost Audit of the Company, for the financial year 2017-18 be and is hereby approved and ratified.

NOTES

1. A Member entitled to attend and vote at the Annual general meeting (the 'meeting') is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a Member of the Company. A person can act as proxy on behalf of a maximum of 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy, for any other person or shareholder.
2. Corporate members intending to send their authorised representatives to attend are requested to send a certified copy of the Board resolution to the Company or upload it on the e-Voting portal, authorising their representative to attend and vote on their behalf at the meeting.
3. Instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.
4. Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.
5. Register of Members and Share Transfer Books will remain closed from July 27, 2017 to August 2, 2017 (both days inclusive). Record date will be July 26, 2017 for the purpose of reckoning dividend, if declared, at the Annual General Meeting.

6. Members are requested to note that dividend(s) not claimed within seven years from the due date is required to be transferred to the Investor Education and Protection Fund. As such, Shareholders who have not encashed their dividend warrants are requested to write to the Company for claiming outstanding dividends, if any, in respect of the previous years.
7. In terms of the Investor Education and Protection Fund (IEPF-Rules 2012), the Company has posted requisite details of dividends on the website of the Company 'www.adorfon.com' to enable Shareholders to check for their unclaimed dividend(s), if any.
8. Amount of unclaimed dividend as at March 31, 2017 for the years 2009-10 to 2015-16 aggregate to ₹ 108 lakhs (previous year ₹ 99 lakhs).
9. Member(s) whose shareholding is/are in electronic mode are requested to direct change of address and update details of bank account with their respective Depository Participant(s).
10. Member(s) are requested to send all share transfer lodgements (physical mode) to Integrated Registry Management Services Private Limited, marking on the envelope-Unit-Ador Fontech Limited.
11. The Register of Directors and Key Management Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of contracts or arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
12. Copies of Annual Report 2016-17 including Notice to the 42nd Annual General Meeting are being sent by electronic mode to all the Members whose e-mail addresses are registered with the Company, unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses or if e-mail sent bounces back, physical copies of the Annual Report are being sent by the permitted mode.
13. Members may also note that the Notice to the 42nd Annual General Meeting and Annual Report 2016-17 will be available on the Company's website 'www.adorfon.com'. Physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on all working days.
14. The Company has provided e-Voting as an option. E-Voting will commence from July 30, 2017 at 9:00 hours and end on August 1, 2017 at 17:00 hours. Instructions for the same have been made available as part of addendum to this Annual Report. Further, voting rights will be reckoned on the paid-up value of shares registered in the name of the Member(s) as on July 26, 2017. Any person, who acquires shares and becomes a Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 26, 2017 may obtain Login Id & Password by sending a request to NSDL-evoting@nsdl.co.in.
15. All documents referred to in the Notice (including terms and conditions of appointment of Independent Directors) will be available for inspection at the Company's Registered Office during normal business hours on all working days up to the date of the AGM.

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

Item no. 3

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

NOTICE

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

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

Item no. 4

The term of current Statutory Auditors ceases with the conclusion of the ensuing AGM. Hence, it is imminent to appoint new Auditors. M/s. Srinivas and Subbalakshmi, Chartered Accountants, (Firm registration no.011350S) have consented to take on the assignment and confirmed that if appointment is made, it will be within the limits specified under the Companies Act, 2013.

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

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

Item no. 5

The term of appointment of Mr. A T Malkani ceased w.e.f. March 31, 2017. Before cessation and based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on January 30, 2017 has approved his re-appointment, subject to the consent of Members. Brief profile of Mr. A T Malkani has been provided as part of the Annual Report.

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

(a) No Director of the Company is concerned or interested in the said resolution except Mr. A T Malkani as it pertains to his appointment. (b) None of the Key Managerial Personnel (KMP) of the Company is concerned or interested in the resolution. (c) Other than relatives mentioned in sub clause (a) above, comprising Mrs. Rajbir T Malkani (holding shares in Ador Fontech Limited) none of the relative(s) of KMP and other Director(s), is/are concerned or interested in the resolution.

Item no. 6

The term of appointment of Mr. H P Ledwani ceased w.e.f March 31, 2017. Before cessation & based on the recommendation of the Management Development, Nomination and Remuneration Committee; the Board at its meeting held on January 30, 2017 has approved his re-appointment, subject to the consent of Members. Brief profile of Mr. H P Ledwani has been provided as part of the Annual Report.

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

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

Item no. 7

The Company's manufacturing plants are situated at diverse locations. In view of the same, it is proposed to authorise the Board of Directors to appoint, in consultation with the Company's Auditors, such persons as are qualified for appointment as Branch Auditors under Section 143(8) read with Section 141 of the Companies Act, 2013 and such other regulations/ notifications, to audit the accounts, for the year ending March 31, 2018 and fix their remuneration.

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

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

Item no. 8

Keeping in line the best practices of Corporate Governance, the Board appointed M/s. Rao, Murthy and Associates (Firm registration no. 000065) as Cost Auditors for the financial year 2017-18 and finalised their remuneration. The same is placed for ratification of the Members.

The Board recommends the resolution set out at item no. 8 for approval. Nature of concern or interest, financial or otherwise, if any:

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

ADDITIONAL INFORMATION

General

- Nature of industry:** Life enhancement of industrial components/ Repairs & refurbishment (Genesis – Welding and allied applications).
- Date of commencement of commercial production:** The Company was incorporated on August 22, 1974 and commercial production is on going, both in Peenya and Nagpur factories.
- Expected date of commencement of projects 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, 2017: (i) Profit reckoned as per Section 198 for the purpose of managerial remuneration is ₹ 1,546 lakhs (ii) Net worth is ₹ 9,462 lakhs (iii) Effective capital is ₹ 8,290 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.
- Foreign exchange investments and/or collaborations:** The Company has made investment in Dualrank Fontech (M) Sdn.Bhd., a Malaysian venture, to the extent of forty eight percent of the equity, besides providing working capital loan.
- Information about the appointee(s)**

Mrs. N Malkani Nagpal (DIN 00031985)

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

Job profile and suitability: 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 qualifications will entail her to discharge her duties in the best possible manner.

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

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

General

- a. **Date of Birth:** July 6, 1971
- b. **Specific area of Expertise:** General Management
- c. **Directorship in Companies (other than Ador Fontech)**
Public Limited Companies
Ador Welding Ltd., Piem Hotels Ltd. and Ador Multiproducts Ltd.
Private Limited Companies
J B Advani and Company Pvt. Ltd., Ador Green Energy Pvt. Ltd.,
3 D Future Technologies Pvt. Ltd. and 1908 E-Ventures Pvt. Ltd.
- d. **Member of Board Committees (other than Ador Fontech):** Two
- e. **Chairman of Board Committees (other than Ador Fontech):** Nil
- f. **Date of first Appointment:** July 27, 2006
- g. **Number of shares held in the Company:** 27,350

Mr. A T Malkani (DIN 01585637)

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

Job profile and suitability: Mr. A T Malkani has been associated as Director of Ador Fontech Limited for the last ten years. In his current term, he will in particular drive strategic initiatives in all spheres of business operations.

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

General

- a. **Date of Birth:** August 26, 1980
- b. **Specific areas of Expertise:** Strategy & Operational Management
- c. **Directorship in Companies (other than Ador Fontech)**
Public Limited Company: Ador Welding Limited
Private Limited Companies
J B Advani & Company Pvt. Ltd., Ador Green Energy Pvt. Ltd.,
3 D Future Technologies Pvt. Ltd. and NAP Apps Pvt. Ltd.
- d. **Member of Board Committees (other than Ador Fontech):** Nil
- e. **Chairman of Board Committees (other than Ador Fontech):** Nil
- f. **Date of first Appointment:** July 07, 2007
- g. **Number of shares held in the Company:** 5,15,113
- h. **Remuneration:** As per Annexure 1.

Mr. H P Ledwani (DIN 00040629)

Background details: 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).

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

Recognition and awards

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

- a. Udyog Rattan Award by the Institute of Economics Studies
- b. Global Achievers Award for CEO (2012 & 2013) by the Economics Development Forum

General

- a. **Date of Birth:** October 29, 1953
- b. **Specific areas of Expertise:** Organisation & Business development
- c. **Directorship in Companies (other than Ador Fontech)**
Private Limited Company: 3D Future Technologies Pvt. Ltd.
- d. **Member of Board Committees (other than Ador Fontech):** Nil
- e. **Chairman of Board Committees (other than Ador Fontech):** Nil
- f. **Date of first Appointment:** April 23, 1998
- g. **Number of shares held in the Company:** 50,885
- h. **Remuneration:** As per Annexure 2.

OTHERS

1. **Reasons for loss or inadequate profits:** Stagflation in external business environment, particularly in respect of repair welding segment.
2. **Steps taken or proposed to be taken for improvement**
The Company is endeavouring to align resources and lower overheads.
3. **Expected increase in productivity and profits in measurable terms**
The Company is targeting increase in manpower productivity in two tranches (i) ₹ 1.5 crores and then (ii) ₹ 2 crores per annum/per sales person by 2020 with a profitability target of 12-15% on revenues. Much depends on the economy, industrial growth and the organisation's leverage in respect of the same.
4. **Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.**
Mr. A T Malkani and Mrs. N Malkani Nagpal hold 5,15,113 and 27,350 equity shares in Ador Fontech Ltd. as at March 31, 2017. Both of them belong to the Promoter Group. As Members and Directors of J B Advani and Company Pvt. Ltd. (JBA), besides remuneration/ sitting fees, they hold beneficial interest in Ador Fontech Ltd. along with other Members and Directors of JBA. On the other hand, Mr. H P Ledwani holds 50,885 equity shares. Besides remuneration he does not have any pecuniary relationship either with the Company or with any of its KMP.
5. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**
Remuneration to the whole time Directors are comparable with general industrial standards. In companies of similar size, extrapolated in aggregate, remuneration ranges between rupees one hundred and fifty to two hundred lakhs. The Directors qualifications, experience and expertise largely substantiates their compensation package(s).
6. **Compliance:** In terms of the Companies Act, 2013 and as per the terms of employment, any payments/reimbursements, in excess of Statutory limits/regulations/permissions (if any), will at all times, be subject to reimbursement by the Director(s).

Annexure 1 - Terms and conditions of appointment of 'Executive Chairman'

1. **Appointment and term**
The Board vide its meeting dated January 30, 2017 appointed/re-appointed Mr. A T Malkani as whole time Director designated as 'Executive Chairman' subject to the approval of the Members at the Annual General Meeting and in compliance of Statutory regulations. The current term shall be for a period of three years, in consonance with the Companies Act, 2013 read with Schedule 'V' including updated notifications/regulations, as may become applicable.
The Chairman shall unless prevented by ill health, throughout the said term continue to devote his full time, attention & abilities to the business of the Company & shall well and faithfully serve the Organisation.
2. **Remuneration**
The terms of remuneration proposed/payable to Mr. A T Malkani during his tenure as Executive Chairman shall be as follows:

NOTICE

- 2.1 Salary:** ₹ 3,82,000 (Rupees three lakhs and eighty two thousand only) per month. On a time scale basis: With annual increments in multiples of ₹ 10,000 as may be decided by the Board, reckoned from the financial year 2017-18.
- 2.2 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.
- 2.3 Medical:** The Company shall reimburse all expenses incurred in India and/or abroad, including payment of mediclaim premium on account of self and family. (Note: Family means 'spouse, dependent children and parents').
- 2.4 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.
- 2.5 Club fees:** The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.
- 2.6 Personal accident insurance:** The Company shall pay premium for personal accident insurance policy of a suitable amount.
- 2.7 Use of vehicle:** The Company shall provide vehicle for official purpose, the expenditure on which will not be considered as perquisite.
- 2.8 Communication facility at residence:** The Company shall reimburse telephone and other communication facilities, the expenditure on which will not be considered as perquisite.
- 2.9 Entertainment:** Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
- 2.10 Contribution to life insurance policies:** The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company from time to time.
- 2.11 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).
- 2.12 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).
- 2.13 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.
- 2.14 Earned/Privilege leave:** Eligible for leave as per the rules of the Company, being one day for every twenty work days. Encashment of unavailed leave, if any, shall be subject to the rules, as are applicable to the employees of the Company.
- 2.15 Minimum remuneration:** Notwithstanding anything contained in the Companies Act, 2013, where in any financial year, during the currency of tenure as Chairman, the Company has no profits or its profits are inadequate, the Company may pay remuneration either by way of (i) Salary, performance bonus/commission, perquisites and any other allowances not exceeding the limits specified in the Companies Act, 2013 and Schedules therein or in the alternate (ii) Seek approval from Government and such authorities for enhanced payment of remuneration and abide by the terms and conditions of approval thereof.

- 2.16 Sitting fees:** No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.
- 2.17 Extensions:** The duration of appointment with due compliance of statutory/legal requirements, will be subject to extension(s) on approval/ratification by the Board.
- 3. Past remuneration:** Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 37th Annual General Meeting held on July 17, 2012 and in terms of the Companies Act, 1956 read with schedules. The same was transitioned to be in compliance (particularly with respect to remuneration) under the Companies Act, 2013 and Schedules there under, including Schedule V as amended vide notification no. S.O.2922E dated 12.09.2016 for the financial year 2016-17.
- 4. Stock option:** No stock option or ESOP during the current tenure of employment.
- 5. Loss of office/termination**
The Chairman shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.
- 6. Undertaking**
The Chairman shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
- 7. Supersession**
This agreement supersedes all previous agreements (including amendments thereto) entered in to between the Company and Mr. AT Malkani.

Annexure 2 - Terms and conditions of appointment of 'Managing Director'

- 1. Appointment**
Mr. H P Ledwani has been appointed as the 'Managing Director' of the Company for a period of three years with effect from April 1, 2017 by the Board, subject to the approval of the Members at the AGM.
The Managing Director shall unless prevented by ill health, throughout the said term continue to devote his full time, attention and abilities to the business of the Company and shall well and faithfully serve the Organisation.
- 2. Remuneration**
The terms of remuneration proposed/payable to Mr. H P Ledwani during his tenure as Managing Director shall be as under:
- 2.1 Salary:** ₹ 6,60,000 (Rupees six lakhs & sixty thousand only) per month. On a time scale basis: With annual increments in multiples of ₹ 10,000 as may be decided by the Board, reckoned from the financial year 2017-18.
- 2.2 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.
- 2.3 Performance Bonus/Incentives**

Criteria based on profits	Percent
For profits up to ₹ 20 crores	0.75% of the profit
₹ 20.1 crores to ₹ 35 crores	1.00% of the profit
₹ 35.01 crores and above	1.25% of the profit

Note: Profits implies profits before tax.

- 2.4 **Educational allowance:** The Company shall pay an amount equivalent to ₹ 10,000 (rupees ten thousand only) per month.
 - 2.5 **Medical:** The Company shall reimburse all expenses incurred in India and/or abroad including payment of mediclaim premium on account of self and family. (Note: Family means 'spouse, dependent children and parents').
 - 2.6 **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.
 - 2.7 **Club fees:** The Company shall pay fees of clubs (maximum two clubs) including admission and life membership fees.
 - 2.8 **Personal accident insurance:** The Company shall pay premium for personal accident insurance policy of a suitable amount.
 - 2.9 **Use of vehicle:** The Company shall provide vehicle for official purpose, the expenditure on which will not be considered as perquisite.
 - 2.10 **Communication facility at residence:** The Company shall reimburse telephone and other communication facilities, the expenditure on which will not be considered as perquisite.
 - 2.11 **Entertainment:** Entertainment on account of Company's business on actual reimbursement basis shall not be considered as perquisite.
 - 2.12 **Contribution to life insurance policies:** The Company shall defray premium on life insurance policy taken in the name of the Director, as per general applicable policies of the Company from time to time.
 - 2.13 **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).
 - 2.14 **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).
 - 2.15 **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.
 - 2.16 **Earned/Privilege leave:** Eligible for leave as per the rules of the Company, being one day for every twenty work days. Encashment of unavailed leave, if any, shall be subject to the rules, as are applicable to the employees of the Company.
 - 2.17 **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, his remuneration will be reckoned as per the provisions of the Companies Act, 2013 read with Schedule V-Clause A & B (in particular) and amendments thereof or shall be subject to the approval of requisite Authorities/Central Government.
 - 2.18 **Sitting fees:** No sitting fees will be payable for attending meetings of the Board of Directors or Committee thereof.
3. **Past remuneration:** Guided by the terms and conditions of appointment vide Special resolution passed by the Members of Ador Fontech Limited at the 37th Annual General Meeting held on July 17, 2012 and in terms of the Companies Act, 1956 read with schedules. The same was transitioned to be in compliance (particularly with respect to

remuneration) under the Companies Act, 2013 and Schedules there under, including Schedule V as amended vide notification no. S.O.2922E dated 12.09.2016 for the financial year 2016-17.

4. **Stock option:** No stock option or ESOP during the current tenure of employment.
5. **Loss of office/termination**
The Managing Director shall be remunerated for loss of his office (including termination) for the remaining period of his contract except in case where there is no profit or profits are inadequate (reckoned for the purpose of computation of remuneration as at the end of the previous financial year). In case he resigns, he shall give the Company a notice period of six (6) months. The Board of Directors is empowered to act suitably in case of such eventualities.
6. **Undertaking**
The Managing Director shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company in future without the prior approval of the Central Government.
7. **Supersession**
This agreement supersedes all previous agreements entered in to between the Company and Mr. H P Ledwani.

By order of the Board
For Ador Fontech Limited
Geetha D
Company Secretary

Mumbai
May 08, 2017
CIN: L31909KA1974PLC020010
Regd. Office: Belview 7 Haudin Road Bengaluru-42; Tel: (080) 25596045/73
Web: www.adorfon.com; E-mail: investorservice@adorfon.com

ANNUAL CERTIFICATIONS

**Declaration pursuant to SEBI (LODR) Regulations, 2015
Regulation 34(3) read with Schedule V (D)**

As the Managing Director of Ador Fontech Limited, I hereby declare and certify that all the Board Members and Senior Management Personnel of Ador Fontech Limited have affirmed compliance with the Code of Conduct adopted by the Company for the financial year 2016-17.

**Compliance Certificate pursuant to SEBI (LODR) Regulations, 2015
Regulation 17 (7) and 17(8) read with Schedule II**

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

**Disclosure pursuant to SEBI (LODR) Regulations, 2015
Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2)**

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

For Ador Fontech Limited
H P Ledwani

Mumbai
May 08, 2017
Managing Director
DIN: 00040629

**Declaration pursuant to SEBI (LODR) Regulations, 2015
Regulation 34(3) read with Schedule V (C) (5) (a)**

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

Regulation 34(3) and 36(3)(C) read with Schedule V (C) (2) (e)

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

By order of the Board
For Ador Fontech Limited
Geetha D
Company Secretary

Mumbai
May 08, 2017

DIRECTORS' REPORT

To the Members,

The Directors hereby present the 42nd Annual Report on the business operations of the Company and the financial statements for the year ended March 31, 2017.

1. Financial highlights (₹ in lakhs)

Details	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Revenue	14,890	14,707	14,922	14,713
EBITDA*	1,635	1,956	1,413	1,860
Finance cost/Interest	-	-	12	2
Depreciation	326	312	376	316
Profit before tax	1,309	1,644	1,025	1,542

*EBITDA- Earnings before interest, tax, depreciation & amortisation.

2. Dividend

The Directors are happy to recommend a dividend of ₹ 3/- (Rupees three only) per share (one hundred and fifty percent).

3. Reserves and surplus

The Directors propose to transfer Rupees one crore (Previous year- Rupees two crores) to the General Reserve. Further, an approximate amount of Rupees twenty three crores (Previous year- Rupees twenty one crores) is proposed to be retained in the Surplus.

