

ADOR WELDING LIMITED



REGD. & CORPORATE OFFICE

Ador House, 6, K. Dubash Marg, Fort,
Mumbai - 400 001-16 Maharashtra - India
G.P.O. Box No. 1546
Phone : (022) 2284 2525 / 6623 9300
Fax : (022) 2287 3083 / 2283 0393
Website : www.adorwelding.com
Email : cmo@adorians.com
CIN. : L70100MH1951PLC008647

AWL/SEC/SE/2020-21

29th August, 2020

BSE LTD.

Phiroze Jeejeebhoy Towers,
01st Floor, Dalal Street,
Fort,
Mumbai - 400 023.

Company Scrip Code: 517041

NATIONAL STOCK EXCHANGE OF INDIA LTD.

Exchange Plaza, C - 1, Block G,
Bandra-Kurla Complex,
Bandra (East),
Mumbai - 400 051.

Company Scrip Code: ADORWELD

Dear Sir / Madam,

Sub: 67th Annual Report of Ador Welding Limited for FY 2019-20

In furtherance to our letter dated 23rd June, 2020 and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith copy of the 67th Annual Report of the Company for FY 2019-20. The said Annual Report is also placed on the website of our Company at <https://www.adorwelding.com/images/pdf/67th-Annual-Report-for-FY-2019-20.pdf>

In compliance with the Ministry of Corporate Affairs (MCA) circulars, the 67th Annual Report for FY 2019-20 is being sent only by electronic mode to those Members, whose e-mail addresses are registered with the Company / Depositories / RTA.

We hereby request you to take the above / subject information on record and acknowledge its receipt.

Thanking you,

Yours Sincerely,

For **ADOR WELDING LIMITED**

Sd/-

VINAYAK M. BHIDE

COMPANY SECRETARY & NODAL OFFICER

Encl.: As above

PASSION FOR WELDING SINCE 1951



(Formerly Advani-Oerlikon Ltd.)

67th ANNUAL REPORT

FY 2019-20

AATMANIRBHAR BHARAT



VOCAL FOR LOCAL





OUR REACH ACROSS THE SPHERE.....

| | |
|------------------------------------------|-----------------------------------------------------------------------------------------------------|
| • ASIA (other than Middle East) | Bangladesh, India, Indonesia, Malaysia, Myanmar, Nepal, Pakistan, Singapore, Vietnam |
| • MIDDLE EAST & CIS COUNTRIES | Abu Dhabi, Azerbaijan, Dubai, Egypt, Iraq, Jordan, Kuwait, KSA, Manama, Oman, Qatar, Sharjah, Yemen |
| • AFRICA | DR Congo, Ethiopia, Ghana, Kenya, Nigeria, Senegal, Sudan, Tanzania, Uganda |
| • EUROPE | Italy |
| • NORTH AMERICA | Salt Lake City, USA |

CONTACT US



ADOR WELDING LIMITED

PASSION FOR WELDING SINCE 1951

REGISTERED & CORPORATE OFFICE

Ador House, 6, K. Dubash Marg,
Fort, Mumbai 400 001-16,
Maharashtra, India
Tel : +91 22 6623 9300, 2284 2525
Fax : +91 22 2287 3083
Email : investorservices@adorians.com
cmo@adorians.com

PLANTS

Consumables

RAIPUR

Industrial Estate, Bilaspur Road,
Birgaon, Raipur 493 221,
Chhattisgarh, India.
Tel : +91 9109156297 / 8 / 9
E-mail : rpr.plant@adorians.com

SILVASSA

Survey No. 59 / 11 / 1, Khanvel Road,
Masat, Silvassa 396 230,
U T of Dadra and Nagar Haveli, India.
Tel : +91 7046097910 / 11 / 12
E-mail : silvassa.plant@adorians.com

CHENNAI

Melakottiyur, via Vandalur,
Kelambakkam Road,
Chennai 600 127,
Tamil Nadu, India.
Tel : +91 44 2747 7116
E-mail : sethuraman@adorians.com

Equipment & Project Engineering Business

CHINCHWAD, PUNE

Survey No. 147/2B, Akurdi Chowk,
Near Khandoba Mandir, Chinchwad,
Pune 411 019, Maharashtra, India.
Tel : +91 20 4070 6000
Fax : +91 20 4070 6001
Email : chinchwad.plant@adorians.com

AHMEDNAGAR

Plot B-5, MIDC Industrial Area,
Nagar Manmad Road,
Ahmednagar 414 111,
Maharashtra,
India.
Tel : +91 241 2777 350, 2779 351



PASSION FOR WELDING SINCE 1951



ADOR WELDING LIMITED

Complete Welding and Cutting Solutions Provider

PASSION FOR WELDING SINCE 1951



(Formerly Advani-Oerlikon Ltd.)

