

40<sup>th</sup> Annual Report  
**2014 - 15**

**ador**  
**Fontech**

*Life Enhancement of Industrial Components*



**Ador Fontech Limited**

## OVERVIEW

Ador Fontech Limited was incorporated on August 22, 1974 and set its course on repair welding from December 1, 1979. Initially, it started functioning as a trading unit under the banner of 'Cosmics General Engineering'. Thereafter, a process was initiated to bring in the best of technology to India from across the globe. Through dint of application engineering, the Company enriched itself to become a manufacturing organisation and today, it is a total solution provider. The Company's maiden public issue was in the year 1995 and is currently listed on the Bombay Stock Exchange.

## VISION

Our vision is to be considered as the partner of first choice by our customers.

## MISSION

Our mission is to partner with our customers in implementing value-added reclamation, fusion, surfacing, spraying and environmental solutions.

## SHARED VALUES

Delighting customers is the priority

Employees who enjoy their work

Living up to our shared values

Innovativeness and continuous improvements in all our work processes

Growth is our way of life

Honouring commitments top down

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

## BOARD OF DIRECTORS



**Mrs. N Malkani Nagpal**  
Promoter Director



**Mr. H P Ledwani**  
Managing Director



**Mr. A T Malkani**  
Executive Director



**Mr. N S Marshall**  
Independent Director



**Mr. Santosh Janakiram Iyer**  
Independent Director



**Mr. Rafique Abdul Malik**  
Independent Director

## Ador Fontech Limited

### The Board of Directors

Mrs. N Malkani Nagpal	Chairman
Mr. HP Ledwani	Managing Director
Mr. AT Malkani	Executive Director
Mr. NS Marshall	Independent Director
Mr. Santosh Janakiram	Independent Director
Mr. Rafique Abdul Malik	Independent Director

### Company Secretary

Ms. Geetha D

### Management Team

Mr. HP Ledwani
Mr. AT Malkani
Mr. Deep A Lavani
Mr. Muneesh Narain
Mr. P Vishwanathan
Mr. Rajesh V Joshi
Mr. SV Puntambekar
Mr. Melville Ferns
Mr. R Krishna Kumar

### 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: customerservice@adorfon.com / investorservice@adorfon.com

#### Manufacturing Plant I

486 B-1 14<sup>th</sup> Cross 3<sup>rd</sup> Main 4<sup>th</sup> Phase Peenya Industrial Estate  
Bengaluru 560 058

#### Manufacturing Plant II

A-288 6<sup>th</sup> Main 2<sup>nd</sup> Stage Peenya Industrial Estate Bengaluru 560 058

#### Reclamation Centre

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

### Share Transfer Agent

#### Integrated Enterprises (India) Limited

CIN: U65993TN1987PLC014964  
30 Ramana Residency Sampige Road Malleswaram Bengaluru 560 003  
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 6<sup>th</sup> Cross Muniswamappa Layout Opp. Kemp Fort  
Off HAL Airport Road Bengaluru 560 017

### Banker

#### HDFC Bank Limited

8/24 Salco Centre Richmond Road Bengaluru 560 025

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## NOTICE

Notice is hereby given that the 40<sup>th</sup> 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 26, 2015 at 11.30 hours to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of accounts

To receive, consider and adopt the financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors (the Board) and Auditors thereon.

#### 2. Declaration of dividend

To declare dividend of ₹ 3.50 (Rupees three and paise fifty only) per equity share for the financial year ended March 31, 2015.

#### 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 Auditors

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

"RESOLVED THAT pursuant to Section(s) 139, 142, other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and pursuant to the resolution passed by the Members at the Annual general meeting held on August 20, 2014, the appointment of M/s. Amarnath Kamath and Associates, Chartered Accountants (Firm Registration No. 13124) as the Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the Audit Committee in consultation with the Auditors and that such remuneration may be paid on a progressive billing basis."

### SPECIAL BUSINESS

#### 5. Appointment of Mr. Rafique Abdul Malik as an Independent Director

**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) 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of Listing Agreement, Mr. Rafique Abdul Malik who was appointed as an Additional Director of the Company by the Board of Directors with effect from January 30, 2015 and who holds office till the date of the AGM and in respect of whom the Company has received Notice in writing from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Rafique Abdul Malik as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company up to August 25, 2020 and he shall not be liable to retire by rotation."

#### 6. 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, other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, the accounts for the year ending March 31, 2016 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, fix their remuneration as also the terms and conditions of appointment."

#### 7. Adoption of new Articles of Association

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association (Table 'F') be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts as may be necessary, proper or expedient to give effect to this resolution."

### 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. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.

2. Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the meeting is annexed hereto.
3. Register of Members and Share Transfer Books will remain closed from August 20, 2015 to August 26, 2015 (both days inclusive) for the purpose of payment of final dividend.
4. 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.
5. 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 check for their unclaimed dividend(s), if any.

6. Amount of unclaimed dividend as at March 31, 2015 for the years 2007-08 to 2013-14 aggregate to ₹ 84 lakhs (Rupees eighty four lakhs).
7. 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).
8. Member(s) are requested to send all share transfer lodgements (physical mode) to Integrated Enterprises (India) Limited, marking on the envelope-Unit-Ador Fontech Limited.
9. 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.
10. The Company is concerned about the environment and natural resources in a sustainable way. The Companies Act, 2013 has enabled companies to send official documents to the Shareholders by electronic mode as part of the green initiative. In recognition of the same, documents convening General meetings, Financial statements, Directors' report, Auditors' report are being e-mailed. Request to update your e-mail address with your Depository Participant to ensure that the Annual Report and other documents reach you on your preferred e-mail account. In case you hold physical shares, kindly send a letter duly signed, quoting your folio reference number to the Registrar and Share Transfer Agent, providing your e-mail address for updation.
11. Copies of Annual Report 2014-15 including Notice to the 40<sup>th</sup> 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.
12. Members may also note that the Notice to the 40<sup>th</sup> Annual General Meeting and Annual Report 2014-15 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.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in the securities market. Members are therefore requested to submit self attested copy of PAN to the R and T Agent.
14. The Company has provided e-Voting as an option (from August 22, 2015 to August 25, 2015) and instructions for the same has 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 August 19, 2015. 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., August 19, 2015 may obtain 'Login Id and Password' by sending a request to NDSL-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.

**RE-APPOINTMENT OF DIRECTOR**

**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.

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 Management 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.

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

**Item no. 5**

Mr. Rafique Abdul Malik was appointed as an Additional Director by the Board of Directors on January 30, 2015. Further, the Company has received Notice along with requisite deposit of ₹ 1 lakh from a Member, proposing the appointment of Mr. Rafique Abdul Malik as a Director.

Mr. Rafique Abdul Malik has furnished (i) His Director identification number as 00521563 (ii) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (iii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iv) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of Members for appointment of Mr. Rafique Abdul Malik as an Independent Director of the Company up to August 25, 2020 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made there under, as also in terms of SEBI / Stock Exchange listing requirements / guidelines. He is not liable to retire by rotation.

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

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. Rafique Abdul Malik, as it pertains to his appointment.
- b. None of the Key Management 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.

## NOTICE

### Item no. 6

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, 2016 and fix their remuneration.

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

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

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

### Item no. 7

With the coming in to force of the new Companies Act, several regulations of the existing Articles of Association of the Company require alteration or deletions. Given this position, it is considered expedient to replace the same with Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of the Articles of Association has been uploaded on the Company's website for perusal by the Shareholders.

The Board recommends the special 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 Management 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

#### 1. Nature of industry

Life enhancement of industrial components (Genesis – Welding and allied applications).

#### 2. Date of commencement of commercial production

The Company was incorporated on August 22, 1974 and is already in commercial production.

#### 3. Financial performance of the Company

Summarised statement forms part of the Directors' Report.

#### 4. Foreign exchange earnings, investments or collaborations

Forms part of the Notes to the Accounts.

#### 5. Information about the appointee(s)

##### a. Mrs. N Malkani Nagpal

**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 over eighteen years of experience in

Financial Management with Ador Group of Companies. At present, she is an industrialist and represents the second generation of promoter group in Ador Fontech Limited.

**Job profile and her suitability:** Mrs. N Malkani Nagpal will oversee key business functions and achievement parameters. 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 major award, the organisations where she has been associated have been bestowed with awards by industrial confederations.

**Remuneration:** In the past, she has been entitled to sitting fees for attending meetings of the Board and its Committees besides, reimbursement of travel/conveyance, board and lodging for attending business meetings and conferences. On her appointment at the ensuing meeting, she will continue to be entitled to the same.

#### Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Remuneration is compatible with general industrial standards and recommended by the Nomination and Remuneration Committee of the Company.

#### Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.

Mrs. N Malkani Nagpal belongs to the Promoter Group and holds 27,350 equity shares. Besides remuneration (as mentioned above), she does not hold any pecuniary relationship either with the Company or with any of its KMP.

### General

- i. **Date of Birth:** July 6, 1971
- ii. **Specific area of Expertise:** Finance
- iii. **Directorship in Companies (other than Ador Fontech Limited)**  
**Public Limited Companies**  
Ador Welding Limited, Piem Hotels Limited and Ador Multiproducts Limited.  
**Private Limited Companies**  
J B Advani and Company Pvt. Ltd., Ador Green Energy Pvt. Ltd. and 3 D Future Technologies Pvt. Ltd.
- iv. **Member of Board Committees (other than Ador Fontech Limited):** Two
- v. **Chairman of Board Committees (other than Ador Fontech Limited):** Nil
- vi. **Date of first appointment:** July 27, 2006
- vii. **Number of shares held in the Company:** 27,350

#### b. Mr. Rafique Abdul Malik

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

**Recognition and awards:** Mr. Rafique Abdul Malik has received various awards and recognitions. Noted amongst them include (i) Life time achievement award by Franchise

India Small Business, 2010 (ii) Retail Entrepreneur of the year award by Star Retailers, 2011 (iii) Most admired footwear retail professional of the year award at Images Shoes and Accessories Forum, 2012.

**Remuneration:** Mr. Rafique Abdul Malik is entitled for sitting fees for attending meetings of the Board, its Committees and reimbursement of expenses for travel/conveyance, board and lodging. On his appointment at the ensuing meeting, he will continue to be entitled to the same.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person**

Remuneration is compatible with general industrial standards and recommended by the Nomination and Remuneration Committee of the Company.

**Pecuniary relationship directly or indirectly with the company or relationship with managerial personnel, if any.**

Mr. Rafique Abdul Malik is an Independent Director. He does not hold any pecuniary relationship either with the Company or with any of its Key Managerial Personnel.

**General**

- i. **Date of Birth:** October 31, 1950
- ii. **Specific area of Expertise**  
Organisational development
- iii. **Directorship in Companies (other than Ador Fontech Limited)**  
**Public Limited Companies**  
Metro Shoes Limited and MIRC Electronics Limited.  
**Private Limited Companies**  
Metro House Pvt. Ltd., Metro Shopping Plaza Pvt. Ltd., Metro Shopping Arcade Pvt. Ltd., Metro Holdings and Securities Pvt. Ltd., Metmill Footwear Pvt. Ltd. and Mahindra Retail Pvt. Ltd.
- iv. **Member of Board Committees (other than Ador Fontech Limited):** Six
- v. **Chairman of Board Committees (other than Ador Fontech Limited):** Three
- vi. **Date of first appointment:** January 30, 2015
- vii. **Number of shares held in the Company:** Nil

**Others**

- 1. **Reasons for loss or inadequate profits:** Not applicable
- 2. **Steps taken or proposed to be taken for improvement**  
The Company consistently endeavours at lowering overheads and aligning resources with current levels of operations.
- 3. **Expected increase in productivity and profits in measurable terms**  
Management has adopted focused business strategies in all spheres of functions to improve sales and profitability.

By order of the Board  
For **Ador Fontech Limited**

Mumbai  
April 30, 2015

**Geetha D**  
Company Secretary

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

**ANNUAL CERTIFICATIONS**

**Declaration pursuant to Clause 49 (II) (E) (2) of the Listing Agreement**

As the Managing Director of Ador Fontech Limited and as required pursuant to Clause 49(II)(E)(2) of the Listing Agreement, 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 2014-15.

For **Ador Fontech Limited**

Mumbai  
April 30, 2015

**HP Ledwani**  
Managing Director  
DIN: 00040629

**Disclosure in terms of Clause 49 (VIII)(C)(1) of the Listing Agreement**

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

By order of the Board  
For **Ador Fontech Limited**

Mumbai  
April 30, 2015

**Geetha D**  
Company Secretary

**Disclosure in terms of Clause 49 (VIII)(E)(2) of the Listing Agreement**

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

By order of the Board  
For **Ador Fontech Limited**

Mumbai  
April 30, 2015

**Geetha D**  
Company Secretary

**Green initiative**

Request to Shareholders who have not registered their e-mail address, to kindly provide the following details:

Name of the Company	Ador Fontech Limited
Name of the Shareholder(s)	
Folio number(s)	
Address	
E-mail*	
* E-mail id to which documents/notices may be served electronically.	

Scanned copy of physical share certificate(s) and PAN card to be attached.

The information may kindly be sent to the following e-mail addresses:

- a. Registrar and share transfer agent: [alfint@vsnl.com](mailto:alfint@vsnl.com)
- b. Company: [investorservice@adorfon.com](mailto:investorservice@adorfon.com)

Shareholder(s) holding shares in electronic form are requested to update their preferred e-mail address and change of bank details, if any, with the Depository Participant, where de-materialised accounts are held.

**Unclaimed dividends**

Kindly send request letter (bearing signature) for encashment of unclaimed dividend, if any, to the following e-mail addresses:

- a. Registrar and share transfer agent: [irg@integratedindia.in](mailto:irg@integratedindia.in)
- b. Company: [surendrasingh@adorfon.com](mailto:surendrasingh@adorfon.com)

**Enclosure**

Attendance slip, proxy form and instructions for e-voting.

## DIRECTORS' REPORT

### To the Members,

The Directors have pleasure in presenting the 40<sup>th</sup> Annual Report and the Audited Statement of Accounts for the year ended March 31, 2015.

#### 1. Financial highlights (₹ in lakhs)

Details	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Revenue	14,156	14,211	14,342	14,333
EBITDA*	2,360	2,281	2,342	2,231
Interest	-	-	-	-
Depreciation	355	280	363	283
Profit before tax	2,005	2,001	1,979	1,948
Provision for tax	670	724	670	724
Profit after tax	1,335	1,277	1,309	1,224

\* Earnings before interest, taxes, depreciation and amortisation

#### 2. Dividend

The Directors are happy to recommend a dividend of ₹ 3.50 (Rupees three and paise fifty only) per share (one hundred and seventy five percent-same as in the previous year).

#### 3. Reserves and surplus

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

#### 4. Formation of wholly owned subsidiary

A wholly owned subsidiary called '3 D Future Technologies Private Limited' with an authorised share capital of rupees five crores and an initial paid up share capital of rupees one crore was formed during the financial year 2014-15. This company will initially cater to dental health care market in three dimensional technology. It will be managed by a small and separate team, comprising the Chief Executive Officer (CEO), professionals from the medical fraternity, besides marketing/sales and administrative personnel.

#### 5. Review of business operations

**Standalone:** The Company had best endeavoured to counter slow growth in the economy, particularly amongst the core sector industries. Going forward there is an euphoria of optimism that business cycle may be expected to progress towards positive polarity, which in turn would have a beneficial impact on business organisations at large. It is a matter of time and the Company is gearing up its operations with a sense of quite confidence.

**Consolidated:** Financial statements consolidated pertain to Ador Fontech Limited, Dualrank Fontech (M) Sdn. Bhd. (Joint venture) and 3 D Future Technologies Private Limited (Wholly owned subsidiary - incorporated on Jan 19, 2015). Both the joint venture and subsidiary are at its nascent stage and will progress on strong and steady business fundamentals. It will however, requisite couple of years to transcend, to the next level of business operations.

#### 6. Board and its composition

The Company recognises the importance of diverse Board with Members possessing different perspective, 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 Executive 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 2014-15.

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.

#### 7. Directors' responsibility statement

The Board of Directors of the Company hereby confirm that:

- 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 the annual accounts on a going concern basis.
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls 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 operating effectively.

#### 8. Directors

Mrs. N Malkani Nagpal will retire by rotation at the ensuing Annual general meeting and is eligible for re-appointment.

Mr. Rafique Abdul Malik was appointed as an Additional Director on January 30, 2015. His expertise as an entrepreneur of a reputed business organisation and professionalism by virtue of being independent, would be of immense value addition, both to the Board and the Company. The Company has also received Notice nominating the candidature of Mr. Rafique Abdul Malik as an Independent Director. The same is being placed for the approval of Members.

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.

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

During the financial year 2014-15, Mr. Rafique Abdul Malik joined the Board. There were no other changes in the Board and Key Managerial Personnel of the Company.

#### 10. Audit Committee recommendations

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



**11. Performance evaluation**

The Company has conducted a formal annual performance evaluation of the Board of its own performance including its Committees, Individual Directors and Senior Management Executives. Detailed manner of evaluation has been explained in the Corporate Governance Report.

**12. Audits**

**Statutory Audit:** In respect of the financial year 2014-15, 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 2014-15 forms part of the Annual Report.

**Cost Audit:** As per regulations and confirmation by the erstwhile Cost Auditor, it is not mandatory for the Company to have cost audit undertaken as revenues from business segments warranting cost audits are within the threshold limits. Nonetheless, as per best practices, the Company had sought valuation of inventories as at March 31, 2015 from Cost Auditors, which has been factored in the financial statements. Further, the Company maintains cost accounting records and also has cost control measures in place.

**Internal/Commercial Audit:** Quarterly audits are conducted to ensure internal financial controls are adhered & function effectively.