4. Review of business operations

Standalone: During the year 2016-17, there were three significant impacts (i) Slow growth (ii) Demonetisation and (iii) Preparedness towards introduction of goods and service tax (GST). To a great extent these may have impacted majority of business organisations, including Ador Fontech Limited, although demonetisation remained a temporary phenomena. In-spite, you will be glad to know that the Company registered increase in revenue. Going forward all efforts are being channelised to boost the performance of the Company, through incremental operational efficiencies with Information technology (IT) as a vital enabler besides thrust on human resources, particularly rationalisation of teams with focus on productivity. While it is essential to scale higher, it is all the more essential to ensure that the basic tenets of business remains well insulated.

Consolidated: During the financial year, the Board vide its meeting dated January 30, 2017 decided to exit from the Malaysian venture, due to consistent-non-viability and to better channelise efforts in the local Indian market. Hence financial statements consolidated pertain to only Ador Fontech Limited and 3D Future Technologies Private Limited. The latter is still at its nascent stage and has a capital base of rupees four crores. Import of equipment – capital intensive and deployment of manpower – labour intensive, have both been the necessary payouts in the initial phase of business formation.

5. Board and its composition

The Company recognises the importance of diverse Board with Members possessing different perspectives, skills, knowledge, etc. Further, the current policy is to have an appropriate mix of Executive and Independent Directors, maintain independence of the Board and separate its functions of governance and management.

At present, there are six Members on the Board of whom two are Executives and four are Non-Executive Directors. Amongst the Non-Executive Directors, three of them are Independent.

They represent varied fields of eminence including legal, marketing, technical, organisational development etc.

The Board and its Committees had met four times during the financial year 2016-17.

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

6. Directors' responsibility statement

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

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

7. Directors

Mrs. N Malkani Nagpal will retire by rotation at the ensuing Annual general meeting and is eligible for re-appointment. Further, all three Independent Directors have provided declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. To familiarise Independent Directors for an hands-on experience, particularly of 'LE-Services' (Life enhancement-of industrial components/Repairs and refurbishment), the Board meetings of October and January were conducted at the Nagpur factory. Further, as part of work ethos, Senior management personnel generally make presentations about the Company's strategy, operations, service offerings, organisation structure, finance, human resources, etc. at the Board, Committee and other Review meetings.

8. Details of changes in Directors and/or Key Managerial Personnel

There were no changes in the Board during the financial year 2016-17 except, renewal of employment contract of the Chairman and Managing Director, being placed for the approval of Members.

Mr. P Viswanathan, who was the Vice President of the Company has been elevated at the 'Chief Operating Officer (COO)' and will be responsible for Company-wide-achievement of targeted revenue and profits. Sales and Marketing functions spanning the whole of India is divided in to two Strategic Business Units (SBUs) (i) North, Central and West (ii) South I, South II and East. They will be headed by Mr. Melville Ferns and Mr. R Krishnakumar, both of them well experienced in the industry and Vice Presidents of the Organisation. Further, Mr. S V Puntambekar, Vice President will head the group of LE-Services (Repairs & Refurbishment). Mr. S S Mohiuddin and Mr. P Gopa Kumar, Senior General Manager(s), will be in charge of the plant/factory and accounting operations, respectively.

It may be pertinent to state that an organisation's growth is largely chartered by Strategy and New business initiatives, driven by Information Technology. Mr. Rajesh V Joshi, Vice President who has been with the organisation for over two and half decades will head this group, with Mr. Palgun Vembar as his team member, besides the business vertical of thermal spray products and will report to the Managing Director.

9. 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.

10. Performance evaluation

The evaluation of the Board, its Chairman, Individual Directors and Committees of the Board besides, Management teams were undertaken in compliance with the provisions of the Companies Act, 2013. This was done through a mixed process of reviews, presentations and one-to-one discussions. The overall results of evaluation were considered and presented by the Chairman to the Board. In turn, recommendations made by the Board were factored for implementation during the financial year 2017-18. Further, the Chairman's performance was reviewed by Independent Directors. They have confirmed that the Chairman continues to be effective and demonstrates appropriate commitment to his role, particularly in terms of spearheading long and short term strategies.

11. Internal Control Systems

The Company has in place well defined and adequate internal controls including financial controls commensurate with the size of the Company and the same has been operating effectively. The policies and procedures have been designed to ensure proper and efficient conduct of its business, safeguarding of assets, prevention and detection of frauds and errors, as also accuracy and completeness of accounting records & timely preparation of reliable financial information.

12. Audits

Statutory Audit: In respect of the financial year 2016-17, there are no qualification(s) or reservation(s) or adverse remark(s) or disclaimer(s) specified in the Audit reports. Hence explanations or comments on the same do not become applicable.

Secretarial Audit: The Secretarial audit report for the financial year 2016-17 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 had suo-motto ensured conduct of cost audit for the financial year 2016-17.

Internal Financial Controls: Quarterly audits at the Corporate, manufacturing units and major business locations are being conducted to ensure internal financial controls are adhered effectively.

13. Auditors

Statutory Audit: M/s. Amarnath Kamath and Associates retire at the conclusion of the ensuing Annual General Meeting. Hence, the Board recommends appointment of M/s. Srinivas and Subbalakshmi, Chartered Accountants (Firm registration no. 011350S), having office at no. 237, 2nd cross, Cambridge Layout, Halasuru, Bengaluru 560 008 for conducting the Statutory Audit.

Secretarial Audit: The Board has appointed Ms. Manjula Narayan, Company Secretary (ACS Membership No. 28374 & CP No.10150), having office at No.22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036 as the Secretarial Auditor of the Company for the financial year 2017-18.

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.

14. Joint venture and subsidiary

Even after six years, there seemed to be no turnaround from the Joint Venture and after weighing all pros and cons, the Board finally decided

to exit and served a legal notice for recovery of loan and interest. Thereafter, mutual consultative processes are on between the venture organisations and in all likelihood, it may take some time for the entire process to conclude. However, based on conservative principles, the Company has started to make provisions in its books of account, equivalent to rupees five lakhs per month aggregating to rupees fifteen lakhs per quarter, effective from the third quarter of the financial year.

15. Products

The Company's products are manufactured to international standards and marketed under registered trade-marks. Products in whole or in categories are certified/approved by TUV, DNV & NPCIL.

16. Fixed deposits

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

17. Liquidity

Working capital of the Company has been on an increase in the recent. Nonetheless, business of Ador Fontech Limited is primarily in the B2B segment and more oriented towards public sector undertakings and large business conglomerates. While there may be some possible delays, reliability in collection remains intact.

During the financial year 2017-18, outgo on account of capex besides working capital are envisaged to increase over the previous year, as also maintenance of funding for its wholly owned subsidiary. In view of the same, a slight reduction in dividend payout, has been recommended by the Board, being reduction of fifty paise per equity share (Current year dividend recommended is one hundred and fifty percent as against previous year of one hundred and seventy five percent). Further, a fair dividend payout has been maintained with conservation of fixed deposits as a hedge towards annual employee compensation, which remains a well established policy of the Company.

18. Particulars of loans, guarantee and investments

In the financial year 2016-17, the Company made an equity investment of rupees two crores in its wholly owned subsidiary. 3D Future Technologies Private Limited (3DFT) in turn has made a step down investment in 'Centre for Technology Assisted Reconstructive Surgery Private Limited' (CTARS) which facilitates 3D designing and printing aligned to health care for rupees fifty lakhs.

It may also be pertinent to note that Ador Fontech Limited had facilitated lien on its mutual fund investments to ensure availability of credit to 3DFT. As at March 31, 2017 the subsidiary had utilised rupees two hundred and twenty four lakhs as against rupees eighty six lakhs in the previous year.

Further, investments (current and non-current) besides bank and corporate guarantees (towards financial and performance) have been quantified as part of the Standalone Financial Results.

19. Transactions with related parties

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

20. Material changes, commitments and orders

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

DIRECTORS' REPORT

21. Employees and work place culture

As has been in the past, industrial relations with the employees of the Company continue to be harmonious and cordial. The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees including women employees at workplace. The Company has vigil mechanism (whistle blower) to provide a channel to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct.

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

22. Health and safety

Health and safety (H&S) of employees and all stakeholders is an overarching value for the organisation. Placards are displayed at vantage points, both in English and Vernacular, including pictorial representations to ensure awareness regarding safety. In respect of the factories/business units, the Plant-in-charge(s)/Unit head(s) will in particular be responsible to ensure compliance(s) and they are mandated to conduct periodic checks and training. The 'H and S' policy also places personal responsibility on every individual employee of the Company at all levels to ensure safe working conditions (i) for themselves (ii) in their respective work areas (iii) customer/supplier locations and (iv) while on business travel.

23. Risk management

The Company has formulated a 'Risk Management Policy' to identify, reduce and prevent undesirable outcomes and to review past incidents and implement changes to prevent or reduce future incidents, in the day to day operations of the Company. This involves reviewing operations in detail, identifying potential risks and likelihood of their occurrence, adopting and implementing techniques to avoid and mitigate the impact of risks.

24. Insurance

The Company has sufficient insurance coverage on all its assets. It has been a general policy to have insurance cover renewed ahead of the commencement of financial year.

25. Disclosures

The following reports have been annexed/appended and forms part of the Directors' Report (i) Management discussion and analysis report (ii) Corporate governance report (iii) Report on CSR activities including policy, amounts spent & reasons for shortfall in spend (iv) Nomination and remuneration policy (v) Extract of annual return (vi) Conservation of energy, technology absorption, foreign exchange earnings & outgo (vii) Particulars of arrangements made with related parties and (viii) Particulars of employees.

26. Acknowledgements

The Board of Directors thank the Shareholders, Authorised Dealers, Channel Partners, Overseas and Inland Business Associates, Bankers and the various Government agencies for their continued patronage and support. The Board extends special appreciation to the contribution made by employees at all levels.

On behalf of the Board
For Ador Fontech Limited

AT Malkani

Chairman

DIN: 01585637

Mumbai
May 08, 2017

ANNEXURE 1: MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. The economy

In the last two to three years, industrial growth in India has been at its lowest ebb. Going forward, rays of silver lining are beginning to open up. The World bank has projected India's growth at an approximate range of 7.2% and 7.7% in the near future. The basis of projections include (i) Strong fundamentals (ii) Reform momentum and (iii) Improving investment scenario. Noteworthy under the category of reforms, will be the implementation of Goods and Service Tax (GST). With Excise duty, Service tax, Vat, Countervailing duty, Special additional duty and many others getting subsumed under GST, ease and transparency of business operations will become a hallmark of the day.

Further, according to Research estimates, India is expected to be the third largest consumer economy, as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern. It is estimated that it will surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

2. Industry structure and development

Welding market for repairs and refurbishment is basically dependent on core sector industries like (i) Infrastructure (ii) Cement (iii) Steel (iv) Mining (v) Sugar (vi) Shipping and ancillaries. Their spend in terms of availability of capex for improvement projects, deferment of new purchases, life cycle of the component(s) and subscription to repair based on (a) rationality (b) time frame/bottleneck (c) ease of replacement (d) Nature and kind of breakdown (e) Periodicity of usage etc., largely determines availability of business opportunities for the industry. When prima facie performance of general industries goes up, ipso-facto activities for repair will also follow the general trend of incline. It is opined that in the near future, this industry will slowly transition from stagnation to growth, keeping pace with the economy. Further, new technologies and applications will pose challenges with major impact on lead time.

3. Current year outlook

Current year outlook seems fairly good. Much depends on the robustness of the economy and the upscale movement in the industry.

4. Performance

Performance of the Company has been provided as part of Standalone Financial Statements. Further, the Consolidated Financial Statements are an aggregate of the Company's performance and its wholly owned subsidiary. Details of aggregation have been provided as part of the 'Notes to the Financial Statements' (Please refer page #60).

5. Opportunities

Lot of opportunities exists in terms of job work repairs. However, it is essential to understand the requirements and facilitate impeccable execution. It is the latter which offers lot many challenges including locating the right contractors, ensuring compliances etc. While there are plethora of opportunities in this sector, there are corresponding risks associated and it becomes essential to tread with care.

6. Risk, threats and concerns

The first biggest challenge is getting to know the user and understand the individual user's process and finish requirements, so that best possible recommendation can be made.

The second biggest challenge with customers is getting them to truly understand the best products to use for their applications and the value addition that can happen.

Once these two are done, Customers often seek for performance guarantees. While organisations may provide warranties based on past experiences, potential risk factors have to be reckoned, as

metals and metallic properties would have undergone structural changes with usage. Hence prediction with certainty cannot be ensured and the risk perception will continue to remain as a perennial phenomena.

Further, risk and threats largely emanates from competition, both from indigenous and overseas organisations.

7. Internal control system and its adequacy

Internal controls particularly internal financial controls have been reviewed by the Statutory Auditors of the Company and their feedback forms part of the Annual Report. Each of the operation has defined operative process and internal checks to validate the same. The Company undertakes Audits of (i) ISO (ii) Internal (iii) Branch (iv) Commercial besides, monthly reviews pertaining to each of its business operations.

8. Human resources development

There were 208 employees on the muster roll of the Company as on March 31, 2017. The Company has best endeavoured its thrust on learning to facilitate employee development and enhance productivity.

ANNEXURE 2: REPORT ON CORPORATE GOVERNANCE

Good governance has always been an important element in human interactions and in an increasingly uncertain global climate has now become imperative. Business and economy are closely aligned to the fortunes and wellbeing of people which makes corporate governance a subject of great importance.

1. Policies and documentation as part of Corporate Governance

In consonance with SEBI guidelines and Listing requirements, the Company has adopted various policies, which are uploaded in the website: www.adorfon.com/investorino/investorsinfo.html.

2. Board of Directors

2.1 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, it's subsidiary and joint venture.
- Audited financial results of the Company.
- Minutes of the meetings of the Board Committees.
- Information on recruitment and remuneration of Senior Executives, just below the level of the Board.
- Risk mitigation plans and updates.
- Show cause, demand, prosecution and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligation by the Company/substantial non-payment of goods sold by the Company.
- Details of any joint venture/collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Any issue, which involves possible public or product liability claims of substantial nature, including any order /judgement/strictures on the Company or any adverse view regarding another enterprise that can have negative impact on the Company.
- Significant labour problems & their proposed solution.
- Any significant development in human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.

3. Audit Committee

3.1 Broad terms of reference

- Review the Company's financial reporting process and its financial statements.

ANNEXURE TO THE DIRECTORS' REPORT

- Sale of material nature of investments, subsidiaries, assets etc. which are not in the normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the Management to limit the risk of adverse exchange rate movement.
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services such as unclaimed dividend, delay in share transfers, etc.
- Updates on the working of subsidiary and joint venture.

2.2 Composition of the Board

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

2.3 Director's identification number (DIN)

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

2.4 Meetings

During the year 2016-17, four Board meetings were held on May 9, 2016; Aug 4, 2016; October 20, 2016 and January 30, 2017.

2.5 Attendance and directorships

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

Name of the Director	Financial year 2016-2017		As on March 31, 2017		
	Attendance at		Other Directorships		
	Board Meetings	Annual General Meeting 04.08.16	Nos.	No. of Membership	Chairman ships
Mr. A T Malkani	Four	Present	One	-	-
Mrs. N Malkani Nagpal	Four	Present	Three	Two	-
Mr. H P Ledwani	Four	Present	-	-	-
Mr. N S Marshall	Three	Present	Two	One	-
Mr. Santosh Janakiram	Four	Present	-	-	-
Mr. Rafique Abdul Malik	One	Present	Two	Four	Two

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

ANNEXURE TO THE DIRECTORS' REPORT

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

3.2 Meetings

During the year 2016-17, four Audit Committee Meetings were held on May 9, 2016; Aug 4, 2016; October 20, 2016 & January 30, 2017.

3.3 Composition and attendance

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

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

3.4 Vigil mechanism/Whistle blower policy

The Company has established vigil mechanism for Directors and Employees to report genuine concerns directly to the Members and Chairperson of the Audit Committee through e-mail 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. Further, the Company has also constituted a Committee under 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaints were received by the Committee during the financial year 2016-17.

3.5 Risk and hedging

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

4. Management Development, Nomination & Remuneration Committee

4.1 Broad terms of reference

Shall identify persons who are qualified to become Directors and who may be appointed in senior management positions; Shall carry out evaluation of their performance; Partake in their

development by attending to their training requirements; Recommend remuneration including increments and incentives.

4.2 Meetings

During the year 2016-17, four Management Development, Nomination & Remuneration Committee Meetings were held on May 9, 2016; Aug 4, 2016; October 20, 2016 & January 30, 2017.

4.3 Composition and attendance

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

4.4 Appointments and remuneration

- a. As regards appointment of Executive Directors, the recommendations of the Committee are validated by the Board and thereafter placed for the approval of Shareholders.
- b. Non-Executive Directors and Independent Directors appointment are based on their qualifications, experience & approved by the Shareholders on the recommendation of the Board. Sitting fees for Board, Audit & Shareholder's committee meetings are ₹ 8,000/- (Rupees eight thousand only), ₹ 5,000/- (Rupees five thousand only) and ₹ 4,000/- (Rupees four thousand only) respectively.
- c. 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.

4.5 Remuneration to whole time Directors 2016-17 (₹ in lakhs)

Names	Salary	Benefits	Total
Mr. A T Malkani	73	11	84
Mr. H P Ledwani	126	27	153

Notes: (i) The agreements with the whole time Director(s) are for a period of five years w.e.f. April 1, 2012. (ii) Either party may terminate the agreement by giving six months' notice to the other party. (iii) In the event of loss of office, remuneration shall be paid for the remaining period of the contract. (iv) Salary includes basic, house rent allowance & contribution to provident fund. (v) Benefits includes contribution to superannuation fund & reimbursements of medical, insurance, electricity, education & LTA. (vi) Performance linked incentive is applicable to the Managing Director on a graded scale on the profits (restricted for 2016-17). (vii) No stock option has been provided. (viii) Remuneration is in terms of appointment and reckoned as per the Companies Act, 2013 read with Schedule V (as amended vide notification no.S.O.2922E dated 12.09.2016).

4.6 Sitting fees

Amount (₹)

Name of the Director	2016-17	2015-16
Mrs. N Malkani Nagpal	68,000	68,000
Mr. N S Marshall	39,000	52,000
Mr. Santosh Janakiram	68,000	68,000
Mr. Rafique Abdul Malik	17,000	34,000
Total	1,92,000	2,22,000

ANNEXURE TO THE DIRECTORS' REPORT

4.7 Performance evaluation

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

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

- a. Participation in Board meetings and Annual general meetings of the Company.
- b. Quality of inputs provided at the meetings.
- c. Contribution towards development of strategies.
- d. Contribution towards risk management.
- e. 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.

4.8 Independent Directors

During the year under review, Independent Directors met on January 30, 2017, to inter-alia discuss the following:

- a. Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole.
- b. Evaluation of the Chairman of the Company, taking in to account the views of Executive, Non-Executive and Independent Directors.
- c. 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.

4.9 Familiarisation programme

The October 2016 and January 2017 Board meetings were held at Nagpur to enable Directors to have an hands on view of repairs and refurbishment undertaken at the factory. Presentations on activities were made by the staff members followed by visit to the shop floor. Detailed methodology of the familiarisation programme has been uploaded on the website of the Company.

5. Stakeholders Relationship Committee

5.1 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.

5.2 Meetings

During the year 2016-17, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on May 09, 2016; August 04, 2016; October 20, 2016 and January 30, 2017.

5.3 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 Abdul Malik	Member	One

5.4 Compliance officer

The Board has designated Ms. Geetha D, Company Secretary as the Compliance Officer.