Corporate Marketing Office: Survey No. 147/2B, Akurdi, Near Khandoba Mandir,
Chinchwad, Pune - 411 019, Maharashtra, INDIA.

Tel.: +91 20 4070 6000 | Fax: +91 20 4070 6001 | Email: cmo@adorians.com

Registered & Corporate Marketing Office: Ador House, 6, K. Dubash Marg,
Fort, Mumbai - 400 001 - 16, Maharashtra. INDIA.

CIN: L70100MH1951PLC008647 | Tel.: +91 22 2284 2525 / 6623 9300

Fax: +91 22 2287 3083

www.adorwelding.com



You see a welder. We see a nation builder.

ADOR WELDING ACADEMY

Fulfilling Dreams

**YOUR CONTINUOUS SUPPORT IS
NEEDED FOR THIS NOBLE CAUSE**

Our KNOWLEDGE Partnership with entrepreneurs for setting up Welding Skill Development Centres will provide access to the following:

1. Design, delivery and commissioning of state-of-the-art Welding practice shop- compliant for Safety, Health and Environment regulations
2. Delivery of documentations of complete Content for Portfolio of training modules- covering a variety of competencies related with welding
3. Training of Trainers
4. Hand-holding during pilot phase of implementation
5. Assessment & Certification
6. Assistance in Placements

TRAINED STUDENTS ARE PLACED IN ESTEEMED ORGANISATIONS



www.adorweldingacademy.com

A visit to the Academy will enable witness the entire range of our deliverables
Ador Welding Academy Pvt. Ltd., A-108, H Block, MIDC, Near Morwadi Court, Pimpri,
Pune - 411 018 | CIN: U74900PN2012PTC144148 | Tel.: +91 20 4070 6300



VISION

To become the "Best in Class" Enterprise with a turnover of Rs. 800 Crore by FY 2022 - 23

To provide "Complete Welding & Cutting Solutions" to the "World of Manufacturing" for enhancing their operational efficiency



MISSION



QUALITY POLICY

To achieve highest level of customer satisfaction by providing innovative, reliable and quality products & services in a prompt, safe and cost effective manner

DISCLAIMER:

This document contains statements about expected future events and financials of Ador Welding Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks & uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis Report in the 67th Annual Report for FY 2019-20 of Ador Welding Limited.