**13. Auditors**

**Statutory Auditors:** At the Annual General Meeting held on August 20, 2014, M/s. Amarnath Kamath and Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. Amarnath Kamath and Associates, as Statutory Auditors of the Company, is placed for ratification of the Shareholders. In this regard, the Company has received a certificate from the Auditors to the effect that if they are re-appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**Secretarial Auditor:** The Board has appointed Ms. Manjula Narayan (ACS Membership No. 28374 & CP No.10150), Practising Company Secretary as the Secretarial Auditor of the Company for 2015-16.

**Cost Auditor:** As a matter of good governance, the Company shall undertake Cost Audit for the financial year 2015-16 and M/s. Rao, Murthy and Associates (Firm Registration No. 000065) having office at 23/33 Surveyor's Street, Basavanagudi, Bengaluru, Karnataka, will be appointed as the Cost Auditor at an acceptable remuneration.

**14. Joint venture and subsidiary**

The Company's investment in joint venture and subsidiary are strategic for business development in the long run and hence, no provision has been made for diminution in the value of investment, during the initial phase. Further, need based financial & operational support, duly evaluated will be rendered from time to time.

**15. Fixed deposits**

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

**16. 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.

**17. Liquidity**

While the Company continues to be debt-free, it is our understanding that liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. The funds available with the Company have been deployed as deposits with banks, investments in mutual funds and tax free bonds to ensure a mixed blend of portfolio management.

Further, during the year 2014-15, Strategic financial planning and implementation has ensured, that the Company maintained at the close of the year (as a policy) funds sufficient to expend an year's personnel expenditure, maintenance of consistent dividend payout, management of capex and support working capital requirements.

Also, the new project (3 D Future Technology Pvt. Ltd.) scaled to organic germane growth (managed from internal accruals) and the business climate still far from being buoyant, the Company did not proceed with the issue of warrants to the Promoter, which stands elapsed as at March 31, 2015. It may also be pertinent to note that the Company is both cautious and conservative to choose the best of investment, in the interest of all stake holders, taking in to consideration the socio-economic-political-industrial relations and its impact on business organisations, with particular emphasis on the Company.

**18. Particulars of loans, guarantee and investments**

During the financial year, the Company had provided inter-corporate-deposits (ICD) to its Associate, Ador Powertron Limited. Prior to extending this facility, the Company had sought legal opinion that it shall be within the compliance of legislative provisions. The ICD including interest has been repaid in full as at March 31, 2015. Further, the Company had also provided loans in tranches during the year, to Dualrank Fontech (M) Sdn. Bhd. amounting to ₹ 64 lakhs (MYR 3,46,500) to tied over its working capital requirements, with an approximate equivalent contribution coming in from Duralrank (M) Sdn. Bhd. (Malaysian partner).

**19. Transactions with related parties**

Transactions with related parties are in the ordinary course of business and on 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.

**21. Risk management**

The Company has in place risk management framework, to analyse and manage various financial and non-financial risks. Most of the strategic policy decisions are facilitated through consultative process by the top Management team. The Board further states that there are no elements of risks which threaten the existence of the Company.

## ANNEXURE TO THE DIRECTORS' REPORT

### 22. Insurance

The Company has sufficient insurance coverage on all its assets, including for transit of materials from Suppliers and to Customers. An insurance survey was also conducted by external agency to validate that the requirements of insurance are well met and safety norms are adhered. These insurance policies are renewed on time and on an year to year basis.

### 23. Employees

As has been in the past, the industrial relations with the employees of the Company continue to be harmonious and cordial. The Company has vigil mechanism in place to redress grievances, if any.

### 24. Disclosures

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

Annexure 1: Management discussion and analysis report.

Annexure 2: Corporate governance report.

Annexure 3: Report on CSR activities including policy and reasons for shortfall in spend.

Annexure 4: Nomination and remuneration policy.

Annexure 5: Extract of annual return.

Annexure 6: Conservation of energy, technology absorption, foreign exchange earnings and outgo.

Annexure 7: Particulars of arrangements made with related parties.

Annexure 8: Particulars of employees.

Annexure 9: Secretarial audit report.

### 25. 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. Further, wish to place on record appreciation to the contribution made by employees at all levels.

On behalf of the Board  
For **Ador Fontech Limited**

**N Malkani Nagpal**

Chairman

DIN: 00031985

Mumbai  
April 30, 2015

## ANNEXURE TO THE DIRECTORS' REPORT

### ANNEXURE 1: MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. The economy

Change in Government brought about an euphoria of optimism. Nonetheless, in reality for the Economy to raise, particularly for the core sector industries, seems longer than expected. The Government and the Apex Bank are trying their best to keep inflation under check and accelerate growth momentum. Once recovery takes off from the launch pad and is propelled to its orbital synchronisation in the chosen trajectory, growth will be ensured.

#### 2. Industry structure and development

There has not been radical change in the Welding industry, which is the genesis for Maintenance and Repair welding. Lot of research and development are in the sphere of homogenising high end equipment & solutions, compatible to simplified mechanisation, for ease at work with emphasis on cost savings. Cross border transitions may continue to support technical indigenisation & India being favoured destination as an emerging market is expected to be a benefactor.

#### 3. Current year outlook

While growth is expected to crawl back, the year may still remain moderate, where sustenance will be the hallmark.

#### 4. Performance

The Company has made its best efforts to maintain parity both on sales and profitability. To a great extent, it is the latter which is going to provide a strong base for business to sustain and develop. Details on the financials form part of the accounting statements.

#### 5. Opportunities

Opportunities exists both in terms of organic and inorganic growth, facilitated by geographical advantage, technical competence, thrust on providing value added products/services to customers, finding newer compatible domains for business expansions and more importantly retention of existing customers.

#### 6. Risk, threats and concerns

While competition is a factor to be reckoned by all business entities as also new enterprises getting established, the vital risk in the long run, is the shortage of skilled welders and phobia of young generation to be drawn in to this domain. To mitigate, it is essential to undertake skill development programmes oriented in technology and bring about a radical change in the work environment akin to the IT sector, in the best possible manner.

#### 7. Internal control system and its adequacy

The systems are adequate to cover (i) Financial propriety of business transactions. (ii) Efficient use of the Company's resources. (iii) Compliance with the Statutes. (iv) Adherence to established policies and guidelines of the Company. The Internal Auditors and Audit Committee review the functioning of internal control system at regular intervals.

#### 8. Human resources development

There were 231 employees on the muster roll of the Company as on March 31, 2015. The Company has best endeavoured its thrust on learning to facilitate all round development of employees.

### 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 well being 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](http://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.

## ANNEXURE TO THE DIRECTORS' REPORT

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

### 2.2 Composition of the Board

Name of the Director	Category of Directorship
Mrs. N Malkani Nagpal	Promoter
Mr. A T Malkani	Promoter and 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

\*From 30.01.2015

### 2.3 Director's identification number (DIN)

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

### 2.4 Meetings

During the year 2014-15, four Board meetings were held on May 17, 2014; July 29, 2014; November 11, 2014 and January 30, 2015.

### 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 2014-2015		As on March 31, 2015		
	Attendance at		Other Directorships		
	Board Meetings	Annual General Meeting held on 20.08.14	Nos.	No. of Memberships	Chairman ships
Mrs. N Malkani Nagpal	Four	Present	Six	Two	-
Mr. H P Ledwani	Four	Present	One	-	-
Mr. A T Malkani	Four	Present	Seven	-	-
Mr. N S Marshall	Two	Present	Thirteen	-	-
Mr. Santosh Janakiram	Three	Present	-	-	-
Mr. Rafique Abdul Malik*	One	N.A	Eight	Six	Three

Directorship includes private limited companies and alternate directorship. \* From 30.01.2015.

## 3. Audit Committee

### 3.1 Broad terms of reference

- a. Review the Company's financial reporting process and its financial statements.
- 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 and remuneration of Auditors; solicit professional guidance and support, wherever required.
- f. Review and monitor Auditor's independence, performance and effectiveness of the audit process.
- 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 and deposits.
- j. Valuation of undertaking or assets of the Company, wherever it is necessary.
- k. All other matters as may be specified under Section 177 of the Companies Act, 2013, including soliciting professional and legal opinions, where ever required.

### 3.2 Meetings

During the year 2014-15, four Audit Committee Meetings were held on May 17, 2014; July 29, 2014; November 11, 2014 and January 30, 2015.

## ANNEXURE TO THE DIRECTORS' REPORT

### 3.3 Composition and attendance

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

Mr. H P Ledwani is permanent invitee to the Audit Committee and has attended all four meetings. \*From 30.01.2015.

### 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 such grievances, if any.

## 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.
- The Committee shall endeavour to ensure that remuneration is reasonable to attract/retain talent and facilitate achievement of appropriate performance benchmarks.

### 4.2 Composition

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

\*From 30.01.2015 \*\*From 30.04.2015

### 4.3 Appointments and remuneration

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

### 4.4 Remuneration to whole time Directors (2014-15) ₹ in lakhs

Names	Salary	Benefits	Comm.	Total
Mr. H P Ledwani	119	25	21	165
Mr. A T Malkani	69	10	–	79

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 and provident fund. (v) Benefits includes contribution to superannuation fund and reimbursements of medical, insurance, electricity, education and LTA. (vi) Performance linked incentive is applicable only to the Managing Director and has been reckoned at 1% of the profits of the Company. (vii) No stock option has been provided.

### 4.5 Sitting fees Amount (₹)

Name of the Director	2013-14	2014-15
Mrs. N Malkani Nagpal	68,000	68,000
Mr. N S Marshall	52,000	26,000
Mr. Santosh Janakiram	25,000	51,000
Mr. Rafique Abdul Malik*	–	8,000
<b>Total</b>	<b>1,45,000</b>	<b>1,53,000</b>

\* From 30.01.2015

### 4.6 Performance evaluation

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

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

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

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

### 4.7 Independent Directors

During the year under review, Independent Directors met on January 30, 2015, to inter-alia discuss on the following:

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

## ANNEXURE TO THE DIRECTORS' REPORT

- c. Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

All three independent Directors were present at the meeting.

### 4.8 Familiarisation programme

Pursuant to Clause 49 of the Listing Agreement, the Company carried out familiarisation programme for Independent Directors on their role, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. The 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 report, 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 ease in operation and quick response.

During the year 2014-15, reminder letters were sent to individual shareholders for encashment of dividends and the same had an overwhelming response. The Company contemplates to do the same on a regular basis.

### 5.2 Meetings

During the year 2014-15, four Shareholders Grievance/ Stakeholders' Relationship Committee meetings were held on May 17, 2014; July 29, 2014; November 11, 2014 and January 30, 2015.

### 5.3 Composition and attendance

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

\*From 30.01.2015

### 5.4 Compliance officer

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

### 5.5 Transfer committee meetings

Ten transfer committee meetings were held during the year 2014-15.

### 5.6 Director's shareholding as on March 31, 2015

Name of the Director	Number of shares
Mrs. N Malkani Nagpal	27,350
Mr. H P Ledwani	50,885
Mr. A T Malkani	4,59,135
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 and replied to the satisfaction of the shareholders during the year 2014-15 were seven. There were no outstanding complaints as on March 31, 2015. There were no pending share transfers in physical as well as in demat category. All requests received up to March 31, 2015 were processed.

## 6. General body meetings

### 6.1 Location and time of last three Annual general meetings

Financial Year	Date	Location of the Meeting	Time (hrs.)
2013-2014	20.08.2014	Hotel Woodlands, B'lore	11.30
2012-2013	19.07.2013	Hotel Woodlands, B'lore	11.30
2011-2012	17.07.2012	Hotel Woodlands, B'lore	11.30

### 6.2 Dividend history

(₹ in lakhs)

Financial year	Dividend percent	Dividend outflow	Dividend tax outflow	Total
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
2008-09	Fifty	175	30	205
2007-08	Fifty	175	30	205

## 7. Disclosures

### 7.1 Materially significant related party transactions

During the year 2014-15, 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.

### 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: August 26, 2015

Time: 11.30 hours

Venue: Woodlands Hotel 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

### ● Book closure dates

August 20, 2015 to August 26, 2015 (both days inclusive)

## ANNEXURE TO THE DIRECTORS' REPORT

- **Dividend payment dates**  
August 27, 2015 and onwards
- **ISIN:** INE853A01022
- **Scrip code:** 530431
- **Corporate/Head office**  
CIN: L31909KA1974PLC020010  
Belview 7 Haudin Road Bengaluru 560 042  
Tel: (080) 25596045 / 73 Fax: (080) 25597085  
E-mail: investorservice@adorfon.com
- **Reclamation centre**  
S-60-61 MIDC Hingna Industrial Estate Nagpur 440 016  
Tel: (07104) 237260 / 250 Fax: (07104) 236823
- **Manufacturing plant I**  
486 B-1 14<sup>th</sup> Cross 3<sup>rd</sup> Main 4<sup>th</sup> Phase Peenya Industrial Area  
Bengaluru 560 058  
Tel: (080) 28365751, 65600154 Fax: (080) 28365752
- **Manufacturing plant II**  
A-288 6<sup>th</sup> Main 2<sup>nd</sup> Stage Peenya Industrial Estate  
Bengaluru 560 058  
Tel: (080) 28360988 Fax: (080) 28362805
- **Share transfer agent**  
Integrated Enterprises (India) Limited  
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 Enterprises (India) Limited. In case where shares are held in electronic form, transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- **Dematerialisation of shares and liquidity**  
Ninety percent of the paid up share capital of the Company stands dematerialised as on March 31, 2015.
- **GDRs/ADRs/Convertible instruments**  
The Company has no outstanding GDRs/ADRs/Warrants or convertible instruments which are likely to have an impact on the equity shares.
- **Reconciliation of share capital**  
During the financial year 2014-15, audits were carried out at the end of every quarter by a qualified Practising Company Secretary for reconciling total admitted and listed capital with the total number of shares in physical form and dematerialised shares held with (NSDL) and (CDSL). Duly confirmed reports were 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 Clause 49 of the Listing Agreement and the same is uploaded on the Company's website.
- **Documents which have been uploaded on the website**  
<http://www.adorfon.com/investorino/investorsinfo.html>
  - a. Composition of the Board.
  - b. Brief profile of the Directors.

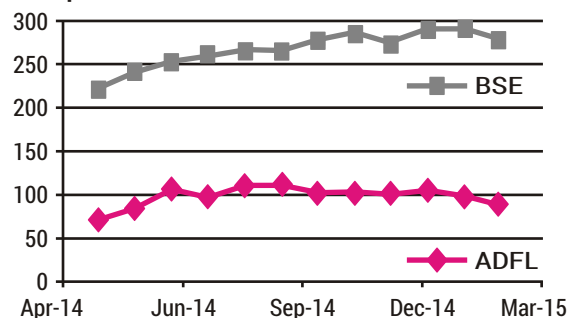
- c. Audit Committee charter.
- d. Details of Management development, nomination and remuneration Committee.
- e. Details of Stakeholders' Relationship Committee.
- f. Policy on Corporate social responsibility.
- g. Policy pertaining to related party transactions.
- h. Policy for determining material subsidiary.
- i. Whistle blower cum vigil mechanism policy.
- j. Terms and conditions of appointment of additional (Independent) Directors.
- k. Terms and conditions for appointment of Independent Directors.
- l. Code of ethics and business principles applicable to Non-Executive Directors.
- m. Guidelines of professional conduct, role, function and duties of an Independent Director.
- n. Methodology of familiarisation programme for Independent Directors.
- o. Remuneration to Non-Executive Directors.
- p. Nomination and remuneration policy.
- q. Business responsibility statement.
- r. Details of unclaimed dividends.
- s. Financial results.
- t. Shareholding pattern.
- u. Annual reports.
- v. Notices and documents addressed to the Members.

### 9. Details of shareholding

#### a. Stock price data: The Stock Exchange, Mumbai

Month	Open price	High price	Low price	Close price
Apr 2014	71.90	72.00	63.00	71.25
May 2014	69.15	97.00	69.00	83.90
Jun 2014	84.60	115.95	82.35	105.20
Jul 2014	107.00	125.00	96.50	97.40
Aug 2014	97.10	120.00	89.00	109.85
Sep 2014	110.30	122.00	103.45	111.05
Oct 2014	108.55	113.00	96.15	102.80
Nov 2014	104.00	110.00	95.00	101.95
Dec 2014	106.00	107.90	93.80	100.85
Jan 2015	102.20	115.00	98.75	103.80
Feb 2015	102.80	106.00	95.00	97.50
Mar 2015	100.20	104.85	87.70	88.50

#### b. Share price movement



## ANNEXURE TO THE DIRECTORS' REPORT

### c. Distribution schedule as on March 31, 2015

Nominal value (₹)	Shareholders		Equity Shares	
	No.	Percent	Amount (₹)	Percent
Up to 5,000	5,391	90.55	64,02,448	18.29
5,001-10,000	282	4.73	22,54,486	6.44
10,001-20,000	117	1.96	17,83,444	5.10
20,001-30,000	60	1.01	15,04,678	4.30
30,001-40,000	26	0.44	9,07,104	2.59
40,001-50,000	12	0.20	5,54,734	1.58
50,001-1,00,000	32	0.54	21,94,104	6.27
1,00,001 & above	34	0.57	1,93,99,002	55.43
<b>Total</b>	<b>5,954</b>	<b>100.00</b>	<b>3,50,00,000</b>	<b>100.00</b>

### d. Shareholding pattern as on March 31, 2015 (Clause 35)

Category	No. of share-holders	No. of shares held	Percent of share-holding
Promoter-Corporate	1	46,06,578	26.32
Promoter Group			
Individuals	12	16,37,440	9.36
Mutual Funds	2	12,000	0.07
Foreign Institutional Investors	2	9,57,977	5.47
Bodies Corporate	116	7,23,111	4.13
Individual Shareholders holding nominal share capital up to ₹ 1 lakh	5,675	69,94,214	39.97
Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	19	21,11,913	12.07
Clearing Members	23	25,733	0.15
NRIs	104	4,31,034	2.46
<b>Total</b>	<b>5,954</b>	<b>1,75,00,000</b>	<b>100.00</b>

### 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	<b>English</b> Business Standard Financial Express <b>Kannada</b> Sanjevani, Eesanje
Website, where results or official news are displayed	<b>www.adorfon.com</b>

## 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'. It is believed that education in this domain is the most important requirement, to drive home the importance of preserving environment, extremely essential for the future generation, who will occupy this planet. The CSR activities of the Company is aligned to this and guided by the theme of 'Environmental stability linked to Education & Skill Development'.

