



Chairman's Speech at the 42nd Annual General Meeting of the company

On behalf of the Board of Directors and Team Ador Fontech, we welcome you to the 42nd Annual General Meeting. We appreciate your continued support and presence here today.

The Financial year 2016-17, remained challenging on the macroeconomic level. Industrial growth continued to lag and various core sector industries did not witness the expected growth levels. Demonetization and the anticipated GST launch temporarily slowed business in our trading channels; however, in the long run we are confident that they will prove beneficial to organized players like Ador Fontech. While there may not have been adequate Industrial growth, there is still opportunity for us to tap the existing market potential by widening our customer and product base.

In our previous AGM, we outlined Vision 2020 and the goals that will help us achieve our promise "to become the Industry leader in Life Enhancement of Industrial Components". We have undertaken several internal restructuring measures with the aim of disruptive success. Greater accountability, ownership and responsibility have been infused at every level. We are reinvigorating the organization with a system driven performance culture and we are confident it will bear fruit in the coming days. We will be kick-starting the long process of a comprehensive IT upgrade and expect the benefits to flow in over the coming years.

The Life Enhancement Services Division remains one of our primary focus areas and we have further strengthened our team and capabilities. We expect Services to start delivering 20% of Top Line Sales (last financial year it was approximately 9%) in consonance with our Vision.



We remain confident that our performance will improve with the expected industrial growth, internal improvements and greater agility in the market place. On a macroeconomic level, GST will be eagerly tracked and has the potential to be significantly disruptive on a short and long term basis.

Our startup, 3D Future Technologies is starting to build a name in the 3D printing space in the Healthcare industry. We have moved direction from manufacturing applications to the healthcare space due to faster adoption of this new technology. The Board has identified an 18 month yardstick on which feasibility, sustainability and progress will be measured. You can learn more about our offering at www.3dfuturetechnologies.com.

Based on profitability, our consistent track record of dividend payments and keeping in view the respect bestowed on the Company by its Shareholders, the Board has recommended a dividend of Rs.3 per share which is 150% on the nominal value of Rs 2 each per share. We understand this is a minor reduction; however we must be cognizant of the investment & working capital requirements, especially if we intend to achieve our Vision.

Financials and other details of our wholly owned subsidiary and Joint venture Company have been provided in the Consolidated Financial Statements and also as a part of the Directors' Report.

We take this opportunity to thank all the Stakeholders – Clients, Vendors, Partners for their trust and support. My special thanks to our employees, at all levels, for their commitment, sincerity and dedication. I would like to make special mention about the MD and the Business teams for their tireless efforts in driving rapid organizational changes. We remain steadfast on Vision 2020 and are confident to make it happen.

Thank you.