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CORPORATE INFORMATION

| | |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BOARD OF DIRECTORS | |
| Mrs. Ninotchka Malkani Nagpal | - Executive Chairman (w.e.f. 19 th November, 2019) |
| Ms. Aruna B. Advani | - Executive Chairman (upto 18 th November, 2019) |
| Mr. S. M. Bhat | - Managing Director |
| Mr. D. A. Lalvani | - Whole Time Director (w.e.f. 19 th November, 2019) |
| Mr. R. A. Mirchandani | - Non – Executive Director |
| Mr. A. T. Malkani | - Non – Executive Director |
| Ms. Tanya H. Advani | - Additional Non – Executive Director (w.e.f. 19 th November, 2019) |
| Mr. M. K. Maheshwari | - Non – Executive & Independent Director |
| Mr. P. K. Gupta | - Non – Executive & Independent Director |
| Mr. R. N. Sapru | - Non – Executive & Independent Director |
| Mr. K. Digvijay Singh | - Non – Executive & Independent Director |
| Mr. G. M. Lalwani | - Non – Executive & Independent Director |
| Ms. Nita Dempo Mirchandani | - Additional Non – Executive & Independent Director (w.e.f. 01 st April, 2020) |
| Mr. S. G. Mirchandani | - Non – Executive & Independent Director (upto 07 th February, 2020) |
| EXECUTIVE MANAGEMENT TEAM | Mr. S. M. Bhat Mr. G. A. Patkar Mr. A. R. Vilekar Mr. V. Bansal Mr. S. Dobhada Mr. S. Ajay Kumar Mr. V. M. Bhide Mr. M. M. Pandey Mr. S. K. Palit Mr. R. R. Choudhary |
| COMPANY SECRETARY & COMPLIANCE OFFICER | Mr. V. M. Bhide |
| STATUTORY AUDITORS | M/s. Walker Chandiok & Co. LLP, Chartered Accountants, Mumbai |
| SECRETARIAL AUDITORS | M/s. N. L. Bhatia & Associates, Company Secretaries, Mumbai |
| INTERNAL AUDITORS | M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune |
| COST AUDITORS | M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai |
| SOLICITORS | M/s. Nanu Hormasjee & Co., Mumbai |
| BANKERS | M/s. HDFC Bank Ltd. M/s. IDFC First Bank Ltd. M/s. Kotak Mahindra Bank Ltd. M/s. Bank of Baroda M/s. Citibank N. A. Ltd. |
| REGISTERED OFFICE | Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001 – 16, Maharashtra, INDIA Tel: +91 22 6623 9300, 2284 2525 Fax: +91 22 2287 3083 Web: www.adorwelding.com Email: investorservices@adorians.com , cmo@adorians.com |
| CORPORATE IDENTIFICATION NUMBER | L70100MH1951PLC008647 |
| REGISTRAR & SHARE TRANSFER AGENT (RTA) | M/s. Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, INDIA Tel: +91 22 2851, 5606, 44 Fax: +91 22 2851, 2885 Web: sharexindia.com Email: support@sharexindia.com |

BOARD OF DIRECTORS

We care for the well-being of all our stakeholders and we are ethical & responsible in our approach towards business...



Ms. Aruna B. Advani
Ex-Executive Chairman
(DIN: 00029256)

- MBA, with specialisation in Finance from Imperial College, UK
- B.Sc. in Business & Economics from Lehigh University, PA, USA
- Formerly associated with Alliance Capital Asset Management in New York
- Over 25 years of experience in Financial Management of Ador Welding Limited and Ador Group of Companies
- Previously Chairman of M/s. Ador Fontech Ltd and Chairman of M/s. J. B. Advani & Co. Private Limited (parent Company of Ador Group)
- Currently, Executive Chairman of Ador Welding Ltd with effect from 19th November, 2019
- Member of Young Presidents' Organisation (YPO) & Entrepreneurs Organisation (EO)



Mr. Satish M. Bhat
Managing Director
(DIN: 05168265)

- A Science Graduate (Hons) from University of Sussex and has also done Owners Management Programme from Harvard Business School and Strategic Financial Planning from IIM, Ahmedabad
- Associated with M/s. Ador Welding Limited for over 40 years
- Associated as Chairman and Whole-Time Director of M/s. Ador Welding Limited since 1999
- Re-designated as the Executive Chairman of the Company w.e.f. 01st May, 2004
- Area of Expertise- General Management and Strategic Financial Planning.
- Superannuated from the Company on 18th November, 2019.

Ms. Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)



- A Bachelor in Production Engineering from VJTI of 1983 batch, he has done his post-graduation in International Marketing and Finance from International Management Institute (IMI) New Delhi, which is affiliated with Institute of Management Development (IMD), Geneva.
- Participated in "Kellogg's Global advance Management program" organized by ISB and Kellogg's school of Management, Chicago.
- Nominated for Indirect Taxation Committee of Association of India Automobile Manufacturers (AIAM), Bombay Chamber of Commerce & Industry (BCCI), while working with M&M.
- Associated with M/s. Mahindra & Mahindra (M&M) from 1983 to 2006 and M/s. Schuler India Pvt. Ltd. from October 2006 to 2008
- Currently also holding honorary post of Secretary to Association of Welding Products Manufacturers (AWPM), which promotes safety practices within user industry and Skill development for the Industry
- Chairman of core team of CII on welding Industry
- Awarded "CEO with HR orientation" award by Global HR Excellence Award for the year 2018 and "CEO of the year 2019" by Messe India Knowledge partner BDO
- Recently awarded "Business Leader of the Year 2019" by ET Now.