5.5 Transfer committee meetings

Twelve transfer committee meetings were held during the year 2016-17.

5.6 Director's shareholding as on March 31, 2017

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

5.7 Shareholders' complaints received/replied and pending share transfers

Total number of complaints received & replied to the satisfaction of the shareholders during the year 2016-17 was one. There were no outstanding complaints as on March 31, 2017. There were no pending share transfers in physical as well as in demat category. All requests received up to March 31, 2017 were processed.

6. General body meetings

6.1 Dividend history

(₹ in lakhs)

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total
2015-16	One hundred & seventy five	613	125	738
2014-15	One hundred & seventy five	613	125	738
2013-14	One hundred & seventy five	613	104	717
2012-13	One hundred & seventy five	613	104	717
2011-12	One hundred & fifty	525	86	611
2010-11	One hundred & twenty five	438	73	511
2009-10	One hundred & twenty	420	70	490

6.2 Location and time of last three Annual General Meetings

Financial Year	Date	Location of the Meeting	Time (hrs.)
2015-2016	04.08.2016	Hotel Woodlands, B'lore	11.30
2014-2015	26.08.2015	Hotel Woodlands, B'lore	11.30
2013-2014	20.08.2014	Hotel Woodlands, B'lore	11.30

7. Disclosures

7.1 Materially significant related party transactions

During the year 2016-17, 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.

ANNEXURE TO THE DIRECTORS' REPORT

7.2 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.

7.3 Affirmation

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

8. General Shareholders' Information

● Annual General Meeting

Date & day : August 2, 2017-Wednesday

Time : 11:30 Hours

Venue: Hotel Woodlands Private Limited, Bengaluru

● Stock exchange and fees

Bombay Stock Exchange Limited, Mumbai

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001

The Company has paid listing fees to the Stock Exchange up to the financial year 2017-18.

● Book closure dates

July 27, 2017 to August 2, 2017(both days inclusive)

● Dividend payment dates: August 3, 2017 and onwards

● ISIN: INE853A01022 and Scrip code: 530431

● Corporate/Head office

CIN: L31909KA1974PLC020010

Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045 / 73 Fax : (080) 25597085

● Reclamation centre

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

● Manufacturing plant I

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

● Manufacturing plant II

A-288 6th Main 2nd Stage Peenya Industrial Estate Bengaluru-58

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

● Dematerialisation of shares and liquidity

Ninety percent of the paid up share capital of the Company stands dematerialised as on March 31, 2017.

● GDRs/ADRs/Convertible instruments

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

● Reconciliation of share capital

During the financial year 2016-17, audits were carried out at the end of every quarter by a qualified Practising Company for reconciling total admitted and listed capital with the total number of shares in physical form and dematerialised shares held with NSDL and CDSL. Duly confirmed reports are submitted to the Stock Exchange.

● Policy for entering in to related party transactions

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

● Documents which have been uploaded on the website

(1) Composition of the Board (2) Brief profile of the Directors (3) Audit Committee Charter (4) Details of Management development, nomination and remuneration Committee (5) Details of Stakeholders' Relationship Committee (6) Policy on Corporate Social Responsibility (7) Policy pertaining to Related Party Transactions (8) Policy for determining material subsidiary (9) Whistle blower cum vigil mechanism policy (10) Terms and conditions of appointment of additional (Independent) Directors (11) Terms & conditions of appointment of Independent Directors (12) Code of Ethics and business principles applicable to Non-Executive Directors (13) Guidelines of professional conduct, role, function and duties of an Independent Director (14) Methodology of familiarisation programme for Independent Directors (15) Remuneration to Non-Executive Directors (16) Nomination and remuneration policy (17) Business responsibility statement (18) Details of unclaimed dividends (19) Financial results (20) Shareholding pattern (21) Annual reports (22) Notices and documents addressed to the Members.

9. Equity shares: Price and movement

a. Distribution schedule as at March 31, 2017

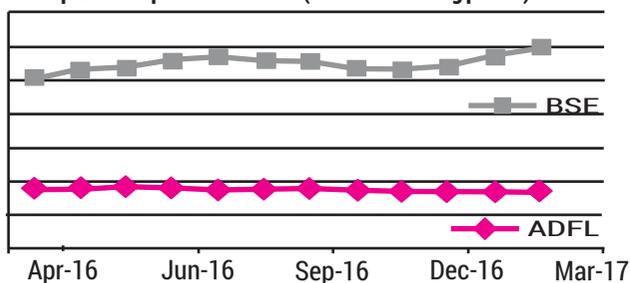
Nominal value (₹)	Shareholders		Equity Shares	
	No.	Percent	Amount (₹)	Percent
Up to ₹ 5000	4,148	66.84	22,58,606	6.45
5,001-10,000	881	14.20	16,05,612	4.59
10,001-20,000	426	6.86	13,36,780	3.82
20,001-30,000	278	4.48	14,09,504	4.03
30,001-40,000	77	1.24	5,54,334	1.58
40,001-50,000	109	1.76	10,55,506	3.02
50,001-1,00,000	128	2.06	19,23,162	5.49
1,00,001 & above	159	2.56	2,48,56,496	71.02
Total	6,206	100.00	3,50,00,000	100.00

b. Stock price data: The Stock Exchange, Mumbai

Month	Open	High	Low	Close
Apr 2016	90.50	96.50	88.45	90.20
May 2016	91.05	95.60	85.10	89.15
Jun 2016	89.90	94.80	87.65	91.30
Jul 2016	92.00	94.50	88.50	89.45
Aug 2016	88.50	92.00	83.00	86.75
Sept 2016	88.95	92.05	85.05	88.05
Oct 2016	88.00	95.90	85.80	89.90
Nov 2016	88.00	94.50	82.00	87.50
Dec 2016	88.00	88.65	81.55	85.05
Jan 2017	86.90	89.00	83.95	86.05
Feb 2017	85.80	86.30	82.05	84.55
Mar 2017	85.30	87.50	83.00	84.35

ANNEXURE TO THE DIRECTORS' REPORT

c. Graph: Share price movement (based on closing prices)



d. Details of Shareholding: Please refer page nos.19 and 20.

10. Prevention of insider trading

The Company has adopted measures for prevention of Insider Trading. The same prohibits purchase or sale of shares of the Company by Insiders while in possession of unpublished price sensitive information.

11. General

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

12. Auditors' Certificate on Corporate Governance

To the Members of Ador Fontech Limited

We have examined the compliance of conditions of Corporate Governance by Ador Fontech Limited ('the Company') for the year ended March 31, 2017 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').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports of Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for firms that perform audits & review of historical financial information, other assurances and related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulations (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

ANNEXURE TO THE DIRECTORS' REPORT

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

Restrictions on use: This certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose

For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Bengaluru
May 09, 2017

Amarnath Kamath
Partner [Membership No.13124]

ANNEXURE 3: CORPORATE SOCIAL RESPONSIBILITIES (CSR)

1. 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 destitutes etc.

2. Meetings

During the year 2016-17, four CSR Committee Meetings were held on May 9, 2016; Aug 4, 2016; October 20, 2016 & January 30, 2017.

3. Composition and attendance

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

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

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

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

ANNEXURE TO THE DIRECTORS' REPORT

5. Average profit of the Company for the last three financial years

As per Section 198 of the Companies Act, 2013: ₹ 1,883 lakhs

6. Prescribed CSR spend for the financial year 2016-17

Two percent of the amount as in item 5 above: ₹ 38 lakhs

7. Details of CSR spent during the financial year 2016-17

a. Total amount to be spent for the financial year

Rupees thirty eight lakhs only

b. Amount spent

Rupees sixteen lakhs only

c. Amount unspent, if any

*Rupees twenty two lakhs only

d. Manner in which the amount was spent during the financial year

CSR project or activity identified	Sector in which the project is covered	Projects or programs	Amount outlay / budget program wise	Amount spent on projects or programs	Cumulative expenditure up to the reporting period	Amount spent directly/through implementing agency
As per Schedule VII of the Companies Act, 2013	Activities concerning 1. Basic necessities of life 2. Education 3. Humanities	Programme wise details provided				Majority through implementing agencies

e. Details of amount spent are as under

Programmes	Date of contribution	Amount	Activities
Faith India Reg# ER345/89 PAN# AAAAF0549A	30.11.2016	₹ 1 L	Support to the mentally challenged children in terms of care & educational assistance. Faith India is recognised by the Department of Social Welfare, Government of Kerala.
Jimmy Billimoria Foundation Reg#E-31101 PAN# AACTT5523F	01.02.2017	₹ 1 L	Ador Fontech Limited contributed towards palliative care service of patients with life limiting & debilitating conditions, particularly for those with end stage cancer, providing them with pain management and symptom relief support. The Jimmy Billimoria Foundation is based out of Mumbai, Maharashtra.
Mahratta Chamber of Commerce Industries & Agriculture Reg# 17803 PAN# AAATM5559Q	28.02.2017	₹ 4 L	Skill/vocational development programmes for the financially underprivileged through the aegis of the Maharashtra State Government. Approx. 50 students participated in two learning sessions.
Ador Fontech Charitable Fund; Reg# 61/2003-04 PAN# AABTA6823A	31.03.2017	₹ 10 L	Details of amount spent from the Charitable fund is annexed. The Charitable Fund is based out of Bengaluru, Karnataka.

Programmes	Date of contribution	Amount	Activities
Sri Rakum School for the blind	30.04.2016	₹ 5,000	In memory of Late Sri A T Mirchandani, who was a long time mentor of ADFL on his death anniversary.
Sri Shankara Cancer Hospital	03.06.2016	₹ 10,000	Towards chemotherapy treatment of a destitute woman.
Vidyavahini First Grade College	14.07.2016	₹ 10,000	Annual fees of a girl child with good academic records. Parents from financially difficult background with mother working as maid in a household.
Mahila Samaj	16.08.2016	₹ 10,000	Organisation dedicated to support welfare requirements of women.
Plus computers & stationery	17.08.2016	₹ 19,000	Note books, pencils & pens to children of Yogeshwara Nanda School (NGO) with students largely hailing from slum areas.
Health camp	17.08.2016	₹ 37,065	Medical camp for the general public including distribution of prescribed medicines.
MCCI	04.11.2016	₹ 5 L	Skill development programme.

Notes: (i) Ador Fontech Charitable Fund has a corpus of ₹ 41 lakhs including current year's contribution by Ador Fontech Limited amounting to ₹ 10 lakhs. Fund is being accumulated year on year to make it self-sustaining. (ii) The aim of the fund is to work on the poorest of the poor particularly, who get missed out from Governmental support, CSR programmes of other Corporates and NGOs. (iii) Willing employees voluntarily participate in the activities of the fund on holidays especially Sundays. (iv) Apart from payment of annual fees to facilitate completion of education, the Charitable Fund has a policy of not subscribing to the same organisation or institution or individual(s) year on year.

f. *Reasons for not spending the amount

To reiterate as per the policy, the Company itself is in to CSR activities under the gamut of 'Environmental Stability'. As part of Life Enhancement of Industrial Components (Repairs & Refurbishment Operations), it endeavours to conserve mineral resources for the world at large and provides value addition in all its endeavours.

Further, it also partakes to support welfare measures as part of organised/structured programme(s).

During the year 2016-17 the Company had identified a project at Nagpur, but towards the end, with deferral/delay in commencement, the amount earmarked could not be spent.

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

http://www.adorfon.com/investorino/corporate_governance.html

9. Responsibility statement

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

For Ador Fontech Limited

N Malkani Nagpal

A T Malkani

Mumbai
May 08, 2017

Chairman of CSR Committee
DIN 00031985

Chairman
DIN 01585637

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 4: NOMINATION AND REMUNERATION POLICY

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.

1. Objectives and purpose

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

2. General

Part-A: Recommendations by the Committee to the Board

(a) Size and composition of the Board. (b) Succession plans. (c) Evaluation of performance. (d) Remuneration framework & policies.

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

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

Part-B: Appointments, tenure and exits

Policy for the appointment and removal of Directors, KMPs and Senior Management are as follows:

- a. The Committee shall identify and ascertain qualifications, expertise, experience & integrity of the person for appointment as Director, KMP or for Senior management positions. It shall thereafter recommend to the Board his/her appointment.
- b. A person to be appointed as 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.
- c. The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole time Director, for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
- d. An independent Director shall hold office for a term of five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Members of the Company, of which disclosure shall be made in the Board's report. No independent Director shall hold office for more than two consecutive terms, except with a break in service as stipulated under the Companies Act, 2013.

- e. Due to any of the reasons for disqualifications mentioned in the Companies Act, 2013 and the rules made thereunder or under any other applicable Act, Rules & Regulations, the Committee may recommend to the Board, with reasons recorded in writing, for the removal of a Director/KMP subject to the provisions and compliance of the said Act, Rules and Regulations.
- f. The whole time Directors, KMP's and Senior Management Personnel shall retire as per applicable provisions of the Companies Act, 2013 and prevailing policies of the Company. The Board will have discretion to retain any of them in the same position/remuneration or otherwise, even after attaining retirement age, for the benefit of the Company.

Part-C: Remuneration and perquisite

Policy relating to the remuneration of Directors, KMPs & other employees:

- a. The remuneration and commission to be paid to the Managing Director and/or the Whole time Director shall be in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.
- b. Remuneration to non-executive Directors shall comprise of sitting fees for attending each of the meetings. Further, the Company shall also reimburse their travel costs, board and lodging/travel/daily allowance/per diem allowance to defray expenses in connection with attending meetings of the Company including Annual general meeting.
- c. Remuneration and reward structure for employees comprises two broad components-annual remuneration and retirement benefits. The former comprises two parts-fixed component and performance-linked-variable based on the extent of achievement of the individual's objectives/performance and the Company as a whole.
- d. If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 or if it is not able to comply with such provisions, subject the same to the approval of the Central Government.

Policy review

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulation which makes any of the provisions in the policy inconsistent with the Act or Regulations, the provisions of the Act or Regulations would prevail over the policy and provisions in the policy would be modified in due course to make it consistent with the law. This policy shall be reviewed by the Nomination and Remuneration Committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the Committee. Any change or modification in the policy as recommended by the Committee would be subject to the approval of the Board.

ANNEXURE 5: CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

1. Conservation of energy

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

2. Technology absorption

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

ANNEXURE TO THE DIRECTORS' REPORT

- b. Benefits derived as a result of the above efforts**
- Product improvement
 - Reduced cost of final products
 - Comparable quality and performance with products produced using imported materials.
- c. Details of technology imported during the last five years reckoned from the beginning of the financial year.**
- Technology imported: Nil
 - Year of import: Not applicable
 - 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

- 3. Foreign exchange earnings and outgo**
Please refer notes to the financial statements.

- 4. Research and development (R and D)**
- a. Specific areas in which R & D has been carried out:** Continual efforts are being made to improve the manufacture of equipment, besides development of newer types of electrodes & flux cored wires.
- b. 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.
- c. Future plan of action:** To make further progress in areas enunciated at item nos. 1 and 2 above.
- d. Expenditure on R and D**
- Capital: Nil
 - Recurring: As of now, it is being maintained as an on-going part of production activities.
 - Total: Not applicable
 - Total R & D expenditure as a percent of total turnover: Not applicable

ANNEXURE 6: CONTRACTS/ARRANGEMENTS ENTERED IN TO BY THE COMPANY WITH RELATED PARTIES

- 1. Details of contracts or arrangements or transactions not at arm's length basis:** Not applicable.
- 2. Details of contracts or arrangements or transactions at arm's length basis**

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

b. Nature of contracts/arrangements/transactions

Name of the Related Party	Nature of Contracts/Arrangements/Transactions
JB Advani and Company Pvt. Ltd.	Purchase and sale of materials in the ordinary course of business.
Ador Welding Limited	Purchase & sale of materials in the ordinary course of business & lease rentals of shared office premises.
Ador Welding Academy Pvt. Ltd.	Welding skill development programmes, purchase & sale of materials in the ordinary course of business.
Ador Powertron Limited	Purchase and sale of materials in the ordinary course of business. (Nil during 2016-17)
Ador Multiproducts Limited	Purchase and sale of materials in the ordinary course of business. (Nil during 2016-17)
Ador Green Energy Pvt. Ltd.	Purchase and sale of materials in the ordinary course of business. (Nil during 2016-17)
3D Future Technologies Pvt. Ltd.	Contribution to capital and lien marking of mutual funds.

- c. Duration of contracts/arrangements/transactions**
Purchase/ sale of materials, provision of services, lease rental accommodation for office premises are in the ordinary course of business with no specific time duration.
- d. Salient terms of contracts or arrangements or transactions including value, if any**
- 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. The transactions are subject to transfer pricing requirements and audit.
 - 3D Future Technologies Pvt. Ltd. was formed as a wholly owned subsidiary and registered in Mumbai.
 - The Company has lease rental agreements with Ador Welding Limited for sharing office premises at Pune and Secunderabad.
 - Details and values of transactions with related parties are depicted as part of 'Notes to the Financial Statements'.
- e. Details of approval by the Board, if any**
- Wholly owned subsidiary-3D Future Technologies Pvt. Ltd. was formed vide Board resolution-November 11, 2014.
 - General purchases/sales and lease rentals are approved and ratified by the Audit Committee and Board at annual/quarterly meetings.
- f. Amount paid as advances, if any**
As on date-Nil
- g.** The Board of Directors decided to exit from the Joint Venture vide its meeting dated January 30, 2017. The process will involve compliance with respect to both Malaysian and Indian Laws. Mutual consultations have begun with M/s. Dualrank (erstwhile JV partner) & it may take some time for final closure.