Besides the above, focus areas will also include:

- Health and hygiene
- Medical
- Learning
- Improvement in the quality of life of workforce.
- Community development projects.
- Support for terminally ill and destitutes etc.

### 2. CSR Committee

In consonance with Section 135 of the Companies Act, 2013, the CSR team, constituted by the Board is as under:

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

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

- Develop annual strategy and plan for CSR based on guidelines set by the Companies Act, 2013 and rules framed there under.
- Deciding on the modalities for execution of the 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.

### 4. Average profit of the Company for the last three financial years and prescribed CSR expenditure

As per Section 198 of the Companies Act, 2013: ₹ 2,395 lakhs

### 5. Prescribed CSR spend for the financial year 2014-15

Two percent of the amount as in item 4 above: ₹ 48 lakhs

### 6. Details of CSR spent during the financial year 2014-15

- Total amount to be spent for the financial year**  
Rupees forty eight lakhs
- Amount spent**  
Rupees twenty eight lakhs
- Amount unspent, if any**  
\*Rupees twenty lakhs

## ANNEXURE TO THE DIRECTORS' REPORT

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

CSR project or activity identified	Sector in which project is covered	Projects or programmes	Amount outlay (budget) program wise	Amount spent on the 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	(i) Environmental sustainability (ii) Medical and learning	(i) Skill development/ vocational training (ii) Health care and education	Programme wise details provided			Majority through implementing agencies

### e. Details of amount spent are as under

Details	Date of contribution	₹ in lakhs	Remarks
<b>Pratham Education Foundation</b> CIN# U80101MH2002NPL136300 PAN#AAATP5038K	14.11.2014	10	On the occasion of 'Children's day' for training disadvantaged youth in the earthquake prone Lathur area- <b>Placement linked vocational training programme.</b>
<b>Hindusthan Unilever</b> CIN # L15140MH1933PLC002030 <b>Sambhav Foundation</b> REG# SRI-4-00196-2006-07 PAN# AAHTS0700L <b>Labournet Services India Pvt. Ltd.</b> U74140KA20080TC046425	31.12.2014	8	At the dawn of <b>New Year</b> as part of project -' <b>Prabhat</b> '-which focuses on livelihood, water, health and hygiene across several locations in India- <b>Livelihood enhancement project.</b>
<b>Ambuja Foundation</b> CIN# U91990WB1993GAP059030 PAN#AAATA8994K	22.01.2015	7	Ambuja Foundation works for the development/ upliftment of community, covering more than 800 villages in India. Ador Fontech partnered with Ambuja Foundation on the occasion of Republic Day towards education and skill development programme of the underprivileged youth- <b>Vocational training.</b>
<b>Viva Institute of Technology</b> Trust Reg.# E-930	18.03.2015	2	Developing GMAW Skills-WeldMaster 10- <b>Promoting education.</b>
<b>Ador Fontech/Charitable Fund</b> Reg. # 61/2003-04 PAN# AABTA6823A Formed in the year 2003, this fund is operated on Mother Teresa's principle to serve 'The Poorest of the Poor'. The policy of this fund is to restrict contribution only once to any one organisation/family/individual.	2014-15	1	<b>Amount spent from the fund includes:</b> 1. Providing hearing aid to a stone deaf patient. 2. Payment of fees to girl student for pursuing course on nursing. 3. Contribution to freedom fighters' calendar.  Employees of the Company participated in the ' <b>Swatch Bharat Campaign</b> ' near the vicinity of offices.

### f. \*Reasons for not spending the amount

This being the first year of CSR implementation as part of the Companies Act, 2013, it was thought at best to fully understand the nuances of the projects before undertaking the full spend. However, efforts will be enhanced over successive years, to best render service as part of nation building and community oriented projects. It may however be pertinent to note that Ador Fontech Charitable Fund which was formed in the year 2003 carries a corpus of ₹ 31 lakhs and interest received therefrom is being deployed for welfare measure. The employees of the Company are members of the fund and partake in its activities.

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

[http://www.adorfon.com/investorino/corporate\\_governance.html](http://www.adorfon.com/investorino/corporate_governance.html)

### 8. Responsibility statement

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

For Ador Fontech Limited

**H P Ledwani**

Managing Director

DIN 00040629

For Ador Fontech Limited

**N Malkani Nagpal**

Chairman of CSR Committee

DIN: 00031985

Mumbai  
April 30, 2015



### 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 Clause 49(IV)(B)(4) of the 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 and 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 and legal requirements.
- iv. The Company's incentive schemes including consideration of performance thresholds, regulatory and 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 qualification, expertise, experience and integrity of the person for appointment as Director, KMP or for Senior management positions and 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 and 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 and 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 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 TO THE DIRECTORS' REPORT

### ANNEXURE 5: EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2015

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 Registrar and Transfer Agent, if any.	Integrated Enterprises (India) 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	Total turnover of the Company (percent)
Consumables	241-242	66
Equipment/Automation and ancillaries	271	22
Services	331	12

#### 3. Particulars of holding, subsidiary and associate companies

Name and address	CIN/ GLN	Subsidiary/associate	Shares held (percent)	Applicable section
Dualrank Fontech (M) Sdn. Bhd.	905260-H Reg. in Malaysia	Associate	48	Sec 2(6)
3 D Future Technologies Pvt. Ltd.	U74999MH2015PTC261114	Wholly owned subsidiary	100	Sec 2(87)

#### 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				Change Percent
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
<b>A. Shareholding of the promoter and promoter group</b>									
<b>1. Indian</b>									
a. Individuals/Hindu Undivided Family	1615918	-	1615918	9.24	1637440	-	1637440	9.36	0.12
b. Central /State Government(s)									
c. Bodies Corporate	4606578	-	4606578	26.32	4606578	-	4606578	26.32	0.00
d. Financial Institutions/Banks									
<b>Sub-Total (A)(1)</b>	<b>6222496</b>	<b>-</b>	<b>6222496</b>	<b>35.56</b>	<b>6244018</b>	<b>-</b>	<b>6244018</b>	<b>35.68</b>	<b>0.12</b>
<b>2. Foreign</b>									
a. Any other (specify)									
<b>Sub-total (A)(2)</b>									
<b>Total shareholding of the promoter and promoter group (A)= (A)(1)+(A)(2)</b>	<b>6222496</b>	<b>-</b>	<b>6222496</b>	<b>35.56</b>	<b>6244018</b>	<b>-</b>	<b>6244018</b>	<b>35.68</b>	<b>0.12</b>
<b>B. Public shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds/ UTI	10490	-	10490	0.06	12000	-	12000	0.07	0.01
b. Financial Institutions/Banks									
c. Central/State Government(s)									
d. Foreign Institutional Investors	738162	-	738162	4.22	957977	-	957977	5.47	1.25
<b>Sub-total (B)(1)</b>	<b>748652</b>	<b>-</b>	<b>748652</b>	<b>4.28</b>	<b>969977</b>	<b>-</b>	<b>969977</b>	<b>5.54</b>	<b>1.26</b>
<b>2. Non-institutions</b>									
a. Bodies Corporate	770803	35005	805808	4.60	688106	35005	723111	4.13	(0.47)

**ANNEXURE TO THE DIRECTORS' REPORT**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				Change Percent
	Demat	Physical	Total	Percent	Demat	Physical	Total	Percent	
b. Individuals									
c. Individual shareholders holding nominal share capital up to ₹ 1 lakh	3238494	1539185	4777679	27.30	5351129	1643085	6994214	39.96	12.66
d. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4050582	374600	4425182	25.29	1984213	127700	2111913	12.07	(13.22)
e. Any other (specify)									
f. Clearing Members	9740	-	9740	0.06	25733	-	25733	0.15	0.09
g. NRI	510443	-	510443	2.91	431034	-	431034	2.47	(0.44)
<b>Sub-total (B)(2)</b>	<b>8580062</b>	<b>1948790</b>	<b>10528852</b>	<b>60.16</b>	<b>8480215</b>	<b>1805790</b>	<b>10286005</b>	<b>58.78</b>	<b>(1.38)</b>
Total Public Shareholding									
<b>(B)= (B)(1)+(B)(2)</b>	<b>9328714</b>	<b>1948790</b>	<b>11277504</b>	<b>64.44</b>	<b>9450192</b>	<b>1805790</b>	<b>11255982</b>	<b>64.32</b>	<b>(0.12)</b>
<b>Total (A)+(B)</b>	<b>15551210</b>	<b>1948790</b>	<b>17500000</b>	<b>100.00</b>	<b>15694210</b>	<b>1805790</b>	<b>17500000</b>	<b>100.00</b>	<b>0.00</b>

**b. Shareholding of promoters and promoter group (\* First named Member/Shareholder's in JB 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	
J B Advani and Company Pvt. Ltd.	46,06,578	26.32	-	46,06,578	26.32	-	-
Mr. Aditya Tarachand Malkani*	4,38,598	2.51	-	4,59,135	2.62	-	0.11
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*	15,920	0.09	-	16,405	0.09	-	-
Ms. Gulshan Gulu Malkani	3,52,500	2.01	-	3,53,000	2.02	-	0.01
Ms. Michelle Gulu Malkani	41,850	0.24	-	41,850	0.24	-	-
Ms. Ninotchka Malkani Nagpal*	27,350	0.16	-	27,350	0.16	-	-
Ms. Rajbir Tarachand Malkani	83,515	0.49	-	83,515	0.49	-	-
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	75,000	0.43	-	75,000	0.43	-	-
Ms. Vimla A Lalvani	2,500	0.01	-	2,500	0.01	-	-
<b>Total</b>	<b>62,22,496</b>	<b>35.56</b>	<b>-</b>	<b>62,44,018</b>	<b>35.68</b>	<b>-</b>	<b>0.12</b>

**c. Changes in promoter's shareholding**

Names	Shareholding at the beginning of the year				Cumulative shareholding during the year			Remarks
	No. of shares	Percent	Date of the transaction	Increase/ decrease in shareholding	No. of shares	Percent		
Mr. Aditya Tarachand Malkani* (Details of transactions with reference to point 'd')	4,38,598	2.51	30.01.2015	5,625	4,44,223	2.54	Market Purchase/ Transfer	
			06.02.2015	3,000	4,47,223	2.56		
			20.02.2015	2,768	4,49,991	2.57		
			27.02.2015	4,144	4,54,135	2.60		
			06.03.2015	5,000	4,59,135	2.62		
Mr. Deep Ashda Lalvani	15,920	0.09	28.11.2014	190	16,110	0.09		
			31.12.2014	295	16,405	0.09		
			31.03.2015	-	16,405	0.09		
Ms. Gulshan Gulu Malkani	3,52,500	2.01	14.08.2014	500	3,53,000	2.02		
			31.03.2015	-	3,53,000	2.02		

## ANNEXURE TO THE DIRECTORS' REPORT

### d. Shareholding of Directors and Key Management Personnel

Names	Details	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	Percent	No. of shares	Percent
Ms. N Malkani Nagpal	At the beginning of the year	27,350	0.16%		
	At the end of the year			27,350	0.16%
Mr. HP Ledwani	At the beginning of the year	50,885	0.29%		
	At the end of the year			50,885	0.29%
Mr. A T Malkani* (refer point 'c')	At the beginning of the year	4,38,598	2.51%		
	At the end of the year			4,59,135	2.62%
Mr. NS Marshall	At the beginning of the year	3,099	0.02%		
	At the end of the year			3,099	0.02%
Mr. Santosh Janakiram	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
Mr. Rafique Abdul Malik	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
Ms. Geetha D	At the beginning/end of the year	-	-	-	-

### e. Shareholding pattern 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. Newedge group A/c. Malabar India Fund	3,96,344	2.26	6,16,159	3.52
M/s. Novostar International Fund	3,41,818	1.95	3,41,818	1.95
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
Ms. Gita Dolar Mehta	2,05,888	1.18	-	-
Ms. Sarla Chandna	1,79,000	1.02	1,79,000	1.02
Mr. S Shyam	1,72,995	0.99	1,72,995	0.99
Mr. Megh Ishwer Manseta	1,72,500	0.99	1,65,000	0.94
Mr. Rajesh Panjwani	1,56,765	0.90	90,337	0.52
Mr. Rajni Bahl	1,45,000	0.83	1,45,000	0.83

### f. Changes in top ten shareholdings

Names	Shareholding at the beginning of the year				Cumulative shareholding during the year		
	No. of shares	Percent	Date of the transaction	Increase/ decrease in shareholding	No. of shares	Percent	Remarks
M/s. Newedge Group A/c. Malabar India Fund	3,96,344	2.26	02.05.2014	4,400	4,00,744	2.29	Purchase
			16.05.2014	2,291	4,03,035	2.30	Purchase
			31.12.2014	17,400	4,20,435	2.40	Purchase
			09.01.2015	2,797	4,23,232	2.42	Purchase
			16.01.2015	1,511	4,24,743	2.43	Purchase
			06.02.2015	23,846	4,48,589	2.56	Purchase
			13.02.2015	21,411	4,70,000	2.69	Purchase
			20.02.2015	3,876	4,73,876	2.71	Purchase
			27.02.2015	35,159	5,09,035	2.91	Purchase
			06.03.2015	38,072	5,47,107	3.13	Purchase
			13.03.2015	38,078	5,85,185	3.34	Purchase
			20.03.2015	17,850	6,03,035	3.45	Purchase
			27.03.2015	2,000	6,05,035	3.46	Purchase
31.03.2015	11,124	6,16,159	3.52	Purchase			

## ANNEXURE TO THE DIRECTORS' REPORT

Names	Shareholding at the beginning of the year				Cumulative shareholding during the year		
	No. of shares	Percent	Date of the transaction	Increase/ decrease in shareholding	No. of shares	Percent	Remarks
Ms. Gita Dolar Mehta	2,05,888	1.18	13.06.2014	(66,300)	1,39,588	0.80	Sale
			20.06.2014	(6,439)	1,33,149	0.76	Sale
			30.06.2014	(1,27,902)	5,247	0.03	Sale
			14.08.2014	(5,247)	-	0.00	Sale
Ms. Sarla Chandna	1,79,000	1.02	04.07.2014	(1,396)	1,77,604	1.01	Sale
			11.07.2014	1,396	1,79,000	1.02	Purchase
			01.08.2014	1,000	1,80,000	1.03	Purchase
			22.08.2014	(2,000)	1,78,000	1.02	Sale
			29.08.2014	(2,000)	1,76,000	1.01	Sale
			12.09.2014	3,000	1,79,000	1.02	Purchase
Mr. Megh Ishwer Manseta	1,72,500	0.99	13.06.2014	(2,500)	1,70,000	0.97	Sale
			04.07.2014	(1,500)	1,68,500	0.96	Sale
			11.07.2014	(1,500)	1,67,000	0.95	Sale
			29.08.2015	(2,000)	1,65,000	0.94	Sale
Mr. Rajesh Panjwani	1,56,765	0.90	14.11.2014	(12,057)	1,44,708	0.83	Sale
			28.11.2014	(24,371)	1,20,337	0.69	Sale
			27.02.2015	(30,000)	90,337	0.52	Sale

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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
Principal amount and interest				
Interest accrued but not due				
<b>Change in indebtedness during the financial year</b>				
Addition/reduction		Nil		
<b>Indebtedness at the end of the financial year</b>				
Principal amount				
Interest due but not paid				
Interest accrued but not due				

### 6. Remuneration of Directors and Key Managerial Personnel

#### a. Remuneration to the Managing Director, Whole-time Directors and/or the Manager for the financial year 2014-15 (₹ in lakhs)

Particulars of Remuneration	Names of the Director(s) and details		Total amount
	Mr. H P Ledwani	Mr. A T Malkani	
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	75	64	139
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	14	4	18
c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	Nil	Nil	Nil
2. Stock option/sweat equity	Nil	Nil	Nil
3. Commission {reckoned along with (a) above} and for the period 2013-14	23	Nil	23
{As a percent of profit	Nil	Nil	Nil
Up to ₹ 20 crore	0.75% of profit	Nil	Nil
₹ 20.01 crores to ₹ 35 crores	1% of profit	Nil	Nil
₹ 35.01 crores and above}	1.25% of profit	Nil	Nil
<b>Total</b>	<b>112</b>	<b>68</b>	<b>180</b>

Note: Remuneration is within the overall ceiling as per the Companies Act, 2013

## ANNEXURE TO THE DIRECTORS' REPORT

### b. Remuneration to other Directors for the financial year 2014-15

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
<b>Independent Directors</b>				
Fee for attending Board meetings		26,000	51,000	8,000
<b>Other Non Executive Directors</b>				
Fee for attending Board meetings	68,000			
<b>Total</b>	<b>68,000</b>	<b>26,000</b>	<b>51,000</b>	<b>8,000</b>

### c. Remuneration to Key Managerial Personnel other than MD/Manager/WTD-paid to CEO/CS/CFO- for the financial year 2014-15

Particulars of Remuneration	Total amount
1. Gross salary to Company Secretary as per Form 16 and 12 BA	(₹ in lakhs)
a. Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961	20
b. Value of perquisites U/s. 17(2) of the Income-tax Act, 1961	1
c. Profits in lieu of salary under Section 17(3) of the Income -tax Act, 1961	Nil
2. Stock option/sweat equity	Nil
3. Commission	Nil
<b>Total</b>	<b>21</b>

### 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]
<b>A. Company</b>					
Penalty/punishment/compounding					
<b>B. Directors</b>					
Penalty/punishment/compounding			Nil		
<b>C. Other officers in default</b>					
Penalty/punishment/compounding					

## ANNEXURE 6: 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

### 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 and air circulating rotatory exhaust fans, energy saving PCB's, etc.