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 7: EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

1. Registration and other details

CIN	L31909KA1974PLC020010
Registration number and date	08/20010 and August 22, 1974
Name of the Company	Ador Fontech Limited
Category/Sub-category of the Company	Life Enhancement of Industrial Components
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
Name, address and contact details of	Integrated Registry Management Services Private Limited: 30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003 Tel: 080- 23460816/18 Email:irg@integratedindia.in

2. Principal business activity of the Company

Name and description of main products/services	NIC code of the products/services-group	Total turnover of the Company (percent)
Consumables	241-242	98
Equipment/Automation and ancillaries	271	34
Services	331	14

3. Particulars of holding, subsidiary and associate companies

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

4. Share holding pattern

a. Category wise shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percentage change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
A. Shareholding of the promoter and promoter group									
1. Indian									
a. Individuals/Hindu Undivided Family	1651765	-	1651765	9.44	1735843	-	1735843	9.92	0.48
b. Central /State Government(s)									
c. Bodies Corporate	4606578	-	4606578	26.32	4606578	-	4606578	26.32	-
d. Financial Institutions/Banks									
Sub-total (A)(1)	6258343	-	6258343	35.76	6342421	-	6342421	36.24	0.48
2. Foreign									
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of the promoter and promoter group (A)= (A)(1)+(A)(2)	6258343	-	6258343	35.76	6342421	-	6342421	36.24	0.48
B. Public shareholding									
a. Mutual Funds/ UTI	12000	-	12000	0.07	-	-	-	-	-0.07
b. Alternative Investment Fund	-	-	-	-	210275	-	210275	1.20	1.20
c. Foreign Institutional Investors	1082036	-	1082036	6.18	1064287	-	1064287	6.08	-0.10
Sub-total (B)(1)	1094036	-	1094036	6.25	1274562	-	1274562	7.28	1.03
a. Bodies corporate	633683	35005	668688	3.82	628359	35005	663364	3.79	-0.03
b. Individual shareholders holding nominal share capital up to ₹ 1 L	5363888	1550035	6913923	39.51	5399911	1514535	6914446	39.52	0.01

ANNEXURE TO THE DIRECTORS' REPORT

a. Category wise shareholding (Cont..)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Percentage change
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
c. Individual shareholders holding nominal share capital in excess of ₹ 1L	2094260	127700	2221960	12.70	1910521	127700	2038221	11.65	-1.05
d. Clearing Members/Others	20114	-	20114	0.11	27012	-	27012	0.15	0.04
e. NRI	322936	-	322936	1.85	237642	-	237642	1.36	-0.49
f. Foreign Individuals	-	-	-	-	2332	-	2332	0.01	0.01
Sub-total (B)(2)	8434881	1712740	10147621	57.99	8205777	1677240	9883017	56.48	-1.51
Total public shareholding (B)= (B)(1)+(B)(2)	9528917	1712740	11241657	64.24	9480339	1677240	11157579	63.76	-0.48
Total (A)+(B)	15787260	1712740	17500000	100.00	15822760	1677240	17500000	100.00	-

b. Shareholding of promoters and promoter group (*First named Member/Shareholder/Director in J B Advani and Company Private Limited)

Names	Shareholding at the beginning of the year			Shareholding at the end of the year			Percentage change
	No. of shares	Percent	Share pledged/encumbered	No. of shares	Percent	Share pledged/encumbered	
M/s. J B Advani And Company Pvt Ltd	46,06,578	26.32	-	46,06,578	26.32	-	-
Mr. Aditya Tarachand Malkani*	4,59,135	2.62	-	5,15,113	2.94	-	0.32
Mr Ajit T Mirchandani	73,730	0.42	-	73,730	0.42	-	-
Ms. Aruna B Advani*	4,50,500	2.57	-	4,50,500	2.57	-	-
Mr. Deep Ashda Lalvani*	17,755	0.10	-	20,305	0.12	-	0.02
Ms. Gulshan Gulu Malkani	3,53,000	2.02	-	3,53,000	2.02	-	-
Ms. Michelle Gulu Malkani	41,850	0.24	-	41,850	0.24	-	-
Mrs. Ninotchka Malkani Nagpal*	27,350	0.16	-	27,350	0.16	-	-
Ms. Rajbir Tarachand Malkani	83,515	0.49	-	1,06,515	0.61	-	0.12
Mr. Ravin A Mirchandani*	5,955	0.03	-	5,955	0.03	-	-
Ms. Reshma A Lalvani	48,500	0.28	-	48,500	0.28	-	-
Ms. Tania A Mirchandani	84,775	0.48	-	84,775	0.48	-	-
Ms. Vimla A Lalvani	5,700	0.03	-	8,250	0.05	-	0.02
Total	62,58,343	35.76	-	63,42,421	36.24	-	0.48

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

c. Shareholding of Directors and Key Management Personnel

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
Mr. A T Malkani	4,59,135	2.62%	5,15,113	2.94%
Mrs. N Malkani Nagpal	27,350	0.16%	27,350	0.16%
Mr. HP Ledwani	50,885	0.29%	50,885	0.29%
Mr. NS Marshall	3,099	0.02%	3,099	0.02%
Mr. Santosh Janakiram	-	-	-	-
Mr. Rafique Abdul Malik	-	-	-	-
Ms. Geetha D	-	-	-	-

ANNEXURE TO THE DIRECTORS' REPORT

d. Shareholding of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

Names	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of shares	Percent	No. of shares	Percent
M/s. Malabar India Fund Limited	8,50,000	4.86	8,50,000	4.86
Mr. Anil Kumar Goel	2,75,000	1.57	2,75,000	1.57
M/s. IL and FS Trust Company Limited	2,20,000	1.26	2,20,000	1.26
Mr. S Shyam	2,19,995	1.26	2,19,995	1.26
M/s. Novostar International Fund	1,82,097	1.04	1,64,348	0.94
Ms. Sarla Chandna	1,81,000	1.03	1,81,000	1.03
Mr. Megh Ishwer Manseta	1,65,000	0.94	1,65,000	0.94
Ms. Rajni Bahl	1,45,000	0.83	1,45,000	0.83
Mr. Nozer Jasi Shroff	1,44,500	0.83	1,20,000	0.69
Mr. J K Chandna	1,23,000	0.70	1,23,000	0.70

5. Details of changes in shareholding of the Promoter group

Names	Share holding as on 01.04.2016		Transactions			Cumulative as on 31.03.2017	
	No. of shares	Percent	Date	No. of shares	Reason	No. of shares	Percent
Mr. A T Malkani	4,59,135	2.62	20/05/2016	10,704	Purchase	4,69,839	2.68
			27/05/2016	2,895	Purchase	4,72,734	2.70
			03/06/2016	5,395	Purchase	4,78,129	2.73
			29/07/2016	3,451	Purchase	4,81,580	2.75
			19/08/2016	5,823	Purchase	4,87,403	2.79
			02/09/2016	2,160	Purchase	4,89,563	2.80
			09/09/2016	3,000	Purchase	4,92,563	2.81
			16/09/2016	550	Purchase	4,93,113	2.82
			30/09/2016	11,000	Purchase	5,04,113	2.88
			07/10/2016	11,000	Purchase	5,15,113	2.94
Mrs. Rajbir Tarachand Malkani	83,515	0.48	25/11/2016	23,000	Purchase	1,06,515	0.61
Mrs. Vimla Ashda Lalvani	5,700	0.03	24/06/2016	2,000	Purchase	7,700	0.04
			17/02/2017	550	Purchase	8,250	0.05
Mr. Deep Ashda Lalvani	17,755	0.10	27/05/2016	550	Purchase	18,305	0.10
			01/07/2016	850	Purchase	19,155	0.11
			16/09/2016	550	Purchase	19,705	0.11
			23/09/2016	600	Purchase	20,305	0.12

6. Details of changes in shareholding of top ten Shareholders

Names	Share holding as on 01.04.2016		Transactions			Cumulative as on 31.03.2017	
	No. of shares	Percent	Date	No. of shares	Reason	No. of shares	Percent
M/s. Novostar International Fund	1,82,097	1.04	22/04/2016	(3,694)	Sold	1,78,403	1.02
			29/04/2016	(8,015)	Sold	1,70,388	0.97
			06/05/2016	(3,240)	Sold	1,67,148	0.96
			13/05/2016	(2,800)	Sold	1,64,348	0.94
Mr. Nozer Jasi Shroff	1,44,500	0.83	13/05/2016	(12,500)	Sold	1,32,000	0.75
			05/08/2016	(9,300)	Sold	1,22,700	0.70
			12/08/2016	(2,700)	Sold	1,20,000	0.69

7. Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
There was no indebtedness at the beginning, during and at the end of the financial year 2016-17.				

ANNEXURE TO THE DIRECTORS' REPORT

8. Remuneration of Directors and Key Managerial Personnel

a. Remuneration to the Managing Director, Whole-time Directors and/or the Manager for the financial year 2016-17 (₹ in lakhs)

Particulars of Remuneration	Names of the Director(s) and details		Total amount
	Mr. A T Malkani	Mr. H P Ledwani	
1. Gross salary as per Form 16 and 12 BA			
a. Salary as per the provisions contained in Section 17(1) of Income-tax Act, 1961	67	73	140
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	5	25	30
2. Commission based on performance			
{As a percent of profit up to ₹20 crores: 0.75% of the profit			
₹20.01 crores to ₹35 crores: 1.00% of the profit			
₹35.01 crores and above: 1.25% of the profit}			
Total	72	98	170

Note: Remuneration as per the Companies Act, 2013 read with Schedule V (vide notification no. S.O.2922E dated 12.09.2016).

b. Remuneration (Sitting fees for attending Board Meetings) to Directors for the financial year 2016-17 Amount in ₹

Particulars of Remuneration	Name of the Director(s) and details			
	Mrs. N Malkani Nagpal	Mr. N S Marshall	Mr. Santosh Janakiram	Mr. Rafique Abdul Malik
Independent Directors	–	39,000	68,000	17,000
Other Non Executive Directors	68,000	–	–	–

c. Remuneration to KMP other than MD/Manager/WTD-paid to CEO/CS/CFO-for the financial year 2016-17 (₹ in lakhs)

Particulars of Remuneration	Total amount
Gross salary to the Company Secretary as per Form 16 and 12 BA	
a. Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961	23
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	2
Total	25

d. Penalties/punishment/compounding of offences

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

ANNEXURE 8: PARTICULARS OF EMPLOYEES

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

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company, for the financial year 2016-17

Name of the Director	Designation	Ratio
Mr. A T Malkani	Chairman	7.60
Mr. H P Ledwani	Managing Director	13.90
Mrs. N Malkani Nagpal*	Promoter Director	0.06
Mr. Navroze S Marshall*	Independent Director	0.04
Mr. Santosh Janakiram*	Independent Director	0.06
Mr. Rafique Abdul Malik*	Independent Director	0.02

*Were paid sitting fees for Board and Committee Meetings.

2. Percentage increase in remuneration of the Directors and KMP's.

The increase in remuneration to the Chairman Mr. A T Malkani was

(six) percent; Mr. H P Ledwani was (one) percent and Ms. Geetha D, Company Secretary was (one) percent on a comparative basis viz-a-viz 2015-16. There were no changes in the amount of sitting fees for each of the Board and Committee meetings, during the financial year 2016-17 in comparison with the financial year 2015-16.

3. The percentage increase in the median remuneration of employees during the financial year 2016-17 over 2015-16: Seven percent

4. The number of permanent employees on the rolls of Company as on March 31, 2017: 208

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2016-17 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

While there was general increment to the staff members during 2016-17 of approximately seven percentile, remuneration to the whole time Directors were subject to the provisions of the Companies Act, 2013.

6. Details of top ten employees in terms of remuneration* during the financial year 2016-17

Sl. no. and Names	Designation	Age	Nature of duties	Qualifications	Exp.	Date of joining	Last designation	Last employer
1. Mr. A T Malkani	Chairman Promoter Gr.	36	Strategy & Operational Management	BA-Economics MBA	12 Yrs.	01.04.2012	Manager Export	Ador Welding Limited
2. Mr. H P Ledwani	MD Professional	63	Organisation and Business Development	B.Sc (Hons) DAM, DTMM	43 Yrs.	01.12.1979	Group Leader	Ador Welding Limited
3. Mr. Deep A Lalvani	GM Promoter Gr.	36	Head-Processes and Functions-3DFT	B.Com MBA	10 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited
4. Mr. P Viswanathan	COO	56	Sales, Marketing, Production & Purchase	B.Sc Chemistry AMP	33 Yrs.	01.10.1984	-	First employment in Ador Fontech Limited
5. Mr. Muneesh Narain	VP*/ BC	63	Railways & Key Projects	B.E (Mech.) AMP	40 Yrs.	21.10.1981	Area Manager	Larsen & Toubro
6. Mr. Melville Ferns	VP	57	Sales & Marketing (SBU -North, Central & West)	B.A AMP	35 Yrs.	01.03.1982	-	First employment in Ador Fontech Limited
7. Mr. R Krishnakumar	VP	50	Sales and Marketing (SBU-East, South I & II)	MBA Marketing	30 Yrs.	07.06.2010	General Manager	Technical Parts Est. Abu Dhabi, UAE
8. Mr. Rajesh V Joshi	VP	53	Strategy, IT, New Bus. & Thermal Spray	B.E Mechanical	30 Yrs.	29.10.1990	Senior Sales Executive	Lloyd Insulations Pvt. Ltd.
9. Mr. S V Puntambekar	VP	52	Sales and Marketing (LE-SERVICES)	DME PGDISM	34 Yrs.	01.09.2002	General Manager	Diffusion Engineers Pvt. Ltd.
10. Mr. P Gopakumar	Sr. General Manager	62	Accounts and Administration	B.A. Corporate Secretaryship	39 Yrs.	05.03.1984	Statistical Assistant	Carter Wallace Ltd.

7. Details of the Whole time Directors and Employees* with annual remuneration of ₹ 102 lakhs or more who are employed throughout the year or monthly remuneration of ₹ 8.5 lakhs or more, even if employed for part of the year during the financial year 2016-17: (₹ in lakhs)

Name & Shareholding	Designation	Age	Remuneration	Qualifications	Exp.	Date of joining	Last designation	Last employer
Mr. A T Malkani 2.94 percent	Chairman (Promoter Group)	36 yrs	84 Cur. year 89 Pre. year	BA-Economics MBA	12 Yrs.	01.04.2012	Manager Export	Ador Welding Limited
Mr. H P Ledwani 0.29 percent	Managing Director (Professional)	63 yrs	153 Cur. year 154 Pre. year	B.Sc (Hons) DAM (Bom) DTMM	43 Yrs.	01.12.1979	Group Leader	Ador Welding Limited (Previously Advani Orlikon Limited)
Mr. Deep A Lalvani 0.12 percent	General Manager (Promoter Group)	36 yrs	103 Cur. year 99 Pre. year	MBA	10 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited

Notes:

- (i) Appointment of Chairman/Executive Director and Managing Director are contractual in nature and approved vide Shareholder's resolution dt. July 17, 2012.
- (ii) Appointment of General Manager is as per employment letter dated April 28, 2008.
- (iii) There are no inter-se-relationship between the Employee(s) and Director(s) or between Directors.
- (iv) Details of qualifications and others are as provided by the Director/Employee.
- (v) *While the average/median remuneration of employees categorised in serial numbers 4 to 10 of point no. 6 was ₹ 30 lakhs, further details on remuneration shall be made available to any Shareholder on a specific request made in writing before or after the date of AGM within three or seven days, respectively from the date of receipt of such request(s).
Note: Request in writing duly signed to have the following enclosures (i) identity (Pan card) & (ii) address proof (Adhar) and should be addressed to the Corporate office-Secretarial Department.
- (vi) Mr. Muneesh Narain retired from the service of the Company on March 31, 2017 after rendering over three and half decades

of yeomen service to the organisation. He continues to be associated as Business Consultant.

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

Certification to the Annexures forming part of the Directors' Report
Annexures to the Directors' Report as specified under the Companies Act, 2013 read with Rules thereunder and SEBI (LODR) Regulations/Listing agreement have been executed by the Chairman and Managing Director for and on behalf of the Company, Board and its Committees at Mumbai dated May 08, 2017.

For Ador Fontech Limited

A T Malkani
Chairman
DIN:01585637
Mumbai

HP Ledwani
Managing Director
DIN: 00040629
May 08, 2017

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE 9: SECRETARIAL AUDIT REPORT

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

To the Members of Ador Fontech Limited

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

Based on my verification of Ador Fontech Limited's books, papers, minute books, forms and returns filed, other records maintained by the Company and also based on information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2017 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, 2017 made available to me and according to the provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder.
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
4. 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.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. Registrar to Issue & Share Transfer Agents Regulations, 1993
 - b. Issue of Capital & Disclosure Requirements Regulations, 2009
 - c. Substantial Acquisition of Shares & Takeover Regulations, 2011
 - d. Prohibition of Insider Trading Regulations, 2015
 - e. Listing Obligation and Disclosure Requirements (LODR) Regulations 2015.

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

- a. Buyback of Securities Regulations, 1998
 - b. Issue and Listing of Debt Securities Regulations, 2008
 - c. Delisting of Equity Shares Regulations, 2009
 - d. Share based employee benefits Regulations, 2014
6. Other Laws including Rules applicable specifically to the Company:
 - (i) Factories Act, 1948 (ii) Industrial Employment (Standing Orders) Act, 1946 (iii) Employees Compensation Act, 1923 (iv) Payment of Bonus Act, 1965 (v) Minimum Wages Act, 1948 (vi) Equal Employment Remuneration Act, 1976 (vii) Child Labour (P&R) Act, 1986 (viii) Sexual harassment of Women at Workplace (Prevention, prohibition and redressal) Act, 2013 (ix) Environment (Protection) Act, 1986 (x) Air/Water/Noise (Prevention/Regulation and Control of

Pollution) Act (xi) Payment of Wages Act, 1936 (xii) Employees State Insurance Act, 1948 (xiii) Employees PF and Miscellaneous Provisions Act, 1952 (xiv) Contract Labour (Regulation and Abolition) Act, 1970 (xv) Legal Metrology Act, 2009 (xvi) Standards of Weights and Measures Act, 1976 (xvii) Payment of Gratuity Act, 1972 (xviii) Industrial Disputes Act, 1947 (xix) Trade Marks Act, 1999 (xx) Indian Contracts Act, 1872 (xxi) Shops and Establishments Act.

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

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. 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.

1. 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.
2. 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.
3. Wherever required, I have obtained Management representation(s) about the compliance of Laws, Rules, Regulations and the happening of events, etc.
4. 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.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company

Manjula Narayan

Bengaluru
May 08, 2017

ACS No. 28374
CP No. 10150

To the Members of Ador Fontech Limited**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of Ador Fontech Limited ('the Company') which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true & fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken in to account the provisions of the Act, the Accounting & Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the Auditors consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profits and cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. 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.
 - b. 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.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the Directors as on March 31, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Company & the operating effectiveness of such controls, refer to our separate report in 'Annexure B' and
 - g. 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 & according to the explanations given to us: (i) the Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Standalone Financial Statements. (ii) the Company has made provisions, as required under the applicable law(s)/ accounting standards, for material foreseeable losses, if any, on long-term contracts. (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, by the Company. (iv) The Company has provided requisite disclosure in the Standalone Financial Statements as regards its holding and dealings in Specified Bank Notes as defined in notification no. S.O.3407(E) dated November 8, 2016 issued by the Ministry of Finance, for the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and representations provided to us by the Management, we report that the disclosures are in accordance with the books of account maintained by the Company.

For **Amarnath Kamath and Associates**

Chartered Accountants

Firm Registration No. 000099S

Amarnath Kamath

Partner [Membership No. 13124]

Bengaluru

May 09, 2017

Annexure 'A' to the Auditors' Report

As per annexure referred to in the Independent Auditors' Report to the Members of the Company on the Standalone Financial Statements for the year ended March 31, 2017, we report that:

1. a. The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- b. The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information & explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties are held in name of the Company.
2. a. 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.
- b. In our opinion & according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company & the nature of its business.
- c. 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 account.
3. The Company has granted loans to bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013.
- a. In our opinion, the rate of interest, other terms & conditions on which the loans have been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
7. b. According to the information and explanations given to us, there are no material dues of customs duty, sales tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise and service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	₹ in lakhs	Period to which the amount relates	Forum where dispute/objection raised is pending
The Finance Act, 1994	Excise duty as per order passed by the Commissioner of Central Excise dated August 18, 2008	71	2002 to 2006	Appeal filed against the order at CESTAT and 'Stay order' received.
The Finance Act, 1994	Service tax as per order passed by the Jt. Commissioner of Central Excise & Service tax, dated Jan 18, 2010	32	2008 to 2009	Appeal filed against the order at CESTAT and 'Stay order' received.
The Finance Act, 1961	Service tax as per order passed by the Commissioner of Central Excise & Service tax (Appeals), dated Feb 08, 2011	2	2009 to 2010	Appeal filed against the order at CESTAT with 100% pre-deposit.
The Finance Act, 1961	Service tax as per order passed by the Commissioner of Central Excise & Service tax (Appeals), dated Feb 08, 2011	269	2010 to 2014	Appeal filed against the order at CESTAT along with payment of ₹ 20 lakhs as pre-deposit.
Income Tax Act, 1961	Income tax liability as per order passed u/s 143(3) of Income Tax Act, 1961	37	AY 2014-15	Commissioner of Income Tax, (Appeals-I) Bengaluru
		283	AY 2013-14	

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) & term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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

For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S
Amarnath Kamath
Partner [Membership No. 13124]

Bengaluru
May 09, 2017

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Ador Fontech Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note')

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 Company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India.