### Technology absorption

- Efforts in brief made towards technology absorption and innovation  
Locally available raw materials are utilised to gain max. advantage.
- Benefits derived as a result of the above efforts
  - Product improvement
  - Reduced cost of final products
  - Comparable quality & performance with products produced using imported materials
- 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

### Foreign exchange earnings and outgo

Please refer notes to the financial statements.

### Research and development (R and D)

- Specific areas in which R and D has been carried out: Continual efforts are being made to improvise the manufacture of equipment, besides development of newer types of electrodes and flux cored wires.
- Benefits derived as a result of the above R and D
  - Conservation of basic raw materials coupled with low cost and longer life.
  - Improvement in product quality.
- Future plan of action: To make further progress in areas enunciated at item nos. 1 and 2 above.
- 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 TO THE DIRECTORS' REPORT

### ANNEXURE 7: CONTRACTS/ARRANGEMENTS ENTERED IN TO BY THE COMPANY WITH RELATED PARTIES

Pursuant to Section 134 and Section 188 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014

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

2. Details of material 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
J B Advani & Company Private Limited	U51900MH1925PTC004217	Associate
Ador Welding Limited	L70100MH1951PLC008647	Associate
Ador Powertron Limited	U31103PN1995PLC084268	Associate
Ador Welding Academy Private Limited	U74900PN2012PTC144148	Associate
Dualrank Fontech (M) Sdn. Bhd.	Reg No. 905260-H	Associate (Joint Venture)
3 D Future Technologies Private Limited	U74999MH2015PTC261114	Wholly owned subsidiary

b. Nature of contracts/arrangements/transactions

Name of the Related Party	Nature of Contracts/Arrangements/Transactions
J B Advani & Company Private Limited	Purchase /sale of materials and provision of services in the ordinary course of business.
Ador Welding Limited	Purchase and sale of materials in the ordinary course of business and lease rentals of shared office premises.
Ador Powertron Limited	Purchase and sale of materials in the ordinary course of business and royalty payment based on technical know-how agreement.
Ador Welding Academy Private Limited	Purchase and sale of materials in the ordinary course of business.
Dualrank Fontech (M) Sdn. Bhd.	Contribution to capital, purchase and sale of materials in the ordinary course of business and provision of loan for working capital.
3 D Future Technologies Private Limited	Contribution to capital.

c. Duration of contracts/arrangements/transactions

- i. Joint venture agreement between Ador Fontech Limited and Dualrank has no specific time duration.
- ii. Royalty to Ador Powertron Ltd. was for a period of three years from April 1, 2012 and ended on March 31, 2015.
- iii. Purchase/sale of materials, provision of services, lease rental accommodation for office premises are in the ordinary course of business and transactions are on arm's length basis, with pricing compatible to market quotes and transactions of similar nature of respective companies.

d. Salient terms of contracts or arrangements or transactions including value, if any

- i. Joint venture with Dualrank entails an equity participation of 48% by Ador Fontech Limited.
- ii. Royalty to Ador Powertron Limited is based on technical know-how agreement and is based on net sale value invoiced to customers.
- iii. Purchase and sale transactions are based on purchase orders/sales invoices and subject to transfer pricing requirements and audit.
- iv. 3 D Future Technologies Pvt Ltd was formed as a wholly owned subsidiary and registered in Mumbai.
- v. The Company has lease rental agreements with Ador

Welding Limited for sharing of office premises at Pune, Kolkata and Secunderabad.

- vi. Details and values of transactions with related parties are depicted as part of notes to the accounts.

e. Details of approval by the Board, if any

- i. Joint venture approved by the Board on April 29, 2011.
- ii. Contract with Ador Powertron Limited approved by the Board on April 27, 2012.
- iii. Wholly owned subsidiary-3 D Future Technologies Pvt. Ltd. formed vide Board resolution-November 11, 2014.
- iv. General purchases approved and ratified by the Audit Committee and Board at their annual/quarterly meetings.

f. Amount paid as advances, if any: As on date- Nil

#### Certification to the Annexures forming part of the Directors' Report

This is to certify that Annexures to the Directors' Report comprising of various statements as specified under the Companies Act, 2013 read with Rules thereunder and other applicable legislations, have been executed by the undersigned on behalf of the Company, Board and its Committees.

For Ador Fontech Limited

	<b>HP Ledwani</b>	<b>N Malkani Nagpal</b>
Mumbai	Managing Director	Chairman
April 30, 2015	DIN 00040629	DIN: 00031985

## ANNEXURE TO THE DIRECTORS' REPORT

### 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 2014-15

Name of the Director	Designation	Ratio
Mrs. N Malkani Nagpal*	Chairman	0.08
Mr. H P Ledwani	Managing Director	20
Mr. Aditya T Malkani	Executive Director	10
Mr. Navroze S Marshall*	Independent Director	0.03
Mr. Santosh Janakiram*	Independent Director	0.06
Mr. Rafique Abdul Malik*	Independent Director	0.01

\*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 Managing Director, Mr. H P Ledwani was four percent; the Executive Director, Mr. A T Malkani was five percent; the Company Secretary, Ms. Geetha D was twelve percent and there was no change in the amount of sitting fees for each Board & Committee meetings, during the financial year 2014-15 in comparison with 2013-14.
3. The percentage increase in the median remuneration of employees in financial year 2014-15 over financial year 2013-14: 6%
4. The number of permanent employees on the rolls of Company as on March 31, 2015: 231
5. The explanation on the relationship between average increase in remuneration and the Company's performance:
- The Company's performance is considered both in terms of revenue and profitability, which remained almost at par during the current and preceding year.
  - The following factors were considered while recommending increase in employee remuneration
    - Employee performance vis-à-vis KRAs.
    - Company's performance
    - Comparison with peers in the industry.
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company
- Percent variance in KMPs' remuneration over last year: 5%
  - Percent variance in the Company's performance over last year: On par with the previous year
7. Variations in the market capitalisation of the Company, price earning ratio as at March 31, 2015 and March 31, 2014; percentage increase /decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.
- Market capitalization was ₹ 155 crores as at March 31, 2015 in comparison to ₹ 119 crores as at March 31, 2014.
  - Over the same period, the price earning (PE) ratio moved from 9.3 to 11.6.
  - The Company's share price as at March 31, 2015 has increased by 354% in comparison to the public issue price which was at ₹ 25/- (March 1995).
8. Comparison of each of the remuneration of the KMP against the performance of the Company: While the Company's performance remained at par, the increase in remuneration of the Chairman was nil, Managing Director was four percent, Executive Director was five percent and the Company Secretary was twelve percent.
9. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2014-15 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: There was no significant difference between Managerial and Non-Managerial percentile increase.
10. Key parameters for any variable component of remuneration availed by the Directors:
- The Managing Director's variable component in remuneration is subject to profits targets, as recommended by the Nomination and Remuneration Committee and accepted by the Board of Directors, within the overall Managerial remuneration approved by the Shareholders.
  - The Executive Director is entitled only for fixed components of salary and perquisites.
  - Non Executive Director are entitled only for sitting fees.
11. The ratio of the remuneration of the highest paid Director to that of employees who are not Directors, but receive remuneration in excess of the highest paid Director during the year : None
12. Affirmation that the remuneration is as per the Remuneration Policy of the Company : Yes
13. Details of the employees with annual remuneration of ₹ 60 lacs or more who are employed throughout the year or monthly remuneration of ₹ 5 lacs or more, even if employed for part of the year during the financial year 2014-15: (₹ in Lakhs)

Name & Shareholding	Designation	Age	Remuneration	Qualification*	Exp.	Date of joining	Last designation*	Last employer*
Mr. H P Ledwani 0.29 percent	Managing Director	61	165	B.Sc (Hons)	41 Yrs.	01.12.1979	Group Leader	Ador Welding Limited (Previously Advani Orlikon Limited)
				DAM (Bom)				
				DTMM				
Mr. Aditya T Malkani 2.62 percent	Executive Director	34	79	BA-Economics	10 Yrs.	01.04.2012	Manager Export	Ador Welding Limited
				MBA				
Mr. Deep A Lalvani 0.09 percent	General Manager	34	92	MBA	8 Yrs.	01.05.2008	Manager Marketing	Ador Welding Limited

Notes: (i) Appointment of Managing Director and Executive Director is contractual in nature and approved vide Shareholders resolution dated 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 and the Directors or between Directors. (iv) Details of qualifications and others are as provided by the Director/Employee.



## 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 the adherence to good corporate 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, 2015 complied with the statutory provisions listed hereunder and also that the Company 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, 2015 according to the provisions of:

- a. The Companies Act, 2013 (the Act) and the Rules made thereunder.
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder.
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- d. 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.
- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009.
  - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999: Not applicable.
  - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: Not applicable.
  - vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client(s).
  - vii. The Securities and Exchange Board of India (De-listing of the Equity Shares) Regulations, 2009: Not applicable.
  - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: Not applicable.
- f. Other laws as 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) Environment (Protection) Act, 1986 (vii) Child Labour (P & R) Act, 1986 (viii) Water (Prevention & Control of Pollution) Act, 1981 (ix) Payment of Wages Act, 1936 (x) Employees State Insurance Act, 1948 (xi) Employees PF and Miscellaneous Provisions Act, 1952 (xii) Contract Labour (Regulation and Abolition) Act, 1970 (xiii) Legal Metrology Act, 2009 (xiv) Payment of Gratuity Act, 1972 (xv) Industrial Disputes Act, 1947 (xvi) Indian Contracts Act, 1872 (xvii) Shops and Establishments Act.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India.
- b. Listing Agreements entered in to by the Company with the BSE.

During the period under review, the Company has 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 meeting.

Majority decision is carried through while the dissenting Member's views are captured and recorded as part of the minutes.

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, I 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 happening of events, etc.
4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
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  
April 30, 2015

ACS No. 28374  
CP No. 10150

## INDEPENDENT AUDITORS' REPORT

### To the Members of Ador Fontech Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of Ador Fontech Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2015, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' responsibility

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

We have taken in to account the provisions of the Act and the Rules made there under including the Accounting Standards and matters which are required to be included in the Audit Report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements & plan and perform the audit to obtain reasonable assurance about whether the 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 Auditors' judgement, including 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and 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, 2015 and its profit 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, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
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, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f. With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge & belief and according to the information and explanations given to us.
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its Standalone Financial Statements;
    - ii. The Company has made provision, as required under 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.

For Amarnath Kamath and Associates

Chartered Accountants  
Firm Registration No. 000099S

Bengaluru  
May 2, 2015

**Amarnath Kamath**  
Partner [Membership No. 13124]

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

### Annexure to the Independent Auditors' Report

Referred to in our report of even date to the Members of Ador Fontech Limited on the Standalone Financial Statements as of and for the year ended March 31, 2015

1. a. The Company is maintaining proper records showing full particulars, including quantitative details & situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been 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. Fixed assets disposed-off during the year were not substantial and therefore do not affect the going concern status of the Company.
2. a. We are informed that inventories have been physically verified by the Management during the year as also at the end of the year. In our opinion the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion & according to the information & 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. a. The Company has granted loans to bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
- b. The loan to the joint venture entity is repayable on demand
7. b. On the basis of our examination of the documents and other records, the following pertains to disputed liabilities which have not been fully paid to the concerned authorities.

and the maximum amount outstanding during the year was ₹ 156 lakhs which is also the year end balance. The terms of arrangements do not stipulate any repayment schedule. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

- c. There are no overdue amounts of more than ₹ 1 lakh in respect of loans granted to bodies corporate, listed in the register maintained under Section 189 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventories, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. The Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the Rules framed thereunder to the extent notified.
6. We have broadly reviewed the records maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
7. a. According to the records, information and explanations provided to us, the Company is generally regular in depositing with the appropriate authorities undisputed amounts, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other Statutory dues applicable to it. According to the information and explanations provided to us, no undisputed amounts, referred to above, were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.

Name of the Statute	Particulars	₹ in lakhs	Period to which the amount relates	Forum where dispute/objection raised is pending
The Maharashtra Village Panchayat Taxes and Fees Rules, 1970	Gram Panchayat Tax	2	2001 to 2015	Hon'ble Nagpur Bench of Bombay High Court passed an order in our favour. However, the Dept. has preferred an appeal before the Supreme Court.
The Finance Act, 1994	Service Tax as per order passed by the Joint Commissioner of Central Excise & Service Tax dated January 30, 2009	81	2003 to 2008	Case disposed-off at CESTAT, but the Dept. has filed an appeal in the Bombay High Court.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Name of the Statute	Particulars	₹ in lakhs	Period to which the amount relates	Forum where dispute/objection raised is pending
The Finance Act, 1994	Service Tax as per order passed by the Joint Commissioner of Central Excise and Service Tax dated January 18, 2010	32	2008 to 2009	Appeal filed against the order at CESTAT.
The Finance Act, 1994	Service Tax as per order passed by the Commissioner of Central Excise and Service Tax (Appeals) dated February 8, 2011	2	2009 to 2010	Appeal filed against the order at CESTAT with full claim payment made as pre-deposit.
The Income Tax Act, 1961	Disallowance of expenditure	121	2012 to 2013	Commissioner of Income Tax (Appeals-I) Bengaluru

- c. The amount required to be transferred to the Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the Rules made thereunder.
8. The Company does not have any accumulated losses as at the end of the financial year and has not incurred any cash losses in the financial year under report or in the immediately preceding financial year.
9. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. The Company has not raised any term loan. Accordingly the provisions of Clause 3 (xi) of the Order are not applicable to the Company.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Bengaluru  
May 2, 2015

**Amarnath Kamath**  
Partner [Membership No. 13124]

### 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, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by The Institute of Chartered Accountants of India and was limited to the 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.

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 stipulated in Clause 49 of the Listing Agreement.

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

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

Bengaluru  
May 2, 2015

**Amarnath Kamath**  
Partner [Membership No. 13124]

**BALANCE SHEET**

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2.01	350	350
Reserves and surplus	2.02	8,561	7,986
<b>Sub-total</b>		<b>8,911</b>	<b>8,336</b>
<b>2. Non-current liabilities</b>			
Long-term borrowings	2.03	170	185
Long-term provisions	2.04	987	1,002
<b>Sub-total</b>		<b>1,157</b>	<b>1,187</b>
<b>3. Current liabilities</b>			
Trade payables	2.05	909	942
Other current liabilities	2.06	932	667
Short-term provisions	2.07	909	770
<b>Sub-total</b>		<b>2,750</b>	<b>2,379</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>12,818</b>	<b>11,902</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets	2.08		
Tangible assets		2,084	2,060
Intangible assets		4	40
<b>Sub-total</b>		<b>2,088</b>	<b>2,100</b>
Non-current investments	2.09	885	912
Deferred tax	2.10	329	287
Long-term loans and advances	2.11	175	221
<b>Sub-total</b>		<b>1,389</b>	<b>1,420</b>
<b>2. Current assets</b>			
Current investments	2.12	112	54
Inventories	2.13	2,432	2,409
Trade receivables	2.14	2,719	2,724
Cash and cash equivalents	2.15	3,127	2,520
Short-term loans and advances	2.16	951	675
<b>Sub-total</b>		<b>9,341</b>	<b>8,382</b>
<b>TOTAL- ASSETS</b>		<b>12,818</b>	<b>11,902</b>
<b>Significant accounting policies and notes to the Standalone Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

## STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
<b>1. Revenue from operations (gross)</b>		<b>14,532</b>	<b>14,767</b>
Less: Excise duty		789	823
<b>Revenue from operations (net)</b>	2.17	<b>13,743</b>	<b>13,944</b>
<b>2. Other income</b>	2.18	<b>413</b>	<b>267</b>
<b>3. Total revenue (1+2)</b>		<b>14,156</b>	<b>14,211</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.19	3,161	3,658
b. Purchase of traded goods	2.20	4,256	4,495
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	6	(304)
d. Employee benefit expenses	2.22	1,985	1,879
e. Finance cost	2.23	4	4
f. Depreciation and amortisation expenses		355	280
g. Other expenses	2.24	2,384	2,198
<b>Total expenses</b>		<b>12,151</b>	<b>12,210</b>
<b>5. Profit before tax (3-4)</b>		<b>2,005</b>	<b>2,001</b>
<b>6. Tax expense</b>			
a. Current tax		700	700
b. Deferred tax		(30)	24
<b>Sub-total</b>		<b>670</b>	<b>724</b>
<b>7. Profit after tax (5-6)</b>		<b>1,335</b>	<b>1,277</b>
<b>8. Earnings per share</b>	2.25		
Basic and diluted		7.63	7.30
<b>Significant accounting policies and notes to the Standalone Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

**CASH FLOW STATEMENT**

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A. Cash flow from operating activities</b>		
Net profit before tax as per Statement of Profit and Loss	2,005	2,001
Depreciation and amortisation	355	280
Interest expense on dealer deposits	4	4
(Profit)/loss on sale of assets/investments	(39)	(28)
Interest and dividend income	(307)	(224)
Bad debts/advances provided written-off-net of recovery/write back	27	7
<b>Operating profit before changes in working capital</b>	<b>2,045</b>	<b>2,040</b>
Adjustments for:		
Trade receivables	17	(159)
Inventories	(23)	(51)
Movement in loans, advances and other current assets	(276)	(180)
Trade payables	(33)	(442)
Movement in liabilities and provisions	365	65
<b>Cash generated from operations</b>	<b>2,095</b>	<b>1,273</b>
Taxes paid	(651)	(638)
<b>Net cash from operating activities (A)</b>	<b>1,444</b>	<b>635</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(394)	(527)
Sale of fixed assets	17	40
Purchase and sale of investments (net)	(31)	(289)
Interest and dividend income	307	224
Investment in fixed deposits with banks (net)	(607)	699
<b>Net cash from investing activities (B)</b>	<b>(708)</b>	<b>147</b>
<b>C. Cash flow from financing activities</b>		
Long-term borrowing and provisions	(30)	(12)
Dividend paid including tax	(702)	(705)
Interest expense on dealer deposits	(4)	(4)
<b>Net cash from financing activities (C)</b>	<b>(736)</b>	<b>(721)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>-</b>	<b>61</b>
Opening balance of cash and cash equivalents	338	277
Closing balance of cash and cash equivalents	338	338
Investment in bank deposits as at the end of the year	2,789	2,182
<b>Balance as per note no. 2.15</b>	<b>3,127</b>	<b>2,520</b>

Notes: (i) Figures in brackets represent cash outgo. (ii) The above 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, 2006 (refer note 1.15)

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### General information

Ador Fontech Limited was incorporated on August 22, 1974 and is a front runner organisation that operates on the philosophy of 'partnering' with its clients in recommending and implementing value-added fusion, surfacing, spraying & 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'.