For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S
Amarnath Kamath
Partner [Membership No. 13124]

Bengaluru
May 09, 2017

STANDALONE BALANCE SHEET

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2.01	350	350
Reserves and surplus	2.02	9,112	8,861
Sub-total		9,462	9,211
2. Non-current liabilities			
Long-term liabilities	2.03	167	183
Long-term provisions	2.04	629	561
Sub-total		796	744
3. Current liabilities			
Trade payables:			
Outstanding to micro and small enterprises		–	–
Outstanding to other creditors	2.05	1,231	1,331
Other current liabilities	2.06	899	851
Short-term provisions	2.07	662	1,086
Sub-total		2,792	3,268
TOTAL - EQUITY AND LIABILITIES		13,050	13,223
ASSETS			
1. Non-current assets			
Fixed assets	2.08		
– Tangible assets		2,025	2,186
– Capital work-in-progress		–	4
Sub-total		2,025	2,190
Non-current investments	2.09	959	759
Deferred tax	2.10	296	297
Long-term loans and advances	2.11	341	289
Sub-total		3,621	3,535
2. Current assets			
Current investments	2.12	380	244
Inventories	2.13	2,594	2,489
Trade receivables	2.14	3,250	3,257
Cash and cash equivalents	2.15	140	145
Other bank balances	2.15	2,348	2,817
Short-term loans and advances	2.16	717	736
Sub-total		9,429	9,688
TOTAL - ASSETS		13,050	13,223
Significant accounting policies and notes to the financial statements (Refer notes:1 and 2)			

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Amarnath Kamath
Partner (Membership No. 13124)
Bengaluru, May 09, 2017

STANDALONE STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
1. Revenue from operations (gross)		15,389	15,131
Less: Excise duty		758	814
Revenue from operations (net)	2.17	14,631	14,317
2. Other income	2.18	259	390
3. Total revenue (1+2)		14,890	14,707
4. Expenses			
a. Cost of materials consumed	2.19	2,797	3,183
b. Purchase of traded goods	2.20	5,826	5,066
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(90)	(63)
d. Employee benefit expenses	2.22	2,286	2,140
e. Finance cost	2.23	-	2
f. Depreciation and amortisation expenses		326	312
g. Other expenses	2.24	2,436	2,421
Total expenses		13,581	13,061
5. Profit before tax (3-4)		1,309	1,646
6. Prior period expenses		-	2
7. Profit before tax and after prior period (5-6)		1,309	1,644
8. Tax expenses			
a. Current year		425	575
b. Deferred tax		1	32
Sub-total		426	607
9. Profit after tax (7-8)		883	1,037
10. Earnings per share			
Basic and diluted	2.25	5.05	5.93
Significant accounting policies and notes to the Standalone Financial Statements (refer notes: 1 and 2)			

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Amarnath Kamath
Partner (Membership No. 13124)
Bengaluru, May 09, 2017

STANDALONE CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A. Cash flow from operating activities		
Net profit before tax as per the Statement of Profit and Loss	1,309	1,644
Add/(Less):		
Depreciation, amortisation and impairment	326	312
Provision made in the books of account	(92)	(176)
Taxes paid	(574)	(648)
Non-operating income excluding provisions	(34)	(10)
Interest and dividend income	(191)	(268)
Operating profit before changes in working capital	744	854
Adjustment for movements in:		
Trade receivables	7	(538)
Inventories	(105)	(57)
Movement in loans, advances and other current assets	19	91
Trade payables	(100)	423
Movement in liabilities and provisions	32	(81)
Net cash from operating activities (A)	597	692
B. Cash flow from investing activities		
Purchase of fixed assets	(195)	(414)
Sale of fixed assets	32	26
Purchase and sale of investments (net)	(336)	(32)
Non-operating income excluding provisions	34	10
Interest and dividend income	191	268
Net cash from investing activities (B)	(274)	(142)
C. Cash flow from financing activities		
Increase/(decrease) in long term liabilities	(16)	13
(Increase)/decrease in long term loans and advances	(52)	10
Dividend paid including tax	(729)	(738)
Net cash from financing activities (C)	(797)	(715)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(474)	(165)
Opening balance of cash and cash equivalents	2,962	3,127
Closing balance of cash and cash equivalents	2,488	2,962

Notes: (i) Figures in brackets represent cash outflow. (ii) The above Standalone Cash Flow Statement has been prepared under indirect method as set out in AS-3-Cash Flow Statement notified under the Company's (Accounting Standards) Rule, 2016 (refer note 1.15).

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Amarnath Kamath
Partner (Membership No. 13124)
Bengaluru, May 09, 2017

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

General information

Ador Fontech Limited was incorporated in India on August 22, 1974 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] and is listed on the Bombay Stock Exchange (BSE).

Note 1

1.0 Summary of 'Significant Accounting Policies'

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

1.01 Basis of preparation of financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.02 Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported balances of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as and when the Management becomes aware of the changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and if material, their effects are disclosed in the notes to the financial statements.

1.03 Revenue recognition

(a) Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amounts recognised as sale is exclusive of Sales tax/VAT and are net of returns. It is stated at gross and net of excise duty. (b) Income from conversion job is recognised on its completion and on its acceptance by the customers. (c) Dividend income is accounted for in the year in which the right to receive the same is established. (d) Interest income is recognised using the time-proportion method, based on rates implicit in the transaction.

1.04 Fixed assets

Tangible assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties, taxes and other incidental expenses/adjustments related to its acquisition. All such direct costs are capitalised when the tangible fixed assets are ready for use. Intangible assets relating to product development are recorded at actual cost incurred on the development of products and are capitalised once the products receive approval from relevant authorities and the same are carried at cost less accumulated amortisation.

1.05 Depreciation and amortisation

a. (i) Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets and allows Companies to use higher/lower

useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements. (ii) Considering the applicability of Schedule II, the management has re-estimated useful life and residual values of all its fixed assets. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed asset.

- b. Depreciation on tangible assets purchased during the year has been calculated as under: (i) All assets (except leasehold interest): On written down value basis. (ii) Lease hold land: On straight line basis over the period of lease. (iii) Intangible assets: Over a period of approximately four years, so as to effectively depreciate the assets over the specified useful life leaving behind a residual value of five percent.
- c. Depreciation on additions to fixed assets during the current year are charged on pro-rata basis, for the period of use.

1.06 Impairment of assets

An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.07 Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on the Management's intention. Current investments are carried at cost. Cost of overseas investments comprises the Indian rupee value of consideration paid for the investment translated at the exchange rate prevalent on the date of investment. Long-term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

1.08 Inventories

(a) Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower. (b) Process stock: At cost or estimated realisable value, whichever is lower. (c) Finished goods: At cost or net realisable value, whichever is lower and are inclusive of cenvat thereon. (d) Excise duty relating to the difference between closing and opening stock is recognised as part of changes in inventories of finished goods, work in progress and stock-in-trade.

Note: Cost is determined on a weighted average basis.

1.09 Employee benefits

Gratuity: The Company has computed its liability towards future payments of gratuity to employees, on actuarial basis and the charge for current year is debited to the Statement of Profit and Loss.

Superannuation: The Company contributes towards superannuation fund, for future payment of retirement benefits to employees. The contributions accruing during each year are charged to the Statement of Profit and Loss.

Leave encashment: Liabilities are determined by actuarial valuation done at the end of the year and the charge for the current year is debited to the Statement of Profit and Loss.

Provident fund: Employer's contribution to provident fund is charged to the Statement of Profit and Loss.

1.10 Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate on the date of the transaction. Any income or expense on account of exchange difference, either on settlement or on translation is recognised in the Statement of Profit and Loss. Assets and liabilities in foreign currencies are restated at the year-end exchange rates.

1.11 Leases

Lease rental payments under operating lease are recognised as an expense on straight line basis in the Statement of Profit and Loss over the lease term.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1.12 Post-sale-client support and warranties

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

1.13 Taxes on income

Current tax: Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.

Deferred tax: Provision for deferred tax is made using the applicable rate of taxation, for all timing differences, which arise during a year and are reversed in subsequent periods.

1.14 Provisions and contingent liabilities

Based on the best estimate of the Management, provisions are determined on the outflow of economic benefits, which are required to settle obligations, as at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Disclosure for contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of the Company's resources.

1.15 Cash flow statement

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

1.16 Dividend and its presentation

To facilitate comparison w.r.t previous year, dividend is shown as an appropriation of reserve and as part of short term provision. However, retention in equity can be facilitated, in which case reserve and short term provisions would be more by the value of dividend and tax thereon.

1.17 Schedule III

The financial statements have been drawn as per Schedule III to the Companies Act, 2013. Nonetheless, wherever data is nil, the line item has been omitted to facilitate ease in reading. This includes the following (i) Money received against share warrants (ii) Share application money pending allotment (iii) Deferred Government grants (iv) Minority interest (v) Foreign currency monetary item translation differences (vi) Tangible assets pertaining to capital work-in-progress (vii) Goodwill on consolidation.

Note 2:

General: Specified bank notes (notification no. S.O. 3407(E) dated November 8, 2016 issued by the Ministry of Finance)

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	1	1
Add: Permitted receipts	-	7	7
Less: Permitted payments	-	7	7
Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1	1

2.01 Share capital: The Company has only one class of shares, referred to as equity shares having a par value of ₹ 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.

a. Particulars of authorised, issued, subscribed and paid-up capital

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Authorised: Equity shares of ₹ 2/- each	2,50,00,000	500	2,50,00,000	500
Issued: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed and paid up: Equity shares of ₹ 2/- each	1,75,00,000	350	1,75,00,000	350
Subscribed but not fully paid up: Equity shares of ₹ 2/- each	-	-	-	-
Calls unpaid on equity share	-	-	-	-
Par value per equity share	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-

b. Reconciliation of number of equity shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity shares				
Shares outstanding at the beginning of the year	1,75,00,000	350	1,75,00,000	350
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,75,00,000	350	1,75,00,000	350

c. Details of equity shares held by Shareholders holding more than five percent of aggregate shares in the Company

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of shares held	Percent	No. of shares held	Percent
JB Advani and Company Private Limited CIN:U51900MH1925PTC004217 PAN:AAACJ1966D	46,06,578	26.32	46,06,578	26.32

d. As on the date of the Balance Sheet: (i) The Company has not issued any equity share as fully paid pursuant to contracts without payment being received in cash. (ii) The Company has not issued any fully paid bonus share. (iii) The Company also did not buy back any equity share.

e. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.02 Reserves and surplus

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Capital reserve		
Balance as at the beginning of the year	12	12
Additions/(deletions) during the year	-	-
Balance as at the end of the year	12	12
Securities premium account		
Balance as at the beginning of the year	172	172
Additions/(deletions) during the year	-	-
Balance as at the end of the year	172	172
General reserve		
Balance as at the beginning of the year	6,577	6,377
Add: Transferred from surplus	100	200
Balance as at the end of the year	6,677	6,577
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	2,100	2,001
Add: Net profit for the year	883	1,037
Amount available for appropriation	2,983	3,038
Less: Appropriations		
Proposed dividend on equity shares	525	613
Dividend distribution tax	107	125
Transfer to general reserve	100	200
Balance as at the end of the year	2,251	2,100
Total	9,112	8,861

2.03 Long-term liabilities

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Deposits from dealers and employees	167	183
Total	167	183

2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for warranties	101	134
Provision for compensated absences	528	427
Total	629	561

2.05 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables	1,231	1,331
Total	1,231	1,331

2.06 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Advance received from customers	32	17
Statutory dues (including provident fund, tax deducted at source and others)	185	238
Unclaimed dividends	108	99
Provision for expenses	574	497
Total	899	851

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.07 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for compensated absences	68	103
Provision for proposed equity dividend	525	613
Provision for dividend distribution tax	107	125
Provision for warranties	125	240
Provision for income tax (net of taxes)	(163)	5
Total	662	1,086

2.08 Fixed assets

(₹ in lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 01.04.16	Additions	Disposals	As at 31.03.17	As at 01.04.16	Withdrawn on sales	For the year	As at 31.03.17	As at 31.03.17	As at 31.03.16
Tangibles										
Freehold land	76	-	-	76	-	-	-	-	76	76
Leasehold land	2	-	-	2	-	-	-	-	2	2
Buildings	1,080	-	-	1,080	419	-	63	482	598	662
Office premises	601	-	-	601	116	-	24	140	461	485
Plant & machineries	1,350	36	(4)	1,382	705	-	116	821	561	646
Electrical equipment	95	3	-	98	57	-	10	67	31	39
Computers	148	38	(5)	181	131	(4)	18	145	36	16
Office equipment	86	11	-	97	72	-	9	81	16	14
Furniture & fixtures	123	8	-	131	94	-	8	102	29	28
Vehicles	560	99	(154)	505	341	(129)	78	290	215	218
Sub-total	4,121	195	(163)	4,153	1,935	(133)	326	2,128	2,025	2,186
Intangibles										
Softwares	4	-	-	4	4	-	-	4	-	-
Product Development	66	-	-	66	66	-	-	66	-	-
Sub-total	70	-	-	70	70	-	-	70	-	-
Total	4,191	195	(163)	4,223	2,005	(133)	326	2,198	2,025	-
Previous year	3,844	422	(73)	4,193	1,756	(61)	312	2,007		2,186

2.09 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity/Numbers	Amount	Quantity/Numbers	Amount
Trade investments (un-quoted)				
Investment in overseas body corporate				
Dualrank Fontech (M) Sdn. Bhd. (of MYR 1 each)	4,80,000-Shares	76	4,80,000-Shares	76
Investments in wholly owned subsidiary				
3D Future Technologies Private Limited (₹ 10 each)	40,00,000-Shares	400	20,00,000-Shares	200
Sub-total		476		276
Non-trade investments (In units of mutual funds-quoted)				
Edelweiss Arbitrage Fund	4,24,138.575-Units	50	-	-
Kotak Equity Arbitrage Fund	-	-	9,28,729.313-Units	100
India Bulls Arbitrage Fund	4,39,367.311-Units	50	-	-
Kotak Bond Fund*	1,47,749.334-Units	50	1,47,749.334-Units	50
SBI Dynamic Bond Fund*	3,40,119.858-Units	50	3,40,119.858-Units	50
HDFC Income Fund*	3,63,957.970-Units	100	3,63,957.970-Units	100
Reliance - FMP- Series 14	5,00,000-Units	50	15,00,000-Units	150
HDFC-FMP-370 Days*	10,93,230-Units	109	10,93,230-Units	109

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.09 Non-current investments (Cont...)

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity/Numbers	Amount	Quantity/Numbers	Amount
HDFC –FMP-1218 Days*	10,00,000 units	100	–	–
Sub-total**		559		559
Total		1,035		835
Provision for diminution in the value of investment	4,80,000-Shares	76	4,80,000-Shares	76
Total		959		759

Notes: (i) **The market value of quoted investments as at March 31, 2017 was rupees six hundred and seventy nine lakhs (previous year rupees six hundred and fifty three lakhs). (ii) The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/term loan) to 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited). (iii) As at March 31, 2017, 3D Future Technologies Private Limited had a liability of rupees two hundred and twenty four lakhs (previous year rupees eighty six lakhs) with regard to loan availed from the HDFC Bank Limited. (iv) All mutual fund investments are in growth funds.

2.10 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Tax effect of items constituting deferred tax liability		
On difference between book and tax balance of fixed assets	(79)	(79)
Sub-total	(79)	(79)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences	185	185
Provision for warranties	129	129
Others	61	62
Sub-total	375	376
Net deferred tax asset	296	297

2.11 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Rent deposit and Government deposits	26	23
Security deposits, retention monies and performance guarantees	184	150
Earnest money deposits	131	116
Total	341	289

2.12 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity/Numbers	Amount	Quantity/Numbers	Amount
Non-trade investments (In units of mutual funds, quoted)				
Edelweiss Arbitrage Fund	–	–	4,83,161.811-Units	50
HDFC Liquid Fund – Daily Reinvest	1,465.811-Units	47	14,134.489-Units	144
ICICI Liquid Fund – Daily Reinvest	6,89,360.409-Units	333	–	–
Rural Electrification Corporation Ltd. (₹ 10,000 each)	–	–	500-Bonds	50
Total		380		244
Market value of quoted investments		382		244

2.13 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Raw materials	759	740
Work-in-progress	60	69
Finished goods	208	255
Traded goods	1,511	1,365
Packing materials	9	10
Stores, spares and consumables	47	50
Total	2,594	2,489

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.14 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Outstanding for a period exceeding six months (from the due date of payment)		
Unsecured – considered good	770	539
Considered doubtful	–	3
Less: Provision for doubtful trade receivables	28	3
Other trade receivables		
Secured – considered good	–	30
Unsecured – considered good	2,508	2,688
Total	3,250	3,257

2.15 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash in hand	1	2
Cheques in hand	–	21
Balance with banks in current/EEFC/unclaimed dividend accounts	139	122
Other bank balances		
Fixed deposits with banks	2,348	2,817
Total	2,488	2,962

Notes: (a) Cash and cash equivalents as of March 31, 2017 and March 31, 2016 include restricted cash and bank balances of rupees two hundred and eighty one lakhs and rupees two hundred and sixty five lakhs, respectively. The restrictions are primarily on account of cash and bank balances held as margin money deposits against guarantees and unclaimed dividends. (b) The deposit maintained by the Company with banks comprise time deposit.

Details of cash and bank balances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Fixed/term deposits with banks		
HDFC Bank	625	749
Canara Bank	100	375
IDBI Bank	700	700
IndusInd Bank	400	500
State Bank of Mysore	350	327
HDFC Bank-Margin deposits	71	71
Syndicate Bank-Margin deposits	102	95
Total	2,348	2,817
Balance with banks in current accounts		
Syndicate Bank	–	1
State Bank of India	31	20
HDFC Bank	–	2
Unclaimed dividends		
HDFC Bank	95	85
IndusInd Bank	13	14
Total	139	122

2.16 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Taxes, duties, input credits and refunds due	405	422
Advance to suppliers	17	28
Loans to erstwhile joint venture	209	220
Advance to others	52	21
Prepaid expenses and receivables	34	45
Total	717	736

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.17 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sale of products		
Manufactured goods	6,699	7,251
Less : Excise duty	758	814
Net of excise duty	5,941	6,437
Scrap sales	15	10
Traded goods	7,278	6,518
Sub-total	13,234	12,965
Sale of services		
Job work income	1,254	1,157
Commission on export services	143	195
Sub-total	1,397	1,352
Total	14,631	14,317

2.18 Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest income	186	250
Dividend income	5	18
Other non-operating-income	66	121
Profit on sale of assets	2	1
Total	259	390

Details of interest and dividend income

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest income		
Interest on bank deposits	182	197
Interest on inter-corporate-deposits	-	34
Others	4	19
Sub-total	186	250
Dividend income		
Dividends from mutual funds (current investment)	5	9
Dividends from mutual funds (non-current investment)	-	9
Sub-total	5	18

2.19 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Opening inventory	750	747
Add: Purchases	2,815	3,186
Sub total	3,565	3,933
Less: Closing stock	768	750
Total	2,797	3,183

2.20 Purchase of traded goods

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Welding consumables	3,547	3,460
Equipment and spares	2,279	1,606
Total	5,826	5,066

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.21 Changes in inventories

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Inventories at the beginning of the year		
Work-in-progress	69	113
Finished goods	255	251
Stock-in-trade	1,365	1,262
Sub-total	1,689	1,626
Inventories at the end of the year		
Work-in-progress	60	69
Finished goods	208	255
Stock-in-trade	1,511	1,365
Sub-total	1,779	1,689
(Increase)/decrease in inventories	(90)	(63)

2.22 Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, allowances and other benefits	1,892	1,768
Contribution		
–Provident fund	130	106
–Superannuation scheme	100	95
–Gratuity fund	21	27
Staff welfare	143	144
Total	2,286	2,140

2.23 Finance cost

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest expense on dealer deposits	–	2
Total	–	2

2.24 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Rent, rates, insurance and taxes	176	140
Consumables and stores	183	187
Sub-contracting of job works	680	604
Stationery, printing and communication expenses	75	75
Repairs to building	4	4
Repairs to machinery	14	14
Other repairs and maintenance		
–Vehicle maintenance	34	32
–Office maintenance	86	20
–Computer maintenance	17	10
–Others	29	29
Professional fees	39	53
Travelling and conveyance	471	470
Freight and forwarding	210	215
Sales commission and promotional expenses	172	222
Provision for warranties	5	32
Payment to auditors	17	17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.24 Other expenses (Cont...)