### Note 1: Significant accounting policies

#### 1.01 Basis of preparation of the financial statements

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on 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 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.

#### 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 amount 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 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) Till the year ended March 31, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum

rates and the Company was not allowed to charge depreciation at lower rates, even if such lower rates were justified by the estimated useful life of the asset. From the current year Schedule XIV has been replaced by Schedule II of the Companies Act, 2013. The replaced Schedule II prescribes useful lives for fixed assets which, in many cases, are different from the lives prescribed under the erstwhile Schedule XIV. However, Schedule II 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 lives and residual values of all its fixed assets. The Management believes that depreciation rates currently used fairly reflects its estimate of useful lives & residual values of fixed assets and in compliance of Schedule II of the Companies Act, 2013.

- b. Residual value of assets whose useful lives had expired as at the beginning of the year were charged to Reserves & Surplus.
- c. 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 assets over the specified useful lives leaving behind a residual value of five percent.
- d. 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. The impairment loss recognised in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.

#### 1.07 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 comprise Indian rupee value of consideration paid for investment translated at the exchange rate prevalent on the date of the 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 (cost is determined on a weighted average basis)

- a. Traded goods, raw materials and packing materials: At cost or net realisable value, whichever is lower.
- b. Process stock: At cost/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.

#### 1.09 Employee benefits

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



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**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 rate.

### 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.

### 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. The Company estimates such costs based on historical experience and reviews the same annually for any material changes in assumptions.

### 1.13 Taxes on income

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

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

## Note 2:

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

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	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	-	-	-	-
Par value per equity share	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-

#### b. Reconciliation of number of equity shares

Particulars	As at 31.03.2015		As at 31.03.2014	
	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 31.03.2015		As at 31.03.2014	
	No. of shares held	Percent	No. of shares held	Percent
J B 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 did not buy back any equity share. (iv) 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 31.03.2015	As at 31.03.2014
<b>Capital reserve</b>		
Balance as at the beginning of the year	12	12
Additions/(deletions) during the year	–	–
<b>Balance as at the end of the year</b>	<b>12</b>	<b>12</b>
<b>Securities premium account</b>		
Balance as at the beginning of the year	172	172
Additions/(deletions) during the year	–	–
<b>Balance as at the end of the year</b>	<b>172</b>	<b>172</b>
<b>General reserve</b>		
Balance as at the beginning of the year	6,000	5,800
Add: Transfer from surplus in Statement of Profit and Loss	400	200
Less: Adjusted for depreciation*	22	–
<b>Balance as at the end of the year</b>	<b>6,378</b>	<b>6,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,802	1,442
Add: Profit for the year	1,335	1,277
<b>Amount available for appropriation</b>	<b>3,137</b>	<b>2,719</b>
<b>Appropriation</b>		
Less: Proposed dividend on equity shares	613	613
Dividend distribution tax	125	104
Transfer to general reserve	400	200
<b>Balance as at the end of the year</b>	<b>1,999</b>	<b>1,802</b>
<b>Total</b>	<b>8,561</b>	<b>7,986</b>

\* During the year, the Company adopted estimated useful lives of fixed assets as stipulated under Schedule II of the Companies Act, 2013. Accordingly, depreciation of ₹ 22 lakhs (net of deferred tax of ₹ 13 lakhs) on account of assets whose useful lives stood exhausted as on April 01, 2014 has been adjusted against the General reserve.

### 2.03 Long-term borrowings

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Deposits from dealers and employees	170	185
<b>Total</b>	<b>170</b>	<b>185</b>

### 2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for warranties	500	520
Provision for compensated absences	487	482
<b>Total</b>	<b>987</b>	<b>1,002</b>

### 2.05 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Trade payables (refer note 2.26)	909	942
<b>Total</b>	<b>909</b>	<b>942</b>

### 2.06 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Creditors for expenses	566	341
Advance received from customers	24	33
Statutory dues	258	224
Unclaimed dividends	84	69
<b>Total</b>	<b>932</b>	<b>667</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.07 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for compensated absences	49	53
Provision for proposed equity dividend	613	613
Provision for dividend distribution tax	125	104
Provision for income tax (net of tax paid)	122	-
<b>Total</b>	<b>909</b>	<b>770</b>

### 2.08 Fixed assets

(₹ in lakhs)

Particulars	Gross block					Depreciation					Net block		
	As at 01.04.14	Additions	Disposals	Impairment	As at 31.03.15	As at 01.04.14	Withdrawn on sales	Impairment	For the year	*Adj. Reserve	As at 31.03.15	As at 31.03.15	As at 31.03.14
<b>Tangibles</b>													
Freehold land	76	-	-	-	76	-	-	-	-	-	-	76	76
Leasehold land	2	-	-	-	2	-	-	-	-	-	-	2	2
Buildings	1,050	12	-	-	1,062	272	-	-	77	1	350	712	778
Office premises	464	137	-	-	601	72	-	-	19	-	91	510	392
Plant & machineries	961	85	(7)	-	1,039	535	(6)	-	84	3	616	423	426
Electrical installation	78	7	-	-	85	22	-	-	17	-	39	46	56
Computers	160	12	(2)	-	170	118	(3)	-	18	14	147	23	42
Office equipments	73	8	-	-	81	34	-	-	22	6	62	19	39
Furniture & fixtures	114	5	-	-	119	83	-	-	10	1	94	25	31
Vehicles	495	128	(85)	-	538	277	(69)	-	82	-	290	248	218
<b>Sub-total</b>	<b>3,473</b>	<b>394</b>	<b>(94)</b>	<b>-</b>	<b>3,773</b>	<b>1,413</b>	<b>(78)</b>	<b>-</b>	<b>329</b>	<b>25</b>	<b>1,689</b>	<b>2,084</b>	<b>2,060</b>
<b>Intangibles</b>													
Softwares	4	-	-	-	4	1	-	-	2	-	3	1	3
Product development	66	-	-	-	66	29	-	-	24	10	63	3	37
<b>Sub-total</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>10</b>	<b>66</b>	<b>4</b>	<b>40</b>
<b>Total</b>	<b>3,543</b>	<b>394</b>	<b>(94)</b>	<b>-</b>	<b>3,843</b>	<b>1,443</b>	<b>(78)</b>	<b>-</b>	<b>355</b>	<b>35</b>	<b>1,755</b>	<b>2,088</b>	<b>-</b>
Previous Year	3,116	527	(96)	(4)	3,543	1,223	(59)	(1)	280	-	1,443	-	2,100

\* During the year, the Company adopted estimated useful lives of fixed assets as stipulated under Schedule II of the Companies Act, 2013 (applicable for accounting periods commencing from April 01, 2014) and re-assessed useful lives based on technical evaluation. Accordingly, depreciation of ₹ 35 lakhs on account of assets whose useful lives stood exhausted as on April 01, 2014 has been adjusted against the General reserve.

### 2.09 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Trade investments (un-quoted)</b>		
<b>Investments in overseas body corporate</b>		
Dualrank Fontech (M) Sdn. Bhd. (4,80,000 shares of MYR 1 each)	76	76
<b>Investments in wholly owned subsidiary</b>		
3 D Future Technologies Private Limited (10,00,000 shares of ₹ 10 each)	100	-
<b>Sub-total</b>	<b>176</b>	<b>76</b>
<b>Non-trade investments (in units of mutual funds, quoted)</b>		
HDFC-FMP-384 'D' (10,00,000 units)	-	100
Edelweiss Arbitrage Fund-Dividend option (483161.811 units)	50	-
Kotak Bond Fund-Growth (147749.334 units)	50	50
Kotak Equity Arbitrage Fund-Dividend option (928729.313 units)	100	-
Reliance-FMP-Series 14 (15,00,000 units)	150	100
SBI Dynamic Bond Fund-Growth (3,40,119.858 units)	50	50
Tata-FMP-Series 45 (12,50,000 units)	-	125

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.09 Non-current investments (cont..)

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
HDFC-FMP-370 D (10,93,230 units)	109	–
HDFC Income Fund-Growth (3,63,957.90 units)	100	100
HDFC-FMP-366 D (21,05,920 units)	–	211
<b>Sub-total</b>	<b>609</b>	<b>736</b>
<b>Market value of quoted investments</b>	<b>667</b>	<b>751</b>
<b>Capital gains bonds</b>		
National Highways Authority (500 bonds of ₹ 10,000 each)	50	50
Rural Electrification Corporation Limited (500 bonds of ₹ 10,000 each)	50	50
<b>Sub-total</b>	<b>100</b>	<b>100</b>
<b>Total</b>	<b>885</b>	<b>912</b>

### 2.10 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book and tax balance of fixed assets	(78)	(130)
<b>Sub-total</b>	<b>(78)</b>	<b>(130)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences	182	182
Provision for warranties	170	177
Provision for bad and doubtful debts	–	4
Expenses allowable for tax purpose when paid	55	54
<b>Sub-total</b>	<b>407</b>	<b>417</b>
<b>Net deferred tax</b>	<b>329</b>	<b>287</b>

### 2.11 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Rent and Government deposits	24	23
Security deposits and retention monies	13	48
Earnest money deposits	138	150
<b>Total</b>	<b>175</b>	<b>221</b>

### 2.12 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Non-trade investments (in units of mutual funds, quoted)</b>		
HDFC Liquid fund – daily reinvest (4,97,827.296 units/5,33,600.36 units)	112	54
<b>Total</b>	<b>112</b>	<b>54</b>
<b>Market value of quoted investments</b>	<b>112</b>	<b>54</b>

### 2.13 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Raw materials	735	725
Traded goods	1,262	1,289
Work-in-progress	113	109
Finished goods	251	235
Packing materials	12	6
Stores, spares and consumables	59	45
<b>Total</b>	<b>2,432</b>	<b>2,409</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.14 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Outstanding for a period exceeding six months (from the due date of payment)</b>		
Unsecured – considered good	465	361
Unsecured – doubtful	–	12
Less: Provision for doubtful receivables	–	12
<b>Others</b>		
Secured – considered good	24	4
Unsecured – considered good	2,230	2,359
<b>Total</b>	<b>2,719</b>	<b>2,724</b>

### 2.15 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Cash in hand	1	1
Balance with banks in current/EEFC accounts	253	268
Fixed deposits with banks	2,789	2,182
Unclaimed dividends	84	69
<b>Total</b>	<b>3,127</b>	<b>2,520</b>

(i) Cash and cash equivalents as of March 31, 2015 and March 31, 2014 include restricted cash and bank balances of ₹ 160 lakhs and ₹ 134 lakhs, respectively. The restrictions are primarily on account of margin money deposits against performance bank guarantees. (ii) Deposits maintained by the Company with banks are in the nature of time deposits with varied durations.

### 2.16 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Taxes, duties, input credits and refunds due	365	391
Advance to suppliers	62	24
Security deposit	11	45
<b>Loans and advances -unsecured, considered good</b>		
-Joint venture and wholly owned subsidiary	165	92
-Other advances	276	100
Prepaid expenses and receivables	72	23
<b>Total</b>	<b>951</b>	<b>675</b>

### 2.17 Revenue from operations (net)

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Sale of products</b>		
Manufactured goods	7,146	7,282
Scrap sales	14	8
Traded goods	5,788	6,153
<b>Sale of services</b>		
Job works	1,523	1,224
Commission on export services	61	100
<b>Sub total</b>	<b>14,532</b>	<b>14,767</b>
Less: Excise duty	789	823
<b>Total</b>	<b>13,743</b>	<b>13,944</b>

#### Details of sales

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Consumables	9,082	8,790
Equipment/Ancillaries	2,962	3,502
Others	1,699	1,652
<b>Total</b>	<b>13,743</b>	<b>13,944</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.18 Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest income	300	218
Dividend income	7	6
Net gain on sale of current investments	38	28
Net gain on foreign currency transactions	2	-
Reversal of liabilities no longer payable	62	2
Other non-operating-income	3	13
Profit on sale of assets	1	-
<b>Total</b>	<b>413</b>	<b>267</b>

#### Details of other income

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest on bank deposits	233	163
Interest on inter-corporate-deposits	30	46
Interest on advance given to subsidiary	9	2
Other interest	28	7
Dividends from mutual funds (current investments)	3	3
Dividends from mutual funds (non-current investments)	4	3

### 2.19 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Opening inventories	776	1,030
Add: Purchases	3,191	3,404
Less: Closing inventories	806	776
<b>Total</b>	<b>3,161</b>	<b>3,658</b>
<b>Details of materials consumed</b>		
Wires ,strips, coils, fluxes ,tiles, components	2,889	2,894
Spares and consumables	234	675
Others	38	89
<b>Total</b>	<b>3,161</b>	<b>3,658</b>

### 2.20 Purchase of traded goods

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Welding consumables	2,525	2,812
Equipment and spares	1,731	1,683
<b>Total</b>	<b>4,256</b>	<b>4,495</b>

### 2.21 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Inventories at the end of the year</b>		
Finished goods	252	235
Work-in-progress	113	109
Stock-in-trade	1,262	1,289
<b>Inventories at the beginning of the year</b>		
Finished goods	235	104
Work-in-progress	109	75
Stock-in-trade	1,289	1,150
<b>(Increase)/decrease in inventories</b>	<b>6</b>	<b>(304)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.22 Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Salaries, allowances and other benefits	1,663	1,591
Contribution to provident and other funds	197	157
Staff welfare	125	131
<b>Total</b>	<b>1,985</b>	<b>1,879</b>

### 2.23 Finance cost

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest expense on dealer deposits	4	4
<b>Total</b>	<b>4</b>	<b>4</b>

### 2.24 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Rent, rates, insurance and taxes	154	126
Consumables, stores and utilities	164	168
Sub-contracting of job works	524	468
Stationery, printing and communication	82	80
Repairs to building	15	5
Repairs to machinery	8	9
Other repairs and maintenance		
-Vehicle maintenance	24	26
-Office maintenance	26	28
-Computer maintenance	16	21
-Others	9	7
Professional fees	99	70
Travelling and conveyance	492	453
Freight and forwarding	206	198
Sales commission and promotional expenses	290	282
Provision for warranties	36	24
Payment to auditors	15	12
Bank and other charges	11	13
Discounts and rebates	52	60
Bad debts and irrecoverable advances written off (net)	27	7
Corporate social responsibility	27	-
General expenses	107	141
<b>Total</b>	<b>2,384</b>	<b>2,198</b>

### 2.25 Earnings per share

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

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net profit after tax	1,335	1,277
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	7.63	7.30

The Company does not have any outstanding dilutive potential equity shares as at March 31, 2015. Consequently, basic and diluted earnings per share of the Company remain the same.

### 2.26 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts together with interest unpaid, as at the end of the year, has not been provided.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.27 Operating lease

(₹ in lakhs)

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 ₹ 63 lakhs (Previous year ₹ 61 lakhs) has been charged to the Statement of Profit and Loss.

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Lease payments for the year	63	61
Minimum lease payments	As at 31.03.2015	As at 31.03.2014
Not later than one year	59	51

### 2.28 Related party transactions

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

- (i) Associate companies: J B Advani and Company Pvt. Ltd., Ador Welding Ltd., Ador Welding Academy Pvt. Ltd., and Ador Powertron Ltd.  
(ii) Related personnel (by virtue of shareholding in associate companies): Mrs. Vimla A Lalvani and Mr. Deep A Lalvani (iii) Joint venture entity: Dualrank Fontech (M) Sdn. Bhd. (iv) Wholly owned subsidiary: 3 D Future Technologies Private Limited (v) Whole time Directors(WTD): Mr. H P Ledwani and Mr. A T Malkani (vi) Relative of WTD/MD: Mrs. Sunila H Ledwani.