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Bank and other charges	23	11
Discounts and rebates	41	83
Provision for bad and doubtful debts	-	3
Provision for diminution in the value of investment	-	76
Corporate social responsibility	16	29
General expenses	144	95
Total	2,436	2,421

2.25 Earnings per share

The Company has evaluated its earnings per share as per Accounting Standard - 20 issued by The Institute of Chartered Accountants of India, as under:

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net profit after tax	883	1,037
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	5.05	5.93

Note: The Company does not have any outstanding dilutive potential equity shares as at March 31, 2017 and as at March 31, 2016. Consequently, basic and diluted earnings per share of the Company remain the same.

2.26 Disclosure relating to contingent liabilities, capital and other commitments

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Guarantees (Bank and Corporate)	388	333
Disputed excise duty demand under appeal	71	71
Disputed service tax demands under appeal	303	34
Disputed income tax demands under appeal	320	322
Investments lien marked for facilitating working capital loan to 3DFT*	409	409
*Market value of investments on which lien marking has been facilitated	515	485

2.27 Operating lease

The Company has entered in to cancellable operating lease with an option to renew in respect of certain godowns, offices and residential premises. The expenditure incurred thereon amounting to ₹ 68,40,437/- (Previous year ₹ 61,46,610/-) has been charged to the Statement of Profit and Loss. (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Lease payments for the year	68	61
Minimum lease payments	As at 31.03.2017	As at 31.03.2016
Not later than one year	60	51
Later than one year but not later than five years	-	-
Later than five years	-	-

2.28 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received any information from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Nonetheless, there are no amounts outstanding in respect of such entities categorised under 'MSME' in the books of account.

2.29 Related party transactions

a. Names of related parties and description of relationship with the Company

i. Associate companies

J B Advani and Company Private Limited, Ador Welding Limited, Ador Welding Academy Private Limited, Ador Powertron Limited, Ador Multiproducts Limited and Ador Green Energy Private Limited

ii. Related personnel (by virtue of shareholding in associate companies): Mr. Deep A Lalvani

iii. Joint venture: Dualrank Fontech (M) Sdn. Bhd. (Decision to exit vide Board meeting dated January 30, 2017)

iv. Wholly owned subsidiary: 3D Future Technologies Private Limited

v. Key management personnel: Mr. A T Malkani and Mr. H P Ledwani

vi. Relatives of key management personnel: Mrs. Sunila H Ledwani

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

b. Transactions with related parties

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
JB Advani and Company Private Limited		
Purchase of traded goods	4	15
Ador Welding Limited		
Purchase of traded goods	47	80
Purchase of manufactured goods	151	40
Sale of manufactured goods	13	12
Sale of traded goods	-	3
Rent paid	4	5
Ador Welding Academy Private Limited		
Sale of traded goods	6	20
Ador Powertron Limited		
Inter corporate deposit (ICD)-Paid and repaid in full during the year	-	500
Interest received on ICD	-	34
Related Personnel		
Remuneration	89	86
Dualrank Fontech (M) Sdn. Bhd.		
Sale of manufactured goods	-	6
Professional fees	-	1
Loans granted for working capital	-	25
Interest on loans granted	-	12
Key Management Personnel		
Remuneration	170	201
Relatives of Key Management Personnel		
Rent	24	22

c. Balances of related parties

(₹ in lakhs)

Particulars	As at 31.03.2017
JB Advani and Company Private Limited	-
Ador Welding Limited	-
Ador Welding Academy Private Limited (Dr)	6
Ador Powertron Limited	-
Dualrank Fontech (M) Sdn. Bhd.	-

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

(₹ in lakhs)

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
	Dr.	Cr.	Dr.	Cr.
JB Advani and Company Private Limited	-	-	-	-
Ador Welding Limited	-	-	-	-
Ador Welding Academy Private Limited	-	-	16	11
Ador Powertron Limited	-	-	-	-
Dualrank Fontech (M) Sdn. Bhd.	-	-	20	-

Notes: (i) Remuneration: Travel expenses/per diem allowance incurred for business purpose have been excluded. Perquisites are valued as per Income Tax Act. (ii) Debit balances depict receivables/advance towards supplies. (iii) Related party relationship is as identified by the Company and relied upon by the Auditors. (iv) Maximum balance reckoned as at end of each month.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.30 Receipts in foreign currencies

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Commission on export services	31	34
Other exports	2	2
Total	33	36

2.31 Expenditure in foreign currencies

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Travelling expenses	59	28
Conferences	13	49
Total	72	77

2.32 Details of imported and indigenous raw materials, stores and spares consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
	Amount	Percentage	Amount	Percentage
Raw materials				
Imported	318	11.37	100	3.14
Indigenous	2,479	88.63	3,083	96.86
Sub-total	2,797	100.00	3,183	100.00
Stores and spares				
Imported	-	-	8	6.20
Indigenous	124	100.00	121	93.80
Sub-total	124	100.00	129	100.00
Total	2,921	100.00	3,312	100.00

2.33 Prior period expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Depreciation on plant and machinery (short provision of earlier years)	-	2

2.34 CIF value of imports

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Raw materials	346	422
Equipment, spares and others	1,550	1,124
Traded goods	1,750	1,903
Plant and machinery	-	100
Total	3,646	3,549

2.35 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Statutory audit	8	8
Taxation	2	2
Other services	7	7
Total	17	17

2.36 Particulars of unhedged foreign currency exposures

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Foreign currencies	Indian rupees	Foreign currencies	Indian rupees
Payables*				
US Dollar*	6	410	6	394
Euro*	2	127	2	137
SEK	1	7	10	81

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.37 Defined benefit obligation: Gratuity (As certified by the Actuary)

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
1. Changes in defined benefit obligation		
Obligation at the beginning of the year	348	322
Interest cost	27	26
Service cost	21	21
Actuarial (gain)/ loss	1	(6)
Benefits paid	(51)	(15)
Obligation at the end of the year	346	348
2. Changes in fair value of assets		
Opening fair value of plan assets	344	340
Expected return on plan assets	27	27
Actuarial gain/(losses)	-	(9)
Benefits paid	(51)	(14)
Closing fair value of plan assets	320	344
3. Liability recognised in the Balance Sheet		
Present value of funded obligations	345	348
Fair value of plan assets	(320)	(344)
Net liability	25	4
4. Expenses recognised in the Statement of Profit and Loss		
Service cost	21	21
Interest cost	27	26
Expected return on plan assets	(27)	(27)
Actuarial (gain)/loss	-	3
Total expenses included in employee benefit expenses	21	23
Assumptions		
Discount factor	7.45%	7.90%
Estimated rate of return on plan assets	8.00%	8.00%
Salary increase	6.00%	7.00%
Attrition rate: 21-44 years	2%	2%
45-57 years	1%	1%
Retirement age	58 years	58 years

Notes: (i) The above info. is as certified by the Actuary. (ii) The Company has gratuity fund & defrays its estimated actuarial liability to the fund.

2.38 Defined contribution scheme

Superannuation: The amounts are determined and defrayed to a trust fund, year on year and hence no further liability accrues to the Company on this account as on the date of the Balance Sheet.

2.39 Information on joint venture and wholly owned subsidiary

Joint venture: In view of significant business performance and consistent

year on year losses, the Board on the basis of commercial viability has decided to exit from the joint venture – Dualrank Fontech (M) Sdn.Bhd. vide meeting of the Board of Directors dated January 30, 2017. Consequently, Ador Fontech Limited does not have any representation in the management of the joint venture. With only an investment proposition in terms of accounting standard, aggregation of accounts of Dualrank Fontech (M) Sdn.Bhd. has not been facilitated. The process for exit has been initiated and it is expected to take some time before the final closure, as per the provisions of law and legal requirements.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	For the year ended 31.12.2016		For the year ended 31.12.2015	
	MYR (₹ in lakhs)	INR (₹ in lakhs)	MYR (₹ in lakhs)	INR (₹ in lakhs)
Revenue	27.0	428	22.5	366
Expenses	30.0	476	29.0	472
Losses	(3.0)	(48)	(6.5)	(106)
Average exchange rate		15.87		16.29

Notes: (i) *External liabilities are liabilities payable to other than the venture companies. (ii) MYR-Malaysian Ringgits

(ii) Summary of Assets, Liabilities, Income and Expenditure of the wholly owned subsidiary are given below:

Particulars	Country of incorporation	Percentage of holding	As at 31.03.2017				Year ended 31.03.2017	
			Assets	Liabilities (External)	Contingent Liabilities	Capital Commitments	Income	Expenditure
3D Future Technologies Private Limited (Previous year data)	India	100%	366 (182)	243 (89)	409 (Lien marked)	- -	32 (6)	316 (108)

2.40 Segment reporting

- a. Segment policies: Revenues and identifiable operating expenses in relation to the segments are categorised based on items that are individually identifiable to that segment. In cases, where the management believes it is not practical to provide disclosure relating to some expenses, then these expenses are separately disclosed as 'unallocated' and adjusted against the total income

of the Company. The accounting policies adopted for segment reporting are in line with accounting policies adopted by the Company for the purpose of financial statements.

b. Business segments: For Management reporting purpose, there are two major operating segments: (i) Products and (ii) Services.

c. The above segments have been identified taking in to account the organisation's structure as well as differing risks and returns of these segments.

(i) Products and services

(₹ in lakhs)

Particulars	Financial year 2016-17			Financial year 2015-16		
	Products	Services	Total	Products	Services	Total
Segment revenue (net of excise duty)	13,377	1,254	14,631	13,160	1,157	14,317
Segment results	926	251	1,177	1,058	328	1,386
Unallocated expenses	-	-	127	-	-	132
Other income	-	-	259	-	-	390
Profit before tax	-	-	1,309	-	-	1,644
Capital employed						
Segment assets	7,953	1,222	9,175	6,706	1,656	8,362
Segment liabilities	3,363	333	3,696	2,849	419	3,268
Segment assets net of liabilities	4,590	889	5,479	3,857	1,237	5,094
Unallocable assets	-	-	1,635	-	-	1,300
Investments	-	-	2,348	-	-	2,817
Net capital employed	-	-	9,462	-	-	9,211
Capital expenditure	-	-	195	-	-	422
Depreciation and amortisation expenses	-	-	326	-	-	312

(ii) Geographical segments

(₹ in lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue (including other incomes)	14,857	14,671	33	36	14,890	14,707

2.41 Contractual liabilities

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

2.42 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.

2.43 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.

2.44 Amounts in the financial statements

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

FORM AOC-1

SALIENT FEATURES OF SUBSIDIARY/ASSOCIATE COMPANY/JOINT VENTURE

Pursuant to Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014

1. Part A : Subsidiaries

Particulars	Details
Name of the subsidiary	3D Future Technologies Private Limited*
Reporting period of the subsidiary concerned, if different from holding company's reporting period	Not Applicable Reporting year: April to March
Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Not Applicable
Share capital	Authorised capital : ₹ 500 lakhs-As at 31.03.17 Paid up capital: ₹ 400 lakhs-As at 31.03.17
Reserves and surplus/Accumulated losses	(₹ 277 lakhs)-As at 31.03.17
Total assets	₹ 366 lakhs-As at 31.03.17
Total liabilities (external)	(₹ 243 lakhs)-As at 31.03.17
Investments	₹ 22 lakhs-As at 31.03.17
Turnover	₹ 32 lakhs-As at 31.03.17
Profit/(loss) before tax	(₹ 284 lakhs)-As at 31.03.17
Provision for tax/Deferred tax credit	₹ 121 lakhs-As at 31.03.17
Profit/(loss) after tax	(₹ 163 lakhs)-As at 31.03.17
Proposed dividend	Nil
Percentage of shareholding	One hundred percent held by Ador Fontech Limited

2. Part B : Associates and joint venture

Name of the Associates/Joint Ventures	JB Advani and Company	Ador Welding	Ador Welding Academy	Ador Powertron	Ador Multiproducts	Ador Green Energy	Dualrank Fontech
Latest audited Balance Sheet date	31.03.17	31.03.17	31.03.17	31.03.17	31.03.17	31.03.17	31.03.17
Shares of Associate/joint ventures held by the Company							
Number	-	-	-	-	-	-	4,80,000
Amount of investment in Associate/joint venture	-	-	-	-	-	-	₹ 75,68,438
Extent of holding (percent)	-	-	-	-	-	-	48 percent
Description of how there is significant influence	Promoter	Promoter group	Promoter group	Promoter group	Promoter group	Promoter group	Shareholding greater than 20 percent
Reason why the associate/joint venture is not consolidated*	Related Party	Related Party	Related Party	Related Party	Related Party	Related Party	Decision to exit
Net-worth attributable to shareholding as per latest audited	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance Sheet	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Profit/(loss) for the year	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	No
Not considered in consolidation	N/A	N/A	N/A	N/A	N/A	N/A	Yes

Notes: (i) Not Applicable: N/A (ii) Names of associates or joint ventures which are yet to commence operations – Not Applicable (iii) Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable. However, vide Board resolution dated January 30, 2017 the Company has decided to exit from the Joint-venture. (iv) *Related parties/associates are separate legal and business entities-public limited/private limited companies and there are no cross shareholdings, between Ador Fontech Limited and such companies, except by way of JB Advani and Company Private Limited (the Promoter) and its Director's/Shareholder's shareholdings across such organisations. (v) This statement is certified in the same manner in which the Balance Sheet is certified as at March 31, 2017. (vi) *Extract of financial statements of 3D Future Technologies Private Limited has been provided in page no. 60. (vii) Amounts in brackets indicate negative values/external liabilities.

CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
1. Shareholders' funds			
Share capital	2.01	350	350
Reserves and surplus	2.02	8,835	8,748
Sub-total		9,185	9,098
2. Non-current liabilities			
Long-term liabilities	2.03	167	183
Long-term provisions	2.04	632	561
Sub-total		799	744
3. Current liabilities			
Short-term borrowings	2.05	224	86
Trade payables	2.06	1,234	1,332
Other current liabilities	2.07	912	854
Short-term provisions	2.08	662	1,085
Sub-total		3,032	3,357
TOTAL - EQUITY AND LIABILITIES		13,016	13,199
ASSETS			
1. Non-current assets			
Fixed assets	2.09		
– Tangible assets		2,155	2,327
– Intangible assets		15	–
Sub-total		2,170	2,327
Non-current investments	2.10	609	559
Deferred tax	2.11	412	291
Long-term loans and advances	2.12	344	292
Sub-total		3,535	3,469
2. Current assets			
Current investments	2.13	402	260
Inventories	2.14	2,606	2,491
Trade receivables	2.15	3,254	3,257
Cash and cash equivalents	2.16	145	149
Other bank balances	2.16	2,351	2,821
Short-term loans and advances	2.17	723	752
Sub-total		9,481	9,730
TOTAL - ASSETS		13,016	13,199
Significant accounting policies and notes to the financial statements (Refer notes : 1 and 2)			

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Narayanan V
Partner (Membership No. 219265)
Bengaluru, May 09, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
1. Revenue from operations (gross)	2.18	15,412	15,131
Less: Excise duty		758	814
Revenue from operations (net)	2.18	14,654	14,317
2. Other income	2.19	268	396
3. Total revenue (1+2)		14,922	14,713
4. Expenses			
a. Cost of materials consumed	2.20	2,814	3,183
b. Purchase of traded goods		5,827	5,066
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(91)	(63)
d. Employee benefit expenses	2.22	2,389	2,181
e. Depreciation and amortisation expenses		376	316
f. Finance cost	2.23	12	2
g. Other expenses	2.24	2,570	2,484
Total expenses		13,897	13,169
5. Profit before tax (3-4)		1,025	1,544
6. Prior period expenses		-	2
7. Profit before tax and after prior period expenses (5-6)		1,025	1,542
8. Tax expenses			
a. Current tax		425	575
b. Deferred tax		(120)	37
Sub-total		305	612
9. Profit after tax (7-8)		720	930
10. Earnings per share			
Basic and diluted	2.25	4.11	5.31
Significant accounting policies and notes to the financial statements (Refer notes: 1 and 2)			

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Narayanan V
Partner (Membership No. 219265)
Bengaluru, May 09, 2017

CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
A. Cash flow from operating activities		
Net profit before tax as per the Statement of Profit and Loss	1,025	1,542
Add/(Less):		
Depreciation, amortisation and impairment	376	316
Provision made in the books of account	(92)	(176)
Taxes paid	(574)	(648)
Non-operating income excluding provisions	(39)	(10)
Interest and dividend income	(191)	(268)
Operating profit before changes in working capital	505	756
Adjustments for movements in:		
Short term borrowings	138	86
Trade receivables	3	(538)
Inventories	(115)	(59)
Movement in loans, advances and other current assets	29	75
Trade payables	(98)	423
Movement in liabilities and provisions	44	(91)
Net cash from operating activities (A)	506	652
B. Cash flow from investing activities		
Purchase of fixed assets	(254)	(563)
Sale of fixed assets	33	13
Purchase and sale of investments (net)	(192)	78
Non-operating income excluding provisions	39	10
Interest and dividend income	191	268
Net cash from investing activities (B)	(183)	(194)
C. Cash flow from financing activities		
Increase/(decrease) in long term liabilities	(16)	13
(Increase)/decrease in long term loans and advances	(52)	10
Dividend paid including tax	(729)	(738)
Net cash from financing activities (C)	(797)	(715)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(474)	(257)
Opening balance of cash and cash equivalents	2,970	3,227
Closing balance of cash and cash equivalents	2,496	2,970

Notes: (i) Figures in brackets represent cash outflow. (ii) The above Consolidated Cash Flow Statement has been prepared under indirect method as set out in AS-3-Cash Flow Statement notified under the Company's (Accounting Standards) Rule, 2016 (refer note 1.15).

On behalf of the Board of Directors

A T Malkani
Chairman
DIN 01585637

H P Ledwani
Managing Director
DIN 00040629

Geetha D
Company Secretary
Mumbai, May 08, 2017

As per our report of even date attached
For **Amarnath Kamath and Associates**
Chartered Accountants
Firm Registration No. 000099S

Narayanan V
Partner (Membership No. 219265)
Bengaluru, May 09, 2017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General Information

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

Note 1

1.01 Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared in accordance with Indian GAAP under the historic cost convention and on accrual basis. GAAP comprises mandatory accounting standards notified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules 2014 and relevant requirements/guidelines issued by SEBI. The Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standards (AS) 21 - Consolidated Financial Statements, Accounting Standards (AS) 23 - Accounting for Investments in Associates in Consolidated Financial Statements, pursuant to the Companies (Accounting Standards) Rules, 2014, (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years.