#### b. Transactions with related parties

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>J B Advani and Company Private Limited – CIN#U51900MH1925PTC004217</b>		
Purchase of traded goods	10	11
Inter-corporate-deposit (ICD) (paid and repaid in full during the year)	-	750
Interest on ICD	-	24
<b>Ador Welding Limited – CIN#L70100MH1951PLC008647</b>		
Purchase of traded goods	96	251
Purchase of manufactured goods	116	-
Sale of manufactured goods	10	5
Sale of traded goods	2	-
Rent paid	8	10
Royalty and product development	-	4
<b>Ador Welding Academy Private Limited – CIN#U74900PN2012PTC144148</b>		
Sale of traded goods	17	18
Professional charges	-	2
<b>Ador Powertron Limited – CIN#U31103PN1995PLC084268</b>		
Purchase of traded goods	-	1
Reimbursements	2	-
Royalty payment	2	7
Inter-corporate-deposit (ICD) (paid and repaid in full during the year)	300	500
Interest on ICD	30	22
<b>Related Personnel</b>		
Professional fees	23	23
Remuneration	80	74
<b>Dualrank Fontech (M) Sdn. Bhd. - Joint Venture – Reg no. 905260-H</b>		
Sale of manufactured goods	17	56
Sale of traded goods	1	-
Loans granted	64	92
<b>Key Management Personnel</b>		
Remuneration (Managing Director and Executive Director)	180	187
Lease rental deposits (repaid in full)	-	10
Relative of whole time Director/Managing Director - Rent	21	19
<b>3 D Future Technologies Private Limited – CIN#U74999MH2015PTC261114</b>		
Contribution to the capital	100	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### c. Balances of related parties (₹ in lakhs)

Particulars	As at 31.03.2015
J B Advani and Company Private Limited	-
Ador Welding Limited (Advance for supply of materials)	2
Ador Welding Academy Private Limited	-
Ador Powertron Limited	-

### d. Maximum balance during the year (₹ in lakhs)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	Dr.	Cr.	Dr.	Cr.
J B Advani and Company Private Limited	-	-	8	-
Ador Welding Limited	19	12	12	6
Ador Welding Academy Private Limited	10	-	19	-
Ador Powertron Limited	2	-	7	-

Note: a. Remuneration : Salaries and perquisites are valued as per Income Tax Act. Travel expenses/per diem allowance incurred for business purpose have been excluded.

b. Debit balances depict receivables/advance towards supplies.

c. Related party relationship is as identified by the Company and relied upon by the Auditors.

### 2.29 Receipts in foreign currencies (₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Commission on export services	45	100
Other exports	54	30
<b>Total</b>	<b>99</b>	<b>130</b>

### 2.30 Expenditure in foreign currencies (₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Travelling expenses	66	52
Conferences	30	30
<b>Total</b>	<b>96</b>	<b>82</b>

### 2.31 Details of imported and indigenous-raw materials, stores and spares consumed (₹ in lakhs)

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
	Amount	Percentage	Amount	Percentage
<b>Raw materials</b>				
Imported	298	9.43	598	16.35
Indigenous	2,863	90.57	3,060	83.65
<b>Sub-total</b>	<b>3,161</b>	<b>100.00</b>	<b>3,658</b>	<b>100.00</b>
<b>Stores and spares</b>				
Imported	-	-	-	-
Indigenous	88	100.00	122	100.00
<b>Sub-total</b>	<b>88</b>	<b>100.00</b>	<b>122</b>	<b>100.00</b>
<b>Total</b>	<b>3,249</b>	<b>100.00</b>	<b>3,780</b>	<b>100.00</b>

### 2.32 CIF value of imports (₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Raw materials	312	280
Equipment, spares and others	893	1,276
Traded goods	2,418	1,729
Plant and machinery	-	6
<b>Total</b>	<b>3,623</b>	<b>3,291</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.33 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Statutory audit	6	5
Taxation	2	2
Other services	7	5
<b>Total</b>	<b>15</b>	<b>12</b>

### 2.34 Particulars of unhedged foreign currency exposures

(₹ in lakhs)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Foreign currencies	Indian rupees	Foreign currencies	Indian rupees
US Dollar*	5	314	3	174
Euro*	0.4	26	0.5	30
SEK*	4	29	-	-

\* Payables

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

(₹ in lakhs)

Particulars	As at 31.03.2015
<b>1. Changes in defined benefit obligation</b>	
Obligation at the beginning of the year	273
Interest cost	16
Service cost	24
Actuarial (gain)/ loss	24
Benefits paid	(15)
Obligation at the end of the year	322
<b>2. Changes in fair value of assets</b>	
Opening fair value of plan assets	305
Expected return on plan assets	21
Actuarial gain/(loss)	30
Benefits paid	(16)
Closing fair value of plan assets	340
<b>3. Liability recognised in the Balance Sheet</b>	
Present value of funded obligations	322
Fair value of plan assets	340
Net liability	(18)
<b>4. Expenses recognised in the Statement of Profit and Loss</b>	
Service cost	16
Interest cost	24
Expected return on plan assets	(21)
Actuarial (gain)/loss	(7)
Total expenses included in the employee benefit expenses	12
<b>Assumptions</b>	
Discount factor	7.95%
Estimated rate of return on plan assets	8.00%
Salary increase	7.00%
Attrition rate:	
21 to 44 years	2%
45 to 57 years	1%
Retirement age	58 years

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.36 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.

### 2.37 Defined benefit obligation

Leave encashment: Cumulative defined benefit obligation of compensated absences (unfunded) amounts to ₹ 536/- lakhs (Rupees five hundred and thirty six lakhs) as per actuarial valuation. The same has been provided for in the books of account.

### 2.38 Information on joint venture entity

Particulars	Country	Shareholding	Registration no.	Authorised share capital
Dualrank Fontech (M) Sdn. Bhd.	Malaysia	48%	905260-H	Ordinary shares–MYR 10,00,000

- The Company's interest in the joint venture is reported as non-current trade investment and stated at cost in the Standalone Financial Statements.
- Details of Dualrank Fontech (M) Sdn. Bhd. and the Company's share of each of the assets, liabilities, income, expenses etc. without elimination of the effect of transactions between the Company and the joint venture:

#### i. Balance Sheet

(₹ in lakhs)

Particulars	Dualrank Fontech (M) Sdn. Bhd.				Ador Fontech Limited*	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
	Audited (MYR)	Unaudited (MYR)	Audited (INR)	Unaudited (INR)	*Equivalent to 48% of the shareholding	
<b>1. Shareholders' funds</b>						
Share capital	10	10	168	183	81	88
Accumulated losses	(17)	(14)	(286)	(256)	(137)	(123)
Shareholders' equity (A)	(7)	(4)	(118)	(73)	(56)	(35)
<b>2. Non-current liabilities</b>						
Financial borrowings (B)	1	-	17	-	8	-
<b>TOTAL (A) + (B)</b>	<b>(6)</b>	<b>(4)</b>	<b>(101)</b>	<b>(73)</b>	<b>(48)</b>	<b>(35)</b>
<b>3. Non-current assets</b>						
Plant and equipment (C)	8	3	135	55	65	26
<b>4. Current assets</b>						
Inventories	5	5	84	92	40	44
Trade receivables	6	3	101	55	49	26
Sundry receivables	1	1	17	18	8	9
Cash and bank balances						
Less: Trade payables	5	4	84	73	40	35
Sundry payables and accruals	21	12	354	220	170	105
Net current liabilities (D)	(14)	(7)	(236)	(128)	(113)	(61)
<b>TOTAL (C) + (D)</b>	<b>(6)</b>	<b>(4)</b>	<b>(101)</b>	<b>(73)</b>	<b>(48)</b>	<b>(35)</b>

\* Conversion rate: MYR to INR, as at March 31, 2015 – ₹ 16.85 and March 31, 2014 – ₹ 18.31.

#### ii. Income Statement

(₹ in lakhs)

Particulars	Dualrank Fontech (M) Sdn. Bhd.				Ador Fontech Limited*	
	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2015	Year ended 31.03.2014
	Audited (MYR)	Unaudited (MYR)	Audited (INR)	Unaudited (INR)	*Equivalent to 48% of the shareholding	
<b>Revenue</b>	<b>21</b>	<b>13</b>	<b>382</b>	<b>241</b>	<b>183</b>	<b>116</b>
Less: Cost of sales	17	12	309	223	148	108
Less: Operating and administrative expenses	6	7	109	130	52	62
<b>Operating loss</b>	<b>(2)</b>	<b>(6)</b>	<b>(36)</b>	<b>(112)</b>	<b>(17)</b>	<b>(54)</b>

\* Conversion rate: MYR to INR, average for 2014-15 – ₹ 18.20 and 2013-14 – ₹ 18.57.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### c. Commitments (₹ in lakhs)

Particulars	As at 31.03.2015
Contingent liabilities and capital commitments	Nil

### d. Contribution to equity capital (₹ in lakhs)

Particulars	Date of remittance	As at 31.03.2015
2,88,000 equity shares of MYR 1/- each	05.07.2011	43
1,92,000 equity shares of MYR 1/- each	01.02.2013	33
<b>4,80,000 equity shares of Malaysian Ringgit (MYR) 1/- each</b>		<b>76</b>

### e. Loan towards working capital (₹ in lakhs)

Particulars	Date of remittance	31.03.2015
First tranche - MYR 1,42,000	27.09.2013	27
Second tranche - MYR 1,80,000	31.10.2013	35
Third tranche - MYR 1,57,500	02.01.2014	30
Fourth tranche - MYR 70,000	23.06.2014	13
Fifth tranche - MYR 52,500	31.07.2014	10
Sixth tranche - MYR 74,000	26.09.2014	14
Seventh tranche - MYR 1,50,000	22.12.2014	27
<b>Total</b>		<b>156</b>

\* Overseas direct investment forms and Annual Performance Report have been duly filed with the Reserve Bank of India (RBI) through the Authorised Dealer/Banker under specific unique identification number (UIN) - BGJAZ20120643.

## 2.39 Information on wholly owned subsidiary

Name	Country of incorporation	Percent of shareholding
3 D Future Technologies Private Limited	India	100%

Date of registration-January 19, 2015; Company registration number-CIN: U74999MH2015PTC261114; Authorised share capital-50,00,000 equity shares of ₹ 10/- each; Issued and paid up capital : 10,00,000 equity shares of ₹ 10/- each

### a. Balance Sheet (₹ in lakhs)

Particulars	As at 31.03.2015 (Audited)
<b>Shareholders' funds</b>	
Share capital	100
Reserves and surplus	(7)
<b>Total</b>	<b>93</b>
<b>Current assets</b>	
Cash and bank balances	100
<b>Less: Current liabilities</b>	
Sundry payables and accruals	7
<b>Net current assets</b>	<b>93</b>
<b>Total</b>	<b>93</b>

### b. Income Statement (₹ in lakhs)

Particulars	As at 31.03.2015 (Audited)
Revenue	-
Less: Cost of sales	-
Less: Other expenses (Preliminary/Pre-incorporation)	7
<b>Operating loss</b>	<b>(7)</b>

### c. Commitments (₹ in lakhs)

Particulars	As at 31.03.2015
Contingent liabilities and capital commitments	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**d. Contribution to equity capital** (₹ in lakhs)

Particulars	Date of remittance	As at 31.03.2015
10,00,000 equity Shares of ₹10/- each	10.02.2015	5
	23.03.2015	95

**e. Loan** (₹ in lakhs)

Particulars	Date of remittance	As at 31.03.2015
The Company has not provided any loan to its wholly owned subsidiary	N.A	-

**2.40 Disclosure relating to contingent liabilities, capital and other commitments** (₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Guarantees	300	328
Disputed excise duty demand under appeal	71	71

**2.41 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' & 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, the Company is organised in to two major operating segments: (i) Products (ii) Services. These segments have been identified taking in to account the organisation's structure as well as differing risks and returns.

(₹ in lakhs)

Particulars	Financial year 2014-15			Financial year 2013-14		
	Products	Services	Total	Products	Services	Total
<b>Segment revenue</b>	12,220	1,523	13,743	12,619	1,325	13,944
<b>Segment results</b>	1,210	519	1,729	1,361	467	1,828
Unallocated expenses	-	-	(137)	-	-	(94)
Other income	-	-	413	-	-	267
Profit before tax	-	-	2,005	-	-	2,001
<b>Capital employed</b>						
Segment assets	6,070	1,476	7,546	6,252	1,449	7,701
Segment liabilities	(2,343)	(407)	(2,750)	(2,534)	(266)	(2,800)
Net segment assets	3,727	1,069	4,796	3,718	1,183	4,901
Unallocable assets	-	-	1,326	-	-	1,253
Investments	-	-	2,789	-	-	2,182
<b>Net capital employed</b>	-	-	8,911	-	-	8,336
Capital expenditure	-	-	394	-	-	527
Depreciation and amortisation expenses	-	-	355	-	-	280

**c. Geographical segment** (₹ in lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue	14,057	14,081	99	130	14,156	14,211

**2.42 Contractual liabilities**

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

**2.43 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.

**2.44 Transfer pricing**

Transfer pricing report duly audited were filed for the Assessment Year 2014-15. Similar compliance shall be made by the Company for the Assessment Year 2015-16. Further, the Management is of the opinion that its transactions are on arm's length basis 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.

## 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	3 D Future Technologies Private Limited
Reporting period of the subsidiary concerned, if different from holding company's reporting period	January 19, 2015 to March 31, 2015
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 : ₹ 5 crores Paid up capital: ₹ 1 crore
Reserves and surplus	Nil
Total assets	Rupees one crore
Total liabilities	Rupees one crore
Investments	Nil (As at 31.03.15)
Turnover	Nil (As at 31.03.15)
Profit/(loss) before tax	(7) (As at 31.03.15)
Provision for tax	Nil (As at 31.03.15)
Profit/(loss) after tax	(7) (As at 31.03.15)
Proposed dividend	Nil (As at 31.03.15)
Percentage of shareholding	One hundred percent held by Ador Fontech Limited

#### 2. Part B : Associates and joint venture

Name of the Associates/Joint Ventures	J B Advani and Company	Ador Welding	Ador Powertron	Ador Multiproducts	Ador Welding Academy	Ador Green Energy	Dualrank Fontech
Latest audited Balance Sheet date	31.03.15	31.03.15	31.03.15	31.03.15	31.03.15	31.03.15	31.03.15
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
Description of how there is significant influence	Promoter	Promoter group	Promoter group	Promoter group	Promoter group	Promoter group	Shareholding greater than 20%
Reason why the associate/joint venture is not consolidated*	Related Party	Related Party	Related Party	Related Party	Related Party	Related Party	Consolidated
Net-worth attributable to shareholding as per latest audited	N.A	N.A	N.A	N.A	N.A	N.A	Consolidated
Balance Sheet	N.A	N.A	N.A	N.A	N.A	N.A	Consolidated
Profit/(loss) for the year	N.A	N.A	N.A	N.A	N.A	N.A	Consolidated
Considered in consolidation	N.A	N.A	N.A	N.A	N.A	N.A	Yes
Not considered in consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A

\* N.A-Not applicable

- Names of associates or joint ventures which are yet to commence operations – Not applicable
- Names of associates or joint ventures which have been liquidated or sold during the year – Not applicable
- \*Related parties/associates are separate legal and business entities-public limited/private limited companies and there are no cross shareholdings, between Ador Fontech Limited and such companies, except by way of J B Advani and Company Private Limited (the Promoter) and its Director's/Shareholder's shareholdings across such organisations.
- This statement is certified in the same manner in which the Balance Sheet is certified as at March 31, 2015.

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

We have audited the accompanying Consolidated Financial Statements of Ador Fontech Limited (hereinafter referred to as 'the Company'), it's wholly owned subsidiary and joint venture entity (the Company, it's wholly owned subsidiary and joint venture entity together referred to as 'the Group' and the wholly owned subsidiary and joint venture entity together referred to as 'the Covered Entities'), comprising the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing & detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation & maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

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

We have taken in to account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the Audit Report.

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 & plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgement, including assessment of risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditors' consider internal financial control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Group has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the Accounting Policies used and reasonableness of the accounting estimates made by the Group Directors, as well as

evaluating overall presentation of the Consolidated 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 Consolidated Financial Statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2015 and its profit and cash flows for the year ended on that date.

**Other matters**

The accompanying Consolidated Financial Statements include total assets of ₹ 2 lakhs as at March 31, 2015, total revenues of ₹ 186 lakhs and net cash flows amounting to ₹ 101 lakhs for the year ended on that date in respect of the Covered Entities which have been audited by other Auditors', of which financial statements, other information and Auditors' Report have been furnished by the Management and relied by us. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures made there in and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, relating to the aforesaid Covered Entities is based on the reports of such Auditors' and have not been modified.

**Report on other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act and based on the comments in the Auditors' Reports of the Covered Entities, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

1. We/other Auditors' whose reports we have relied upon 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.
2. In our opinion, proper books of account as required by law relating to the preparation of the aforesaid Consolidated Financial Statements have been kept, so far as it appears from our examination of those books and the reports of other Auditors'.
3. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
4. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
5. On the basis of written representations received from the Board of Directors of the Group as on March 31, 2015 taken on record by the Board of Directors of the Company and the report of the Statutory Auditors' of the Covered Entities, none of the Directors of the Group is disqualified as on March 31, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
6. With respect to other matters to be included in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Consolidated Financial Statements disclose the impact, if

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

any, of pending litigations as at March 31, 2015 on the consolidated financial position of the Group.

- b. The Group has made provisions, as required under the applicable law(s) or accounting standards, for material foreseeable losses, if any, on long-term contracts.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and the Covered Entities.

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

Bengaluru  
May 2, 2015

**Narayanan V**  
Partner [Membership No.219265]

### Annexure to the Independent Auditors' Report

**Referred to in our report of even date to the Members of Ador Fontech Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2015**

1.
  - a. According to the information and explanations given to us, the Company and the Covered Entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the Management of the Company and the Covered Entities during the year in accordance with a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c. Fixed assets disposed-off during the year were not substantial and therefore do not affect the going concern status of the Company.
2.
  - a. We are informed that inventories have been physically verified by the Management of the Company and the Covered Entities during the year and also at the end of the year. In our opinion, the frequency of verification is reasonable.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Company and the Covered Entities are reasonable and adequate in relation to the size of the Company and the nature of the business.
  - c. In our opinion and according to the information and explanations given to us, the Company and the Covered Entities are 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.
  - a. The Company has granted loans to bodies corporate covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). The loan to the joint venture

entity is repayable on demand and the maximum amount outstanding during the year was ₹ 156 lakhs which is also the year end balance. The terms of arrangements do not stipulate any repayment schedule. The Covered Entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order is not applicable to the Group and hence not commented upon.

- b. There is no overdue amount of loan granted by the Company to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us and as reported by the other Auditors', in the financial statements of the Covered Entities, there is an adequate internal control system commensurate with the size of the Group and the nature of the business for purchase of inventories, fixed assets and for sale of goods and services. During the course of our audit and as reported by the other Auditors' who audited the financial statements of the Covered Entities, no major weakness was observed or continuing failure to correct any major weakness, in the internal control system of the Company and the Covered Entities.
  5. The Company and the Covered Entities have not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed thereunder, to the extent notified.
  6.
    - a. We have broadly reviewed the records maintained by the Company pursuant to the Rules prescribed by the Central Government for maintenance of cost records under sub-section 1 of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
    - b. In respect of the Covered Entities and based on the information provided, the provisions of sub-section 1 of Section 148 pertaining to maintenance of cost accounting records is not applicable.
  7.
    - a. In our opinion, and according to the information and explanations given to us and the records of the Company examined by us and based on the reports of the Auditors of the Covered Entities, the aforesaid companies are generally regular in depositing with appropriate authorities undisputed amounts, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other Statutory dues applicable to them. According to the information and explanations provided to us, no undisputed amounts, referred to above, were outstanding as at March 31, 2015 for a period of more than six months from the date they became payable.



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

7. b. On the basis of our examination of the documents and other records, the following pertains to disputed liabilities which have not been fully paid to the concerned authorities.

Name of the Statute	Particulars	₹ in lakhs	Period to which the amount relates	Forum where dispute/objection raised is pending
The Maharashtra Village Panchayat Taxes and Fees Rules, 1970	Gram Panchayat Tax	2	2001 to 2015	Hon'ble Nagpur Bench of Bombay High Court passed an order in our favour. However, the Dept. has preferred an appeal before the Supreme Court.
The Finance Act, 1994	Service Tax as per order passed by the Joint Commissioner of Central Excise and Service Tax dated January 30, 2009	81	2003 to 2008	Case disposed-off at CESTAT, but, the Dept. has filed an appeal in the Bombay High Court.
The Finance Act, 1994	Service Tax as per order passed by the Joint Commissioner of Central Excise and Service Tax dated January 18, 2010	32	2008 to 2009	Appeal filed against the order at CESTAT.
The Finance Act, 1994	Service Tax as per order passed by the Commissioner of Central Excise and Service Tax (Appeals) dated February 8, 2011	2	2009 to 2010	Appeal filed against the order at CESTAT with full claim payment made as pre-deposit.
The Income Tax Act, 1961	Disallowance of expenditure	121	2012 to 2013	Commissioner of Income Tax, (Appeals-I) Bengaluru

- c. According to the information and explanations given to us and as reported by other Auditors' who audited the financial statements of the Covered Entities, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group in accordance with the relevant provisions of the Companies Act, 1956 and the rules made there under.
8. The Covered Entities have incurred cash losses in the current financial year. Besides, in the case of the joint venture entity, the net worth is negative and the Auditor has indicated uncertainty on the going concern status of the entity. However, in the opinion of the Management, the negative net worth is temporary in nature and will be offset in the coming years. However, the Company and the Group in consolidation, do not have accumulated losses in the current financial year and have not incurred cash losses in the immediately preceding financial year.
9. The Company and the Covered Entities did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
10. In our opinion and according to the information and explanations given to us, the Company and the Covered Entities have not given any guarantee for loans taken by others from banks or financial institutions during the year.
11. The Company and the Covered Entities have not raised any term loans. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the aforesaid Company and the Covered Entities.
12. According to the information and explanations given to us, no material fraud on or by the Company and the Covered Entities have been noticed or reported during the course of our audit.

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

Bengaluru  
May 2, 2015

**Narayanan V**  
Partner [Membership No.219265]

## CONSOLIDATED BALANCE SHEET

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
Share capital	2.01	350	350
Reserves and surplus	2.02	8,427	7,869
<b>Sub-total</b>		<b>8,777</b>	<b>8,219</b>
<b>2. Non-current liabilities</b>			
Long-term borrowings	2.03	177	188
Long-term provisions	2.04	987	1,002
<b>Sub-total</b>		<b>1,164</b>	<b>1,190</b>
<b>3. Current liabilities</b>			
Trade payables	2.05	947	977
Other current liabilities	2.06	1,097	769
Short-term provisions	2.07	909	770
<b>Sub-total</b>		<b>2,953</b>	<b>2,516</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>		<b>12,894</b>	<b>11,925</b>
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets	2.08		
Tangible assets		2,147	2,081
Intangible assets		4	40
<b>Sub-total</b>		<b>2,151</b>	<b>2,121</b>
Non-current investments	2.09	709	836
Deferred tax	2.10	329	287
Long-term loans and advances	2.11	175	221
<b>Sub-total</b>		<b>1,213</b>	<b>1,344</b>
<b>2. Current assets</b>			
Current investments	2.12	112	54
Inventories	2.13	2,471	2,451
Trade receivables	2.14	2,766	2,751
Cash and cash equivalents	2.15	3,228	2,521
Short-term loans and advances	2.16	953	683
<b>Sub-total</b>		<b>9,530</b>	<b>8,460</b>
<b>TOTAL - ASSETS</b>		<b>12,894</b>	<b>11,925</b>
<b>Significant accounting policies and notes to the Consolidated Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
<b>1. Revenue from operations (gross)</b>		<b>14,717</b>	<b>14,886</b>
Less: Excise duty		789	823
<b>Revenue from operations (net)</b>	2.17	<b>13,928</b>	<b>14,063</b>
<b>2. Other income</b>	2.18	<b>414</b>	<b>270</b>
<b>3. Total revenue (1+2)</b>		<b>14,342</b>	<b>14,333</b>
<b>4. Expenses</b>			
a. Cost of materials consumed	2.19	3,307	3,808
b. Purchase of traded goods		4,256	4,495
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.20	10	(347)
d. Employee benefit expenses	2.21	2,003	1,902
e. Finance cost	2.22	8	4
f. Depreciation and amortisation expenses		363	283
g. Other expenses	2.23	2,416	2,240
<b>Total expenses</b>		<b>12,363</b>	<b>12,385</b>
<b>5. Profit before tax (3-4)</b>		<b>1,979</b>	<b>1,948</b>
<b>6. Tax expense</b>			
a. Current tax		700	700
b. Deferred tax		(30)	24
<b>Sub-total</b>		<b>670</b>	<b>724</b>
<b>7. Profit after tax (5-6)</b>		<b>1,309</b>	<b>1,224</b>
<b>8. Earnings per share</b>	2.24		
Basic and diluted		7.48	6.99
<b>Significant accounting policies and notes to the Consolidated Financial Statements (refer notes 1 and 2)</b>			

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

## CONSOLIDATED CASH FLOW STATEMENT

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>A. Cash flow from operating activities</b>		
Net profit before tax as per Consolidated Statement of Profit and Loss	1,979	1,948
Depreciation and amortisation	363	283
Interest expense on dealer deposits	8	4
(Profit)/loss on sale of assets/investments	(39)	(28)
Interest and dividend income	(307)	(225)
Bad debts/advances provided written-off-net of recovery/write back	27	17
<b>Operating profit before changes in working capital</b>	<b>2,031</b>	<b>1,999</b>
Adjustments for:		
Trade receivables	(3)	(165)
Inventories	(20)	(76)
Movement in loans, advances and other current assets	(327)	(159)
Trade payables	(30)	(419)
Movement in liabilities and provisions	432	20
<b>Cash generated from operations</b>	<b>2,083</b>	<b>1,200</b>
Taxes paid	(651)	(638)
<b>Net cash from operating activities (A)</b>	<b>1,432</b>	<b>562</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(445)	(529)
Sale of fixed assets	18	38
Purchase and sale of investments (net)	130	(213)
Interest and dividend income	307	225
Investment in fixed deposits with banks (net)	(607)	699
<b>Net cash from investing activities (B)</b>	<b>(597)</b>	<b>220</b>
<b>C. Cash flow from financing activities</b>		
Long-term borrowing and provisions	(25)	(11)
Dividend paid including tax	(702)	(705)
Interest expense on dealer deposits	(8)	(4)
<b>Net cash from financing activities (C)</b>	<b>(735)</b>	<b>(720)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>100</b>	<b>62</b>
Opening balance of cash and cash equivalents	339	277
Closing balance of cash and cash equivalents	439	339
Investment in bank deposits as at the end of the year	2,789	2,182
<b>Balance as per note no. 2.15</b>	<b>3,228</b>	<b>2,521</b>

Notes: (i) Figures in brackets represent cash outgo. (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, 2006 (refer note 1.15).

On behalf of the Board of Directors

**N Malkani Nagpal**  
Chairman  
DIN 00031985

**H P Ledwani**  
Managing Director  
DIN 00040629

**Geetha D**  
Company Secretary  
Mumbai, April 30, 2015

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 2, 2015

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### General information

Ador Fontech Limited (referred to as 'the Company'), it's wholly owned subsidiary and joint venture entity (referred to as 'Covered Entities') and all of them collectively referred to as 'the Group' form a consolidated business organisation, of which details are as under:

Name and address	Country of incorporation	Percentage of holding either directly or through subsidiary as at March 31, 2015	Status	Directors
<b>Ador Fontech Limited</b> Belview 7 Haudin Road Bengaluru 560 042	India	100%	Parent (Referred to as 'the Company')	Mrs. N Malkani Nagpal
				Mr. HP Ledwani
				Mr. Aditya T Malkani
				Mr. N S Marshall
				Mr. Santosh Janakiram
<b>Dualrank Fontech (M) Sdn. Bhd.</b> A1-3 Jalan 2/142 A Megan Phoenix Cheras Kuala Lumpur KM 10 56000	Malaysia	48%	Associate (Joint venture)	Mr. Rafique Abdul Malik
				Mr. James Edward Buxton
				Mr. Laurence Yee Lye Eu
				Mr. Sumant Puntambekar
<b>3 D Future Technologies Pvt. Ltd.</b> Ador House 5 <sup>th</sup> floor 6 K Dubash Marg Fort Mumbai 400 001	India	100%	Wholly owned subsidiary	Mrs. Anttonette Marie B Joseph
				Mr. Vishwanathan Puthalath
				Mrs. N Malkani Nagpal
				Mr. HP Ledwani
				Mr. A T Malkani

Name of the entity	Net assets ie., total assets minus total liabilities		Share in the Profit/(loss)	
	Percent of consolidated net assets	₹ in lakhs	Percent of consolidated profits	₹ in lakhs
Ador Fontech Limited	101.5%	8,911	102%	1,335
Dualrank Fontech (M) Sdn. Bhd.	(1.5%)	(127)	(1.5%)	(19)
3 D Future Technologies Pvt. Ltd.	-	(7)	(0.5%)	(7)
<b>Total</b>	<b>100%</b>	<b>8,777</b>	<b>100%</b>	<b>1,309</b>

### Note1: Significant accounting policies

#### 1.01 Basis of preparation of the 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 Rule 7 of the Companies (Accounts) Rules, 2014 and relevant requirements /guidelines issued by the Securities and Exchange Board of India (SEBI).

The Consolidated Financial Statements have been prepared in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements; Accounting Standard (AS) 23- Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27-Financial Reporting of Interests in Joint Ventures, notified 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 year.

#### 1.02 Principles of consolidation

The Consolidated Financial Statements relate to Ador Fontech Limited ('the Company'), its wholly owned subsidiary and joint venture entity. The Consolidated Financial Statements have been prepared on the following basis:

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

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

- Interest in the Joint venture has been accounted by using the proportionate consolidation method as per Accounting Standard (AS)-27-'Financial Reporting of Interest in Joint Ventures'.
- In case of foreign company (joint venture entity), being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Exchange Fluctuation Reserve.
- Investment in the Joint venture entity have 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 statement.

#### 1.03 Use of estimates

The preparation of Consolidated Financial Statement in conformity with generally accepted accounting principles, requires Management to make estimates and assumptions that affect the

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 in accounting estimates are recognised prospectively in current and future years.

### 1.04 Revenue recognition

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

- 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. Considering the applicability of Schedule II, the Management has re-estimated useful lives and residual values of all its fixed assets. The Management believes that depreciation rates currently used fairly reflects its estimate of useful lives & residual values of fixed assets and is in compliance of Schedule II of the Companies Act, 2013.
- b. Residual value of assets whose useful lives had expired as at the beginning of the year were charged to Reserves & Surplus.
- c. 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 assets over the specified useful lives leaving behind a residual value of five percent.
- d. 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 has no tangible fixed assets as on March 31, 2015.

#### Joint venture entity

Depreciation is provided on straight line basis, calculated to write off the cost of each asset to its residual value over its estimated useful

life, at the following annual rates.

- a. Renovations, tools and equipment, air conditioners, furniture and fittings, office equipment, machinery and moulds at 10%.
- b. Computers and motor vehicles at 20%.

Residual values, useful lives and depreciation methods are reviewed at each Balance Sheet date.

### 1.07 Impairment of assets

An impairment loss is charged to the Consolidated Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there is a change in the estimate of recoverable amount.

### 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 comprise Indian rupee value of consideration paid for investment translated at the exchange rate prevalent on the date of the 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 and 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 the employees of the Group.
- b. Employees are entitled to paid annual leave earned on a cumulative basis.
- 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. While the Company contributes towards provident, gratuity and superannuation funds, the Joint venture entity contributes towards employees provident fund (EPF).

### 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.

Assets acquired under hire purchase arrangements are capitalised in the financial statements and the corresponding obligations are treated as liabilities in the Balance Sheet. Hire purchase payments are apportioned between finance costs and reduction of outstanding liabilities.

Finance costs, which represent differences between the total hire purchase commitments and fair value of assets acquired, (net of deposits paid), are recognised in the income statement over the period of hire purchase arrangements, so as to produce a constant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

periodic rate charge on the remaining balance of obligations for each accounting period.

### 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:** Exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. However, the Group does not require collateral in respect of credit extensions to customers. Credit terms for trade receivables are assessed and approved on a case to case basis. The Group does not have any significant concentration of credit risks that may arise from exposure to a single debtor or to a group of debtors.
- c. **Liquidity risk:** The Group monitors and maintains a level of cash and cash equivalents deemed adequate to finance its business activities & to mitigate the effects of fluctuations in cash flows.
- d. **Interest rate risk:** 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.
- e. **Currency risk:** The Group does not hedge its foreign currency exposure by purchasing forward currency controls. Exposure to currency risk is monitored on an ongoing basis & 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. However, in respect of the joint venture entity, timing difference has not been reckoned.

### 1.14 Provisions and contingent liabilities

Based on the best estimate of the Management, provisions are determined on 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 Group's resources.

### 1.15 Cash flow statement

Consolidated 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 the items of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Group are segregated accordingly.

## Note 2:

### 2.01 Share capital

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	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	-	-	-	-
Par value per equity share	₹ 2/-	₹ 2/-	₹ 2/-	₹ 2/-

#### b. Reconciliation of number of equity shares

Particulars	As at 31.03.2015		As at 31.03.2014	
	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 31.03.2015		As at 31.03.2014	
	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 did not buy back any equity share. (iv) 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

### 2.02 Reserves and surplus

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Capital reserve</b>		
Balance as at the beginning of the year	12	12
Add: On consolidation of covered entities	6	15
<b>Balance as at the end of the year</b>	<b>18</b>	<b>27</b>
<b>Exchange fluctuation reserve</b>		
Balance as at the beginning of the year	–	–
Additions/(deletions) during the year	17	–
<b>Balance as at the end of the year</b>	<b>17</b>	<b>–</b>
<b>Securities premium account</b>		
Balance as at the beginning of the year	172	172
Additions/(deletions) during the year	–	–
<b>Balance as at the end of the year</b>	<b>172</b>	<b>172</b>
<b>General reserve</b>		
Balance as at the beginning of the year	6,000	5,800
Add: Transfer from surplus in Statement of Profit and Loss	400	200
Less: Adjusted for depreciation *	22	–
<b>Balance as at the end of the year</b>	<b>6,378</b>	<b>6,000</b>
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	1,671	1,363
Add: Profit for the year	1,309	1,224
<b>Amount available for appropriation</b>	<b>2,980</b>	<b>2,587</b>
<b>Less: Appropriations</b>		
Proposed dividend on equity shares	613	613
Dividend distribution tax	125	104
Transfer to general reserve	400	200
<b>Balance as at the end of the year</b>	<b>1,842</b>	<b>1,670</b>
<b>Total</b>	<b>8,427</b>	<b>7,869</b>

\* During the year, the Company adopted estimated useful lives of fixed assets as stipulated under Schedule II of the Companies Act, 2013. Accordingly, depreciation of ₹ 22 lakhs (net of deferred tax of ₹ 13 lakhs) on account of assets whose useful lives stood exhausted as on April 01, 2014 has been adjusted against the General reserve.