The particulars of the Company and its wholly owned subsidiary together referred to as "the Group", which are included in consolidation and the Company's holding therein, are as under:

Name and address	Country of incorporation	Percentage of holding either directly or through subsidiary as at March 31, 2017	Status	Directors
Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042	India	100%	Parent	Mr. A T Malkani
				Mr. H P Ledwani
				Mrs. N Malkani Nagpal
				Mr. N S Marshall
				Mr. Santosh Janakiram
3D Future Technologies Pvt. Ltd. Ador House 5 th floor 6 K Dubash Marg Fort Mumbai 400 001	India	100%	Wholly owned subsidiary	Mr. AT Malkani
				Mr. H P Ledwani
				Mrs. N Malkani Nagpal
				Mr. Santosh Janakiram

Name of the Entity	Net assets ie., total assets minus total liabilities		Share in the Profit/Loss (after tax)	
	As at 31.03.2017		For the year ended 31.03.2017	
	As a percentage of consolidated net assets	Amount (₹ in lakhs)	As a percentage of consolidated profit/loss	Amount (₹ in lakhs)
Ador Fontech Limited	103.02	9,462	122.64	883
3 D Future Technologies Pvt. Ltd.	(3.02)	(277)	(22.64)	(163)
Total	100.00	9,185	100.00	720

1.02 Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures as at the date of the financial statements besides, the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined. Any revision to accounting estimates is recognised prospectively in current and future years.

1.03 Principles of consolidation

The consolidated financial statements relate to Ador Fontech Limited ("the Company") and its wholly owned subsidiary. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its wholly owned subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities,

income and expenses and after eliminating intra-group balances, intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

- Investment in Associate Company has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

1.04 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- a. Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. It is stated at both gross and net values.
- b. Income from conversion job is recognised on its completion and on its acceptance by the customers.
- c. Dividend income is accounted for in the year in which the right to receive the same is established.
- d. Interest income is recognised using the time-proportion-method, based on rates implicit in the transaction.

1.05 Fixed assets

Tangible assets shown under gross block are valued at cost of acquisition inclusive of inward freight, duties, taxes and other incidental expenses/adjustments related to its acquisition. All such direct costs are capitalised when the tangible fixed assets are ready for use. Intangible assets relating to product development are recorded at actual cost incurred on the development of products and are capitalised once the products receive approval from relevant authorities and the same are carried at cost less accumulated amortisation.

1.06 Depreciation and amortisation

The Company

- a.
 - i. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets and allows Companies to use higher/lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.
 - ii. Management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.
- b. Depreciation on tangible assets purchased during the year has been calculated as under:
 - i. All assets (except leasehold interest): On written down value basis.
 - ii. Lease hold land: On straight line basis over the period of lease.
 - iii. Intangible assets: Over a period of approximately four years. So as to effectively depreciate the assets over the specified useful lives leaving behind a residual value of five percent.
- c. Depreciation on additions to fixed assets during the current year are charged on pro-rata basis, for the period of use.

Wholly owned subsidiary

The wholly owned subsidiary was incorporated on January 19, 2015 and depreciation on assets have been provided as per the provisions of the Companies Act, 2013.

1.07 Impairment of assets

An impairment loss is charged to Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired.

1.08 Investments

Trade investments are investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on the Management's intention. Current investments are carried at cost. Cost of overseas investments comprises Indian rupee value of consideration paid for the investment translated at the exchange rate prevalent on the date of investment. Long-term investments are carried at cost less provisions recorded to recognise any decline, other than temporary, in the carrying value of each investment.

1.09 Inventories

Inventories are stated at lower of cost and net realisable value and are principally determined on first-in first-out basis. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred for marketing, selling & distribution. For work-in-progress and finished goods, cost consists of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

1.10 Employee benefits

- a. Salaries, wages, bonus and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Companies.
- b. Employees are entitled to paid annual leave earned on a cumulative basis. Holding company provides for accumulation of leave and/or encashment thereof.
- c. Defined contribution plans are post-employment benefit plans under which a participating company pays fixed contributions in to separate entities or funds and thereafter no legal or constructive obligation to pay further would accrue. The Company contributes towards provident, gratuity and superannuation funds, while the wholly owned subsidiary contributes towards provident fund (PF).

1.11 Leases and hire purchase arrangements

Lease rental payments under operating lease are recognised as an expense on straight line basis in the Consolidated Statement of Profit and Loss over the lease term.

1.12 Risk management

- a. **Financial risk management:** The Group's financial risk management policies seek to ensure that adequate financial resources are available for the development of business while at the same time, managing its risks.
- b. **Credit risk:** The Group has credit policy in place and exposure to credit risk is monitored. Credit evaluations are performed on all customers requiring credit. However, Companies do not seek collateral in respect of credit extensions to customers. Credit terms for trade receivables are assessed and approved on a case to case basis. The Companies do not have any significant concentration of credit risks that may arise from exposure to a single debtor or to group of debtors.
- c. **Liquidity risk:** The Companies in the Group monitor and maintain a level of cash and cash equivalents deemed adequate to finance its business activities and to mitigate the effects of fluctuations in cash flows.
- d. **Interest rate risk:** The Group's exposure to changes in interest rates relate primarily to financial borrowings and/or short term deposits. There is no formal hedging policy with respect to interest rate fluctuations. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the exposure at an acceptable level.
- e. **Currency risk:** The Companies do not hedge its foreign currency exposure by purchasing forward currency controls. Exposure to currency risk is monitored on an ongoing basis and the Group endeavours to keep the exposure at an acceptable level.

1.13 Taxes on income

- a. **Current tax:** Provision for current tax is made based on tax liability computed after considering tax allowances and exemptions.
- b. **Deferred tax:** Provision for deferred tax is made using the applicable rate of taxation, for all timing differences, which arise during a year and are reversed in subsequent periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.14 Provisions and contingent liabilities

Based on the best estimate of the Management, provisions are determined on the outflow of economic benefits, which are required to settle obligations, as at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. Disclosure for contingent liability is also made when there is a possible obligation that may, but probably will not, require an outflow of the Company's resources.

1.15 Cash flow statement

Consolidated cash flows are reported using indirect method, whereby profit before tax are adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash

receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated accordingly.

1.16 Schedule III

The financial statements have been drawn as per Schedule III to the Companies Act, 2013. Nonetheless, wherever data is nil, the line item has been omitted to facilitate ease in reading. This includes the following (i) Money received against share warrants (ii) Share application money pending allotment (iii) Deferred Government grants (iv) Minority interests (v) Foreign currency monetary item translation differences (vi) Tangible assets pertaining to capital work-in-progress (vii) Goodwill on consolidation .

Note 2:

General: Specified bank notes (notification no. S.O.3407(E) dt. Nov 8, 2016).

In respect of SBNs, the opening balance as on 08.11.2016 was ₹ 1 lakh, permitted payments and amount deposited in the bank amounted to ₹ 0.5 lakh each and the closing balance as on 30.12.2016 was 'Nil'. In respect of other denominations, opening balance was ₹ 2 lakhs, permitted receipts were ₹ 9 lakhs, permitted payments were ₹ 8 lakhs, cash deposited in to the bank was ₹ 1 lakh and the closing balance was ₹ 2 lakhs.

2.01 Share capital

The right of the shareholders is governed by the Articles of Association and the Companies Act. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of

the Company after distribution of all preferential amounts, in proportion to their shareholding.

a. Ador Fontech Limited

(i) Details of authorised, issued, subscribed and paid-up capital of Ador Fontech Limited (ii) Reconciliation of number of equity shares (iii) Details of equity held by shareholders holding more than 5% of aggregate shares in the Company (iv) Note as to the facts that during the year there has been no issue of bonus or rights or issue of equity pursuant to contracts without payment being received in cash have been provided as part of Standalone Financial Statements and the Company has not issued securities like convertible preference shares, convertible debentures etc., which are convertible in to equity/preference shares.

b. 3D Future Technologies Private Limited

(i) Details of authorised, issued, subscribed and paid-up capital

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Authorised: Equity shares of ₹ 10/- each	50,00,000	500	50,00,000	500
Issued: Equity shares of ₹ 10/-each	40,00,000	400	20,00,000	200
Subscribed and paid up: Equity shares of ₹ 10/-each	40,00,000	400	20,00,000	200
Subscribed but not fully paid up: Equity shares of ₹ 10/- each	-	-	-	-
Calls unpaid	-	-	-	-
Par value per equity share	₹ 10/-	₹ 10/-	₹ 10/-	₹ 10/-

(ii) Reconciliation of number of equity shares

Particulars	As at 31.03.2017		As at 31.03.2016	
	Nos.	₹ in lakhs	Nos.	₹ in lakhs
Equity shares				
Shares outstanding at the beginning of the year	20,00,000	200	10,00,000	100
Shares issued during the year	20,00,000	200	10,00,000	100
Shares outstanding at the end of the year	40,00,000	400	20,00,000	200

(iii) Details of equity shares held by shareholders holding more than five percent of aggregate shares in the Company

Name of the Shareholder	As at 31.03.2017		As at 31.03.2016	
	No. of shares held	Percent	No. of shares held	Percent
Ador Fontech Limited CIN:L31909KA1974PLC020010	40,00,000	100	20,00,000	100

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding March 31, 2017

No shares have been issued by way of bonus shares or by way of consideration other than cash and no buy back of shares have been effected, during five years immediately preceding March 31, 2017.

(v) Issue/conversion of equity shares

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c. Dularank Fontech (M) Sdn. Bhd.

The Company has decided to exit from the joint venture vide Board meeting dated January 30, 2017. Details on account of equity investment and working capital loans are as under:

- i. Equity investment: ₹ 76 lakhs – the Company has made provisions in the books of account for the entire amount as at March 31, 2017.
- ii. Loans: Outstanding loans provided in tranches amounts to ₹ 180 lakhs. Interest and exchange fluctuations aggregate to ₹ 29 lakhs. The Company has made provisions of ₹ 30 lakhs in the books of accounts as at March 31, 2017. As regards loan, an equal contribution has come in from Dualrank (M) Sdn. Bhd. and hence interest waiver by both parties will be a point of consideration, during the course of exit.

Note: The Company had made investments under the automatic approval process of the Reserve Bank of India vide UIN: BGJAZ20120643. Hence during and on closure of formalities /disinvestment, the Company will intimate/seek necessary approval from the Reserve Bank of India.

2.02 Reserves and surplus

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Capital reserve		
Balance as at the beginning of the year	12	12
Add: Additions/(deletions) during the year	–	–
Balance as at the end of the year	12	12
Securities premium account		
Balance as at the beginning of the year	172	172
Additions/(deletions) during the year	–	–
Balance as at the end of the year	172	172
General reserve		
Balance as at the beginning of the year	6,577	6,377
Add: Transferred from surplus	100	200
Balance as at the end of the year	6,677	6,577
Surplus in the Statement of Profit and Loss		
Balance as at the beginning of the year	1,985	1,993
Add: Net profit for the year	720	930
Less: Proposed dividend on equity shares	525	613
Dividend distribution tax	107	125
Transfer to general reserve	100	200
Balance as at the end of the year	1,973	1,985
Consolidation adjustments	1	2
Total	8,835	8,748

2.03 Long-term liabilities

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Deposit from dealers and employees	167	183
Total	167	183

2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for warranties	256	130
Provision for tax (net of taxes paid)	(155)	4
Provision for compensated absences	531	427
Total	632	561

2.05 Short-term borrowings

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Secured - Overdraft facility from a bank*	224	86
Total	224	86

Note: *The earmarked investments (Refer schedule 2.10) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan/Overdraft facilities to 3D Future Technologies Private Limited)(wholly owned subsidiary of Ador Fontech Limited).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.06 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables	1,234	1,332
Total	1,234	1,332

2.07 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Advance received from customers	35	17
Statutory dues	187	238
Unclaimed dividends	108	99
Others	582	500
Total	912	854

2.08 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Provision for compensated absences	68	103
Sub-total	68	103
Provision – others		
Provision for proposed equity dividend	525	613
Provision for dividend distribution tax	107	125
Provision for warranties	125	240
Provision for income tax (net of taxes paid)	(163)	5
Provision for doubtful debts	–	(1)
Sub-total	594	982
Total	662	1,085

2.09 Fixed assets

(₹ in lakhs)

Particulars	Gross block				Depreciation				Net block	
	As at 01.04.16	Additions	Disposals	As at 31.03.17	As at 01.04.16	Withdrawn on sales	For the year	As at 31.03.17	As at 31.03.17	As at 31.03.16
Tangibles										
Freehold land	76	–	–	76	–	–	–	–	76	76
Leasehold land	2	–	–	2	–	–	–	–	2	2
Buildings	1,080	–	–	1,080	419	–	63	482	598	662
Office premises	601	–	–	601	116	–	24	140	461	485
Plant & machineries	1,468	68	(4)	1,532	708	–	153	861	671	764
Electrical equipment	95	3	–	98	57	–	10	67	31	40
Computers	148	38	(5)	181	131	(4)	18	145	36	16
Office equipment	93	18	–	111	72	–	16	88	23	21
Furniture & fixtures	138	11	(1)	148	94	–	12	106	42	43
Vehicles	560	99	(154)	505	341	(129)	78	290	215	218
Sub-total	4,261	237	(164)	4,334	1,938	(133)	374	2,179	2,155	–
Intangibles	70	17	–	87	70	–	2	72	15	–
Total	4,331	254	(164)	4,421	2,008	(133)	376	2,251	2,170	–
Previous year	3,844	563	(73)	4,334	1,756	(65)	316	2,007	–	2,327

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.10 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity/Number	Amount	Quantity/Number	Amount
Non-trade investments (In units of mutual funds-quoted)				
Edelweiss Arbitrage Fund	4,24,138.575-Units	50	–	–
Kotak Equity Arbitrage Fund	–	–	9,28,729.313-Units	100
India Bulls Arbitrage Fund	4,39,367.311-Units	50	–	–
Kotak Bond Fund*	1,47,749.334-Units	50	1,47,749.334-Units	50
SBI Dynamic Bond Fund*	3,40,119.858-Units	50	3,40,119.858-Units	50
HDFC Income Fund*	3,63,957.970-Units	100	3,63,957.970-Units	100
Reliance - FMP- Series 14	5,00,000-Units	50	15,00,000-Units	150
HDFC-FMP-370 Days*	10,93,230-Units	109	10,93,230-Units	109
HDFC –FMP-1218 Days*	10,00,000 units	100	–	–
Centre for Technology Assisted Reconstructive Surgery Pvt. Ltd.	2,345-Shares	50	–	–
Total**		609		559

Notes: (i)** The market value of quoted investments as at March 31, 2017 was rupees six hundred and seventy nine lakhs (previous year rupees six hundred and fifty three lakhs). (ii) The earmarked investments (*) have been provided as collateral security (lien in favour of the HDFC Bank Limited) for grant of loan (be it in the nature of working capital/demand loan/term loan) to 3D Future Technologies Private Limited (wholly owned subsidiary of Ador Fontech Limited). (iii) As at March 31, 2017, 3D Future Technologies Private Limited had a liability of rupees two hundred and twenty four lakhs (previous year rupees eighty six lakhs) with regard to loan availed from the HDFC Bank Limited. (iv) All mutual fund investments are in growth funds.

2.11 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Tax effect of items constituting deferred tax liability		
On difference between book and tax balance of fixed assets	37	(79)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences	185	179
Provision for warranties	129	129
Others	61	62
Net deferred tax	412	291

2.12 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Rent deposit and Government deposits	26	23
Security deposits, retention monies and performance guarantees	187	152
Earnest money deposits	131	117
Total	344	292

2.13 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Quantity/Number	Amount	Quantity/Number	Amount
Non-trade investments (In units of mutual funds, quoted)				
Investment by holding company				
Edelweiss Arbitrage Fund	–	–	4,83,161.811 Units	50
HDFC Liquid Fund – Daily Reinvest	1,465.811-Units	47	14,134.489-Units	144
ICICI Liquid Fund – Daily Reinvest	6,89,360.409-Units	333	–	–
Rural Electrification Corporation Ltd. (₹ 10,000 each)		–	500-Bonds	50
Investment by subsidiary company				
HDFC Liquid fund – daily reinvest	730.672-Units	22	539.271-Units	16
Total		402		260

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.14 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Raw materials	770	742
Work-in-progress	60	69
Finished goods	208	255
Traded goods	1,512	1,365
Packing materials	9	10
Stores, spares and consumables	47	50
Total	2,606	2,491

2.15 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Outstanding for a period exceeding six months (from the due date of payment)		
Unsecured – considered goods	743	540
Other trade receivables		
Secured – considered good	–	30
Unsecured – considered good	2,511	2,687
Total	3,254	3,257

2.16 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Cash in hand	1	2
Balance with banks in current/EEFC/unclaimed dividend accounts	144	147
Other bank balances		
Fixed deposits with banks	2,351	2,821
Total	2,496	2,970

Note: Cash & cash equivalents as of March 31, 2017 and March 31, 2016 include restricted cash & bank balances of ₹ 281 lakhs & ₹ 265 lakhs, respectively. The restrictions are primarily on account of cash & bank balances held as margin money deposits against guarantees and unclaimed dividends.

2.17 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2017	As at 31.03.2016
Taxes, duties, input credits and refunds due	405	422
Advance to suppliers	17	28
Loans and advances -unsecured considered good	210	220
Advance to others	55	36
Prepaid expenses and receivables	36	46
Total	723	752

2.18 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Sale of products		
Manufactured goods	6,722	7,251
Less: Excise duty	758	814
Net of excise duty	5,964	6,437
Scrap sales	15	10
Traded goods	7,278	6,517
Sub-total	13,257	12,964
Sale of services		
Job works	1,254	1,157
Commission on exports services	143	196
Sub-total	1,397	1,353
Total	14,654	14,317

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.19 Other income (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest income	186	250
Dividend income	5	18
Net gain on sale of current investments	4	4
Other non-operating income	71	123
Profit on sale of assets	2	1
Total	268	396

2.20 Raw materials consumed (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Opening inventories	752	747
Add: Purchases	2,841	3,188
Sub total	3,593	3,935
Less: Closing inventories	779	752
Total	2,814	3,183

2.21 Changes in inventories (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Inventories at the beginning of the year		
Work-in-progress	69	113
Finished goods	255	251
Stock-in-trade	1,365	1,262
Sub-total	1,689	1,626
Inventories at the end of the year		
Work-in-progress	60	69
Finished goods	208	255
Stock-in-trade	1,512	1,365
Sub-total	1,780	1,689
(Increase)/decrease in inventories	(91)	(63)

2.22 Employee benefit expenses (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Salaries, allowances and other benefits	1,987	1,806
Contribution to provident and other funds	256	230
Staff welfare	146	145
Total	2,389	2,181

2.23 Finance cost (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Interest expense on bank borrowings/dealer deposits	12	2
Total	12	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.24 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Rent, rates, insurance and taxes	176	140
Consumables, stores and utilities	185	187
Sub-contracting of job works	680	604
Printing, stationery and communication expenses	85	76
Repairs to building	4	4
Repairs to machinery	14	14
Other repairs and maintenance		
–Vehicle maintenance	–	32
–Office maintenance	137	25
–Computer maintenance	15	10
–Others	29	29
Professional fees	121	89
Travelling and conveyance	479	480
Freight and forwarding	210	215
Sales commission and promotional expenses	179	222
Provision for warranties	5	32
Payment to auditors	17	17
Bank and other charges	23	13
Discounts and rebates	41	83
Provision for doubtful receivables	–	3
Provision for diminution in the value of investments	–	76
Corporate social responsibility	16	29
General expenses	154	104
Total	2,570	2,484

2.25 Earnings per share

(₹ in lakhs)

The Company has evaluated its earning per share as per Accounting Standard - 20 issued by the Institute of Chartered Accountants of India, as under:

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Net profit after tax	720	930
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	4.11	5.31

The Company does not have any outstanding dilutive potential equity shares as at March 31, 2017 and as at March 31, 2016. Consequently, the basic and diluted earnings per share of the Company remain the same.