### 2.03 Long-term borrowings

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Deposits from dealers and employees	177	188
<b>Total</b>	<b>177</b>	<b>188</b>

### 2.04 Long-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for warranties	500	520
Provision for compensated absences	487	482
<b>Total</b>	<b>987</b>	<b>1,002</b>

### 2.05 Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Trade payables (refer note no. 2.25)	947	977
<b>Total</b>	<b>947</b>	<b>977</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.06 Other current liabilities

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Creditors for expenses	731	443
Advance received from customers	24	33
Statutory liabilities	258	224
Unclaimed dividends	84	69
<b>Total</b>	<b>1,097</b>	<b>769</b>

### 2.07 Short-term provisions

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Provision for compensated absences	49	53
Provision for proposed equity dividend	613	613
Provision for dividend distribution tax	125	104
Provision for income tax (net of tax paid)	122	-
<b>Total</b>	<b>909</b>	<b>770</b>

### 2.08 Fixed assets

(₹ in lakhs)

Particulars	Gross block				Depreciation						Net block		
	As at 01.04.14	Exchange Adj.	Additions	Disposal	As at 31.03.15	As at 01.04.14	Exchange Adj.	Withdrawn on sale	For the year	Adj. Reserve	As at 31.03.15	As at 31.03.15	As at 31.03.14
<b>Tangibles</b>													
Freehold land	76	-	-	-	76	-	-	-	-	-	-	76	76
Leasehold land	2	-	-	-	2	-	-	-	-	-	-	2	2
Buildings	1,050	-	12	-	1,062	272	-	-	77	-	349	713	778
Office premises	467	-	140	-	607	72	-	-	20	-	92	515	395
Plant & machineries	979	(2)	130	(7)	1,100	539	(1)	(6)	89	3	624	476	440
Electrical installation	78	-	7	-	85	22	-	-	17	-	39	46	56
Computers	163	-	15	(3)	175	120	-	(3)	19	14	150	25	43
Office equipments	74	-	8	-	82	35	-	-	22	6	63	19	39
Furniture & fixtures	114	-	5	-	119	83	-	-	10	1	94	25	31
Vehicles	499	-	128	(85)	542	278	-	(69)	83	-	292	250	221
<b>Sub-total</b>	<b>3,502</b>	<b>(2)</b>	<b>445</b>	<b>(95)</b>	<b>3,850</b>	<b>1,421</b>	<b>(1)</b>	<b>(78)</b>	<b>337</b>	<b>24</b>	<b>1,703</b>	<b>2,147</b>	<b>2,081</b>
<b>Intangibles</b>													
Softwares	4	-	-	-	4	1	-	-	2	-	3	1	4
Product development	66	-	-	-	66	29	-	-	24	10	63	3	36
<b>Sub-total</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>30</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>10</b>	<b>66</b>	<b>4</b>	<b>40</b>
<b>Total</b>	<b>3,572</b>	<b>(2)</b>	<b>445</b>	<b>(95)</b>	<b>3,920</b>	<b>1,451</b>	<b>(1)</b>	<b>(78)</b>	<b>363</b>	<b>34</b>	<b>1,769</b>	<b>2,151</b>	<b>2,121</b>

### 2.09 Non-current investments

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Non-trade investments (in units of mutual funds, quoted)</b>		
HDFC-FMP-384'D' (10,00,000 units)	-	100
Edelweiss Arbitrage Fund-Dividend option (483161.811 units)	50	-
Kotak Bond Fund-Growth (147749.334 units)	50	50
Kotak Equity Arbitrage Fund-Dividend option (928729.313 units)	100	-
Reliance-FMP-Series 14 (15,00,000 units)	150	100
SBI Dynamic Bond Fund-Growth (3,40,119.858 units)	50	50
Tata-FMP-Series 45 (12,50,000 units)	-	125
HDFC-FMP-370D (10,93,230 units)	109	-
HDFC Income Fund-Growth (3,63,957.90 units)	100	100

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.09 Non-current investments (cont...)

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
HDFC-FMP-366 D (21,05,920 units)	-	211
<b>Sub-total</b>	<b>609</b>	<b>736</b>
<b>Market value of quoted investments</b>	<b>667</b>	<b>751</b>
National Highways Authority (500 bonds of ₹ 10,000 each)	50	50
Rural Electrification Corporation Ltd.(500 bonds of ₹ 10,000 each)	50	50
<b>Total</b>	<b>709</b>	<b>836</b>

### 2.10 Deferred tax

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book and tax balance of fixed assets (refer note no. 1.13)	(78)	(130)
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences	182	182
Provision for warranties	170	177
Provision for bad and doubtful debts	-	4
Expenses allowable for tax purpose when paid	55	54
<b>Net deferred tax asset</b>	<b>329</b>	<b>287</b>

### 2.11 Long-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Rent and Government deposits	24	23
Security deposits and retention monies	13	48
Earnest money deposits	138	150
<b>Total</b>	<b>175</b>	<b>221</b>

### 2.12 Current investments

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Non-trade investments ( in units of mutual funds, quoted)</b>		
HDFC Liquid fund-daily reinvest (4,97,827.296 units/5,33,600.36 units)	112	54
<b>Total</b>	<b>112</b>	<b>54</b>
<b>Market value of quoted investments</b>	<b>112</b>	<b>54</b>

### 2.13 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Raw materials	735	725
Traded goods	1,262	1,289
Work-in-progress	113	109
Finished goods	290	277
Packing materials	12	6
Stores, spares and consumables	59	45
<b>Total</b>	<b>2,471</b>	<b>2,451</b>

### 2.14 Trade receivables

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>Outstanding for a period exceeding six months (from the due date of payment)</b>		
Unsecured-considered good	465	361
<b>Others</b>		
Secured-considered good	24	4
Unsecured-considered good	2,277	2,386
<b>Total</b>	<b>2,766</b>	<b>2,751</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.15 Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Cash in hand	1	1
Balance with banks in current/EEFC accounts	354	269
Fixed deposits with banks	2,789	2,182
Unclaimed dividends	84	69
<b>Total</b>	<b>3,228</b>	<b>2,521</b>

### 2.16 Short-term loans and advances

(₹ in lakhs)

Particulars	As at 31.03.2015	As at 31.03.2014
Taxes, duties, input credits and refunds due	365	392
Advance to suppliers	62	24
Security deposit	11	45
Loans and advances -unsecured, considered good	441	193
Prepaid expenses and receivables	74	29
<b>Total</b>	<b>953</b>	<b>683</b>

### 2.17 Revenue from operations (net)

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Sale of products</b>		
Manufactured goods	7,331	7,401
Scrap sales	14	8
Traded goods	5,788	6,153
<b>Sub-total</b>	<b>13,133</b>	<b>13,562</b>
<b>Sale of services</b>		
Job works	1,523	1,224
Commission on export services	61	100
<b>Sub-total</b>	<b>1,584</b>	<b>1,324</b>
Less: Excise duty	789	823
<b>Total</b>	<b>13,928</b>	<b>14,063</b>

### 2.18 Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest income	300	219
Dividend income	7	6
Net gain on sale of current investments	38	28
Net gain on foreign currency transactions	2	-
Reversal of liabilities no longer payable	62	2
Other non-operating income	4	15
Profit on sale of assets	1	-
<b>Total</b>	<b>414</b>	<b>270</b>

### 2.19 Cost of materials consumed

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Opening inventories	776	1,030
Add: Purchases	3,337	3,554
<b>Sub total</b>	<b>4,113</b>	<b>4,584</b>
Less: Closing inventories	806	776
<b>Total</b>	<b>3,307</b>	<b>3,808</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.20 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>Inventories at the end of the year</b>		
Finished goods	290	277
Work-in-progress	113	109
Stock-in-trade	1,262	1,289
<b>Inventories at the beginning of the year</b>		
Finished goods	277	104
Work-in-progress	109	75
Stock-in-trade	1,289	1,149
<b>(Increase)/decrease in inventories</b>	<b>10</b>	<b>(347)</b>

### 2.21 Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Salaries, allowances and other benefits	1,680	1,614
Contribution to provident and other funds	197	157
Staff welfare	126	131
<b>Total</b>	<b>2,003</b>	<b>1,902</b>

### 2.22 Finance cost

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Interest expense on dealer deposits	8	4
<b>Total</b>	<b>8</b>	<b>4</b>

### 2.23 Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Rent, rates, insurance and taxes	168	135
Consumables, stores and utilities	166	171
Sub-contracting of job works	524	468
Stationery, printing and communication	84	83
Repairs to building	15	6
Repairs to machinery	8	9
Other repairs and maintenance		
- Vehicle maintenance	24	26
- Office maintenance	26	28
- Computer maintenance	16	21
- Others	9	7
Professional fees	103	73
Travelling and conveyance	501	461
Freight and forwarding	206	198
Sales commission and promotional expenses	290	282
Provision for warranties	36	29
Payment to auditors	16	12
Bank and other charges	11	13
Discounts and rebates	52	60
Bad debts and irrecoverable advances written off (net)	27	7
Corporate social responsibility	27	-
General expenses	107	151
<b>Total</b>	<b>2,416</b>	<b>2,240</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.24 Earnings per share

(₹ in lakhs)

Earnings per share has been calculated as per Accounting Standard -20-issued by The Institute of Chartered Accountants of India (ICAI), as under:

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Net profit after tax	1,309	1,224
Number of equity shares issued	1,75,00,000	1,75,00,000
Basic earnings per share of ₹ 2/- each	7.48	6.99

### 2.25 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Group has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts together with interest unpaid, as at the end of the year, has not been provided.

### 2.26 Related party transactions

#### a. Names of related parties and description of relationship with the Group

- (i) Associate companies: J B Advani and Company Pvt. Ltd., Ador Welding Ltd., Ador Welding Academy Pvt. Ltd., and Ador Powertron Ltd.  
(ii) Related personnel (by virtue of shareholding in associate companies): Mrs. Vimla A Lalvani and Mr. Deep A Lalvani (iii) Whole time Directors of the Company: Mr. H P Ledwani and Mr. A T Malkani (iv) Relative of WTD/MD: Mrs. Sunila H Ledwani. (v) Director of Dualrank Fontech (Sdn.) Bhd.: Mr. Laurence Yee Lye Eu

#### b. Transactions with related parties

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
<b>J B Advani and Company Private Limited – CIN#U51900MH1925PTC004217</b>		
Purchase of traded goods	10	11
Inter-corporate-deposit including interest (paid and repaid in full during the year)	-	774
<b>Ador Welding Limited – CIN#L70100MH1951PLC008647</b>		
Purchase of goods	212	251
Sale of manufactured goods	10	5
Sale of traded goods	2	-
Rent paid	8	10
Royalty and product development	-	4
<b>Ador Welding Academy Private Limited – CIN#U74900PN2012PTC144148</b>		
Sale of traded goods	17	18
Professional charges	-	2
<b>Ador Powertron Limited – CIN#U31103PN1995PLC084268</b>		
Purchase of traded goods	-	1
Reimbursements	2	-
Royalty payment	2	7
Inter-corporate-deposit including interest (paid and repaid in full during the year)	330	522
<b>Related Personnel</b>		
Professional fees	23	23
Remuneration	80	74
<b>Key Management Personnel</b>		
Joint venture entity-Loan from Mr. Laurence Yee Lye Eu	17	-
Company-Remuneration (Managing Director and Executive Director)	180	187
-Lease rental deposits (repaid in full)	-	10
-Relative of whole time Director/Managing Director-Rent	21	19

### 2.27 Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Statutory audit	7	5
Taxation	2	2
Other services	7	5
<b>Total</b>	<b>16</b>	<b>12</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.28 Operating lease

(₹ in lakhs)

The Group 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 ₹ 63 lakhs (Previous year ₹ 61 lakhs) has been charged to the Consolidated Statement of Profit and Loss.

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Lease payments for the year	63	61
Minimum lease payments	As at 31.03.2015	As at 31.03.2014
Not later than one year	59	51

#### Hire purchase payables of Dualrank Fontech (M) Sdn. Bhd. as at March 31, 2015

Particulars	Commitments (MYR)	Present Value (MYR)	Commitments(INR)	Present Value (INR)
Non current portion: Payable within 1-2 years	78,344	76,309	13	13
Payable within 2-5 years	16,648	15,658	3	3
Current portion: Payable within 1 year	1,76,364	1,63,562	30	27
Less: Unexpired interest	(15,827)	-	(3)	-
<b>Total</b>	<b>2,55,529</b>	<b>2,55,529</b>	<b>43</b>	<b>43</b>

Notes: (i) Conversion rate - MYR to INR-As at March 31, 2015 - ₹16.85 (ii) The hire purchase agreements are secured on the joint venture entity's motor vehicles and machineries. Monthly instalment payment is MYR 14,697 (inclusive of interest) and repayable over a period of seven years. (iii) Interest rates on hire purchase agreements range from 3.5% to 3.8% per annum.

### 2.29 Disclosure relating to contingent liabilities, capital and other commitments

(₹ in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Guarantees	300	328
Disputed excise duty demand under appeal	71	71

### 2.30 Segment reporting

Business segments: For Management reporting purpose, the Group is organised in to two major operating segments: (i) Products (ii) Services. The business segment of the joint venture entity pertains to job work and has been aggregated in the latter.

Particulars	Financial year 2014-15			Financial year 2013-14		
	Products	Services	Total	Products	Services	Total
<b>Segment revenue</b>	<b>12,220</b>	<b>1,708</b>	<b>13,928</b>	<b>12,619</b>	<b>1,444</b>	<b>14,063</b>
<b>Segment results</b>	<b>1,210</b>	<b>499</b>	<b>1,709</b>	<b>1,361</b>	<b>414</b>	<b>1,775</b>
Unallocated expenses	-	-	(144)	-	-	(97)
Other income	-	-	414	-	-	270
Profit before tax	-	-	1,979	-	-	1,948
<b>Capital employed</b>						
Segment assets	6,253	1,477	7,730	6,252	1,511	7,763
Segment liabilities	(2,343)	(550)	(2,893)	(2,534)	(369)	(2,903)
Net segment assets	3,910	927	4,837	3,718	1,142	4,860
Unallocable assets	-	-	1,151	-	-	1,177
Investments	-	-	2,789	-	-	2,182
<b>Net capital employed</b>	<b>-</b>	<b>-</b>	<b>8,777</b>	<b>-</b>	<b>-</b>	<b>8,219</b>
Capital expenditure	-	-	445	-	-	527
Depreciation and amortisation expenses	-	-	363	-	-	283

Geographical segment	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment revenue	14,057	14,081	285	252	14,342	14,333

### 2.31 Transfer pricing

Transfer pricing report duly audited were filed for the Assessment Year 2014-15. Similar compliance shall be made by the Company for the Year 2015-16. Further, 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.

2.32 Other notes to accounts of Standalone Financial Statements shall mutatis mutandis apply to the Consolidated Financial Statements as much as it may pertain to 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: customerservice@adorfon.com / investorservice@adorfon.com

**ATTENDANCE SLIP  
40<sup>th</sup> ANNUAL GENERAL MEETING**

I/We hereby record my/our presence at the 40<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company on Wednesday, August 26, 2015 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 Representative** .....

Place: Bengaluru

Date: August 26, 2015

**Notes:**

- i. Sign this attendance slip and hand it over at the entrance of the meeting hall.
- ii. 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.
- iii. In case of shares 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
Saturday, August 22, 2015 at 9:00 hrs	Tuesday, August 25, 2015 at 17.00 hrs



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**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 the above named Company hereby appoint.

- 1. Name: ..... Address: .....  
Email: ..... Signature: ..... or failing him
- 2. Name: ..... Address: .....  
Email: ..... Signature: ..... or failing him
- 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 40<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, August 26, 2015 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 as Director		
4.	Ratification of appointment of Statutory Auditors		
5.	Appointment of Mr. Rafique Abdul Malik as an Independent Director		
6.	Appointment of Branch Auditors		
7.	Adoption of new Articles of Association		

Signed this ..... day of ..... 2015

.....  
Signature of the Shareholder

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

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.



## 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 40<sup>th</sup> 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 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 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 August 22, 2015 (9:00 hours) and ends on August 25, 2015 (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 - August 19, 2015, 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: August 19, 2015. Any person, who acquires shares and becomes Member of the Company after dispatch of Notice and holding shares as on the cut-off date ie., August 19, 2015 may obtain 'Login Id and Password' by sending request to NSDL - [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - g. Mr. Kannan S, Company Secretary (FCS Membership No. 6261 and CP No. 13016) having office at No. J-001, Shriram Adithya Apartments, Naidu Layout, Chikalsandra, Arehalli, Near Abbya Naidu Studio, Banashankari 3<sup>rd</sup> Stage, Bengaluru 560 061 and failing him, Ms. Manjula Narayan (ACS Membership No. 28374 and CP No. 10150), having office at No. 22/A, 4<sup>th</sup> Cross, Venkateshwara Theatre Road, Devasandra, Krishnarajapuram, Bengaluru 560 036; Company Secretary(ies) in practice have been appointed as Scrutiniser(s) to scrutinise the e-Voting process 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 not later than three days from the conclusion of the meeting, make a consolidated Scrutiniser's report and submit the same to the Chairman. The results declared along with the consolidated Scrutiniser's report shall be placed on the website of the Company 'www.adorfon.com' and on the website of the e-Voting agency 'www.evoting.nsdl.com'. The results shall simultaneously be communicated to the Stock Exchange.

## NEW PRODUCTS INTRODUCED



**TRENDY-i 400**



**THUNDER-THY MIG 400**

## FIVE YEARS AT A GLANCE

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Income	15010	16042	16396	14211	14156
Expenditure	12307	13206	13300	12210	12151
Profit before tax	2703	2836	3096	2001	2005
Tax	867	953	1026	724	670
Profit after tax	1836	1883	2070	1277	1335
Share capital	350	350	350	350	350
Reserves & surplus	4800	6072	7426	7986	8561

**Standalone Financial Results**

## Dealer Network



## Offices

### South Divisional Office Bengaluru

Tel: 080-22223805, 22226682  
e-mail: south@adorfon.com

### North Divisional Office Gurgaon

Tel: 0124-4119276  
e-mail: north@adorfon.com

### East Divisional Office Kolkata

Tel: 033-22841537  
e-mail: east@adorfon.com

### West Divisional Office Mumbai

Tel: 022-25961351  
e-mail: west@adorfon.com

Our network also includes field sales offices at: Ahmedabad, Bhilai, Bokaro, Chennai, Chittorgarh, Coimbatore, Guwahati, Hospet, Jamshedpur, Lucknow, Ludhiana, Meerut, Nagpur, Pune, Rajkot, Rourkela, Satna, Secunderabad, Shaktinagar, Trichy, Vadodara and Visakhapatnam.



Reclamation, Fusion  
Surfacing, Spraying &  
Environmental Solutions

### Ador Fontech Limited

Belview 7 Haudin Road Bengaluru 560 042  
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Fax: 080 25597085  
Email: investor@adorfon.com  
web: www.adorfon.com