2.26 Disclosure relating to contingent liabilities, capital and other commitments

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Guarantees (Bank and Corporate)	388	333
Disputed excise duty demand under appeal	71	71
Disputed service tax demands under appeal	303	34
Disputed income tax demands under appeal	320	322
Investments lien marked for facilitating working capital loan to 3DFT*	409	409
*Market value of investments on which lien marking has been facilitated	515	485

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.27 Operating lease

The Company has entered in to cancellable operating lease with an option to renew in respect of certain godowns, offices and residential premises. The expenditure incurred thereon amounting to ₹ 68,40,437/- (Previous year ₹ 61,46,610/-) has been charged to the Statement of Profit and Loss. (₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Lease payments for the year	68	61
Minimum lease payments	As at 31.03.2017	As at 31.03.2016
Not later than one year	60	51
Later than one year but not later than five years	-	-
Later than five years	-	-

2.28 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Statutory audit	8	8
Taxation	2	2
Other services	7	7
Total	17	17

2.29 Segment reporting

Segment policies: Revenues and identifiable operating expenses in relation to the segments are categorised based on items that are individually identifiable to that segment. In cases, where the management believes it is not practical to provide disclosure relating to some expenses, then these expenses are separately disclosed as 'unallocated' and adjusted against the total income of the Company. The accounting policies adopted for segment reporting are in line with accounting policies adopted by the Company for the purpose of financial statements.

Business segments: For Management reporting purpose, the Company is organised in to two major operating segments:

(i) Products and services

(₹ in lakhs)

Particulars	Financial year 2016-17			Financial year 2015-16		
	Products	Services	Total	Products	Services	Total
Segment revenue (net of excise duty)	13,386	1,268	14,654	13,160	1,157	14,317
Segment results	682	251	933	1,217	328	1,545
Unallocated expenses	-	-	176	-	-	399
Other income	-	-	268	-	-	396
Profit before tax	-	-	1,025	-	-	1,542
Capital employed	-	-	-	-	-	-
Segment assets	7,919	1,222	9,141	7,425	1,656	9,081
Segment liabilities	3,609	333	3,942	3,685	419	4,104
Segment assets net of liabilities	4,310	889	5,199	3,740	1,237	4,977
Unallocable assets	-	-	1,635	-	-	1,300
Investments	-	-	2,351	-	-	2,821
Net capital employed	-	-	9,185	-	-	9,098
Capital expenditure	-	-	254	-	-	563
Depreciation and amortisation expenses	-	-	376	-	-	316

(ii) Geographical segments

(₹ in lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue (including other incomes)	14,889	14,677	33	36	14,922	14,713

The above segments have been identified taking in to account the organisation's structure as well as differing risks and returns of these segments.

2.30 Contractual liabilities

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

2.31 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.32 Transfer pricing

Transfer pricing report duly audited was filed for the Assessment Year 2016-17. Similar compliance shall be made by the Company for the Assessment Year 2017-18.

2.33 Amounts in the financial statements

- (i) Grouping and heads of account have been rearranged/reorganised in terms of presentation for the 'Group' as a whole as were deemed necessary. (ii) Amounts of the previous year have been rearranged/regrouped to facilitate comparison. (iii) Amounts are rounded off to the nearest lakh. (iv) Negative numbers have been specified in brackets.

2.34 Snap shot of the financial statements of Ador Fontech Limited and its wholly owned subsidiary

Balance Sheet

(₹ in lakhs)

Particulars	Ador Fontech Limited		3D Future Technologies		Total	
	As at 31.03.17	As at 31.03.16	As at 31.03.17	As at 31.03.16	As at 31.03.17	As at 31.03.16
Shareholders' funds						
Share capital	350	350			350	350
Reserves and surplus/ (Accumulated losses)	9,112	8,861	(277)	(113)	8,835	8,748
Shareholders' equity (A)	9,462	9,211	(277)	(113)	9,185	9,098
Non-current liabilities						
Long term liabilities	167	183	-	-	167	183
Long term provisions	629	561	3	-	632	561
Sub-total	796	744	3	-	799	744
Current liabilities						
Short-term borrowings	-	-	224	86	224	86
Trade payables	1,231	1,331	3	1	1,234	1,332
Other current liabilities	899	851	13	3	912	854
Short term provisions	662	1,086	-	(1)	662	1,085
Sub-total	2,792	3,268	240	89	3,032	3,357
External liabilities (B)	3,588	4,012	243	89	3,831	4,101
Fixed assets						
Fixed assets	2,025	2,190	145	137	2,170	2,327
Non-current investments	959	759	(350)	(200)	609	559
Deferred tax	296	297	116	(6)	412	291
Long term loans and advances	341	289	3	3	344	292
Current assets						
Current investments	380	244	22	16	402	260
Inventories	2,594	2,489	12	2	2,606	2,491
Trade receivables	3,250	3,257	4	-	3,254	3,257
Cash and cash equivalents	2,488	2,962	8	8	2,496	2,970
Short-term loans and advances	717	736	6	16	723	752
Total assets (C)	13,050	13,223	(34)	(24)	13,016	13,199
Net total assets (C) - (B)	9,462	9,211	(277)	(113)	9,185	9,098

Notes: Net total assets represent capital investments which has been eliminated on consolidation.

Income Statement

(₹ in lakhs)

Particulars	Ador Fontech Limited		3D Future Technologies		Total	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
Revenue	14,890	14,707	32	6	14,922	14,713
Cost of sales and operating expenses	(13,581)	(13,063)	(316)	(108)	(13,897)	(13,171)
Profit before tax	1,309	1,644	(284)	(102)	1,025	1,542
Tax (Current and deferred)	(426)	(607)	121	(5)	(305)	(612)
Profit after tax	883	1,037	(163)	(107)	720	930

Notes: Complete set of financial statements including schedules, notes to the accounts along with Auditors' Report have been uploaded on the website of the Company.



Ador Fontech Limited

CIN: L31909KA1974PLC020010

Registered Office: Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045, 25596073 Fax: (080) 25597085

Web: www.adorfon.com; Email: investorservice@adorfon.com

**ATTENDANCE SLIP
42nd ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 42nd Annual General Meeting (AGM) of the Members of the Company on Wednesday, August 02, 2017 at 11:30 hours at Woodlands Hotel Private Limited No. 5 Raja Ram Mohan Roy Road Bengaluru 560 025.

***Signature of the Member(s)/ Proxy/Authorised Representatives**

Place: Bengaluru

Date: August 02, 2017

Notes:

1. Sign this attendance slip and hand it over at the entrance of the meeting hall.
2. Bodies Corporate, whether a Company or not, who are Members, may attend through their authorised representative(s) appointed under Section 113 of the Companies Act, 2013. A copy of the authorisation should be deposited with the Company.
3. In case shares are held in demat/electronic form, signature(s) of the Beneficial Owner is liable for verification with the record furnished to the Company by National Securities Depository Limited (NSDL)/Central Depository Services Limited (CDSL).

ELECTRONIC VOTING PARTICULARS

EVEN (e-Voting Event Number)	User ID	Password
Details as per email/attendance slip (physical document)		

E-VOTING FACILITY IS AVAILABLE DURING THE FOLLOWING VOTING PERIOD

Commencement of e-Voting	End of e-Voting
July 30, 2017 (Sunday) at 9:00 hours	August 01, 2017 (Tuesday) at 17.00 hours



Ador Fontech Limited

CIN: L31909KA1974PLC020010

Registered Office: Belview 7 Haudin Road Bengaluru 560 042

Tel: (080) 25596045, 25596073 Fax: (080) 25597085

Web: www.adorfon.com; Email: investorservice@adorfon.com

PROXY FORM – FORM NO. MGT-11

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s): Email:

Registered address: Folio No/Client ID:

..... DP ID:

I/We, being the Member(s) of shares of the above named Company hereby appoint.

1. Name: Address:
Email: Signature: or failing him/her

2. Name: Address:
Email: Signature: or failing him/her

3. Name: Address:
Email: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Wednesday, August 02, 2017 at 11:30 hours at Woodlands Hotel Private Limited No. 5 Raja Ram Mohan Roy Road Bengaluru 560 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	For	Against
1.	Adoption of Accounts		
2.	Declaration of Dividend		
3.	Re-appointment of Mrs. N Malkani Nagpal (DIN 00031985) as Director		
4.	Appointment of Statutory Auditors		
5.	Re-appointment of Mr. A T Malkani (DIN 01585637) as 'Executive Chairman'		
6.	Re-appointment of Mr. H P Ledwani (DIN 00040629) as 'Managing Director'		
7.	Appointment of Branch Auditors		
8.	Appointment and ratification of remuneration payable to the Cost Auditors		

Signed this day of 2017

.....
Signature of the Shareholder(s)

.....
Signature of the Proxy holder(s)

- Note: (i) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office-Ador Fontech Limited Belview 7 Haudin Road Bengaluru 560 042-not less than 48 hours before the commencement of the Meeting.
- (ii) A person can act as proxy on behalf of a maximum of 50 Members and holding in the aggregate not more than 10% of the total share capital of the Company. A Member holding more than 10% of the total share capital of the Company and carrying voting rights may appoint a single person as proxy, provided that the person does not act as proxy, for any other person or shareholder.
- (iii) It is optional to mark your choice 'X' in the appropriate column indicating your preference-'For or Against'-the resolution(s). If you leave the 'For or Against' column blank against any or all of the resolution(s), your proxy will be entitled to vote in the manner, as he/she may deem appropriate.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business to be transacted through e-Voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-Voting are as under:

1. In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participant(s)]:
 - a. Open email and open PDF file 'Ador Fontech-e-voting.pdf' with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN. Please note that the password is an initial password.
 - b. Launch the internet browser and type the URL <https://www.evoting.nsdl.com>.
 - c. Click on Shareholder-Login.
 - d. Input User ID, Password and Click Login.
 - e. Password change menu appears. Change the password/PIN with a new password of your choice with minimum of 8 digits/characters or combination thereof. Please note down the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - f. Home page of e-Voting opens. Click on e-Voting – Active voting cycles.
 - g. Select "EVEN" of Ador Fontech Limited.
 - h. Now you are ready for e-Voting as 'Cast Vote' page opens.
 - i. Cast your vote by selecting the appropriate option and click on 'Submit' and also 'Confirm' when prompted.
 - j. Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - k. Once you have voted on the resolutions, you will not be allowed to modify your vote.
 - l. Institutional Shareholders (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scanned (PDF/JPEG format) of the relevant Board resolution/Authority letter etc. together with attested specimen signature of duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser through e-mail 'cs.skannan@gmail.com' with a copy marked to 'evoting@nsdl.co.in'.
2. In case a Member receives physical copy of the Notice to the AGM [for Member(s) whose email ids are not registered with the Company/Depository Participant(s) or who have requested for physical copy]:
 - a. Kindly refer User ID and Password provided in the 'Attendance Slip'
EVEN (e-Voting Event Number) User ID Password/PIN
 - b. Please follow all steps from SI No. (b) to SI No. (i) of point no. 1 above, to cast the vote.
 - c. If you are already registered with NSDL for e-Voting then you can use your existing user ID and PW/PIN for casting your vote.
 - d. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - e. The e-Voting period commences from July 30, 2017 (9:00 hours) and ends on August 01, 2017 (17.00 hours). During this period, the Shareholders' of the Company, holding shares either in physical or in dematerialised form, as on the cut-off date - July 26, 2017, may cast their vote electronically. Once the vote on a resolution is cast by the Shareholder(s), it shall not be allowed to change subsequently.
 - f. The voting rights of the Shareholder(s) shall be in proportion to their shares reckoned on the paid-up equity share capital of the Company as on the cut-off date: July 26, 2017. Any person, who acquires shares and becomes Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e., July 26, 2017 may obtain 'Login Id and Password' by sending request to NSDL- evoting@nsdl.co.in.
 - g. Mr. Kannan S, Company Secretary (FCS Membership No. 6261 and CP No. 13016) of M/s. S Kannan and Associates (Firm registration no.S2017KR473100) having office at No. 13, Ground Floor, 1st Main Road, Venkateshwara Layout, Off BCC Layout, Attiguppe, Vijayanagar, Bengaluru 560 040 and failing him, Ms. Manjula Narayan (ACS Membership No. 28374 and CP No. 10150), having office at No. 22/A, 4th Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036; Company Secretary(ies) in practice have been appointed as Scrutiniser(s) by the Board to scrutinise the remote e-Voting and Voting process at the Annual General Meeting in a fair and transparent manner.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-Voting User Manual available in the download section of <https://www.evoting.nsdl.com> or contact NSDL -Tel: (022) 24994600.

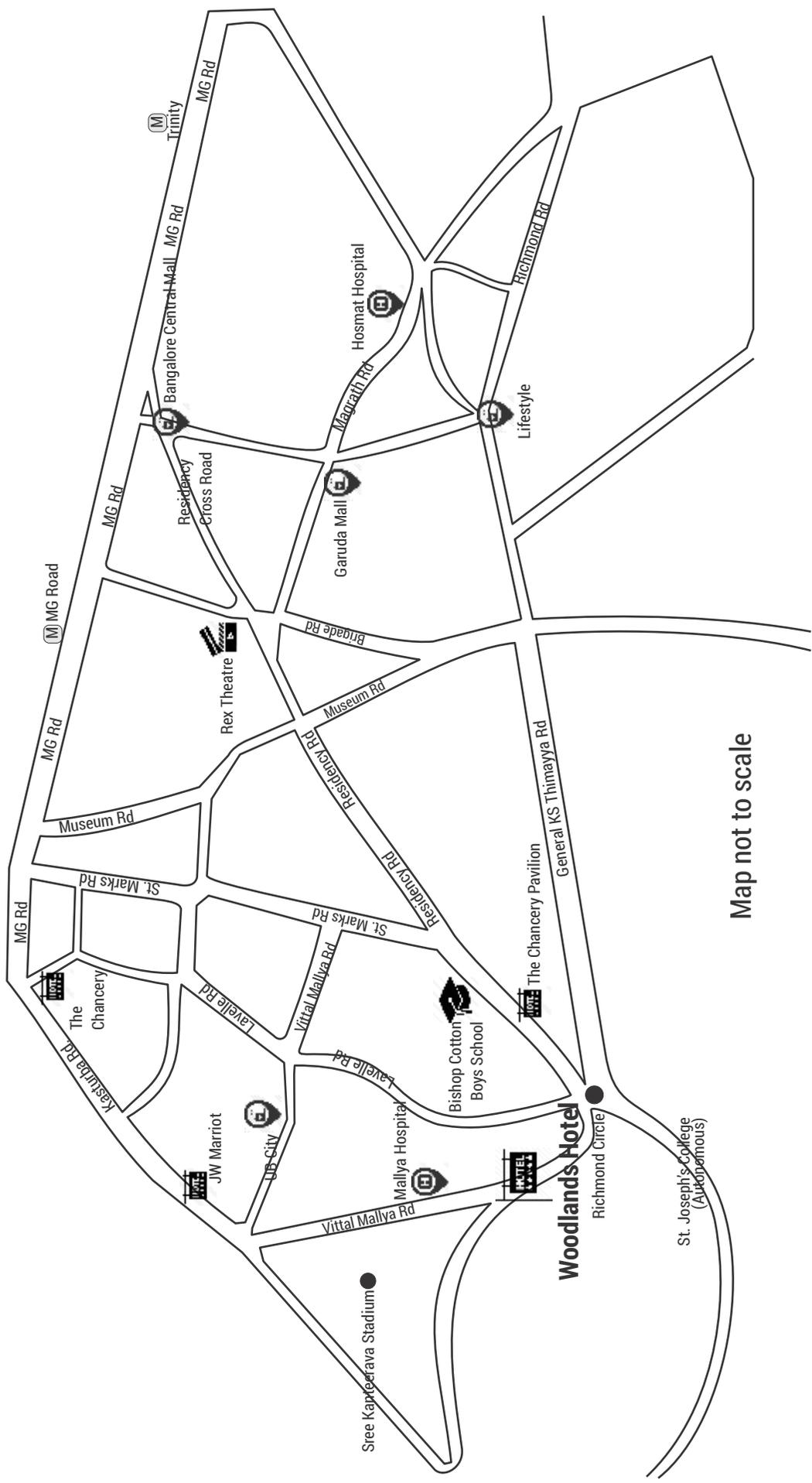
POLL AT THE MEETING AND THE SCRUTINISER'S REPORT

At the end of the AGM, the Chairman will order for a poll in respect of the items provided in the Notice. Poll will be conducted and supervised by the Scrutiniser. The Scrutiniser, after scrutinising the votes cast at the meeting and through remote e-Voting, will make a consolidated Scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated Scrutiniser's report will be placed on the website of the Company 'www.adorfon.com' and on the website of the e-Voting agency 'www.evoting.nsdl.com' and also communicated to BSE (the Stock Exchange) within 48 hours as per SEBI (LODR) regulations.

Safe Harbor and Disclaimer Statement

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

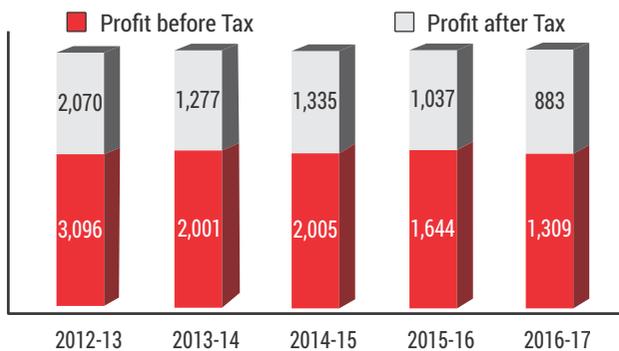
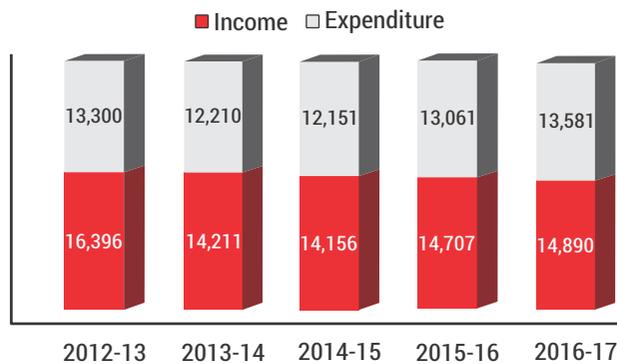
Route map to the AGM Venue





(₹ in lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Income	16,396	14,211	14,156	14,707	14,890
Expenditure	13,300	12,210	12,151	13,061	13,581



(₹ in lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Profit before tax	3,096	2,001	2,005	1,644	1,309
Tax	1,026	724	670	607	426
Profit after tax	2,070	1,277	1,335	1,037	883

(₹ in lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Share capital	350	350	350	350	350
Reserves and surplus	7,426	7,986	8,561	8,861	9,112
Market capitalisation	13,178	11,900	15,488	15,715	14,761
Number of employees	248	222	231	236	208

**HIGHLIGHTS
(STANDALONE)**



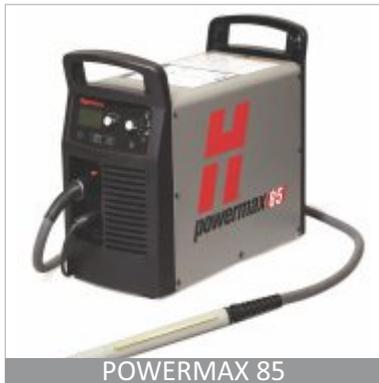
Hypertherm Power Max Plasma Cutting System



POWERMAX 45 XP



POWERMAX 65



POWERMAX 85



POWERMAX 105

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