Mr. (Dr.) Deep. A. Lalvani
Whole-Time Director
(DIN: 01771000)

- A Commerce Graduate with distinction in Marketing & Advertising and Masters in commerce with specialisation in Accounting; pursued MBA from Manchester Business School, UK and did courses at London School of Economics, UK
- Formerly associated with Langham Capital, London, DHL, Europe and various NGOs
- Awarded an honorary Doctorate in 2019
- 18 years hands on experience across reputed National and International firms
- Involved across various functions within Ador Group including strategising at Ador Welding Academy, New business ideas and e-commerce initiatives at the group. Currently Chairman of the Group's holding Company, M/s. JB Advani & Co Pvt. Ltd.
- Appointed as the Whole-Time Director of M/s. Ador Welding Limited w.e.f. 19th November, 2019

- Has a Masters Degree in Business Administration (MBA) from the Queensland University of Technology, Brisbane, Australia
- He has worked as Regional Head - South Australia & Northern Territories for Origin Energy, and Commercial Director, 360networks Inc. Singapore
- Previously, he was also the Managing Director of M/s. Cryolor Asia Pacific Pvt. Ltd., based in Chennai
- Presently he is part of the leadership team of M/s. Ador Powertron Ltd., Mack Valves Pvt. Limited & Acusensus Australia



Mr. Aditya T. Malkani
Non-Executive Director
(DIN: 01585637)

- Pursued B.A. (Economics) from Oberlin College (Ohio, USA) and MBA from Indian School of Business (ISB, Hyderabad)
- Prior experience in Marketing & Finance functions of MNCs in FMCG industry.
- Involved across varied functions ranging from corporate marketing & exports to strategic planning & new business initiatives across Ador Group of Companies.



Mr. Ravin A. Mirchandani
Non-Executive Director
(DIN: 00175501)



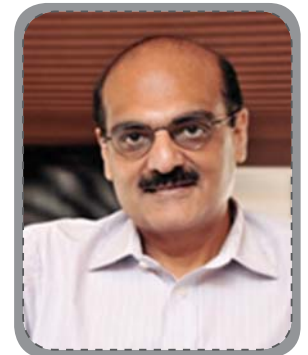
Ms. Tanya H. Advani
**Additional Non-Executive
Director**
(DIN: 08586636)

- Chairman of a large privately held Non- Banking Financial Company - MIPL – as well as an active Angel Investor and Venture Capitalist.
- Graduate from the Bombay University
- Work experience encompasses project management, production, marketing, financial and general management in medium and large Companies.
- Serves on the board of directors of a number of public and private Companies as an Independent Non-Executive Director bringing a judicious mix of entrepreneurial and professional skills to these various Boards.
- Director of M/s. Metro Shoes Limited, M/s. Mahindra CIE Limited, M/s. RPG Lifesciences Limited.



Mr. Piyush K. Gupta
**Non-Executive &
Independent Director**
(DIN: 00963094)

- Graduated with a B.Sc. in Human Psychology from Aston University, Birmingham, UK.
- Completed her MBA with concentration in Marketing from London Business School
- Has further qualifications in Business Analysis from the British Computing Society, Business Strategy from INSEAD, Marketing from Kellogg School of Management and Business Intelligence reporting from IBM.
- Started her career as a Business Consultant at IBM in London, where she specialized in Big Data and Analytics. She then joined Ador Group in Mumbai as part of their founding team for 3D Future Technologies, where she specialized in IT & marketing
- Post-MBA, she returned to Mumbai as a Senior Technology Strategy Consultant at Accenture, where she led innovation projects for both Accenture internally as well as for its external clients
- Appointed as an Additional Director onto the Board of M/s. Ador Welding Limited w.e.f. 19th November, 2019.



Mr. Manoj K. Maheshwari
**Non-Executive &
Independent Director**
(DIN: 00012341)

- Has worked both, as an attorney in private practice and as an in-house counsel with MNCs, while working with O'Melveny & Myers LLP, UTStarcom Inc., and UnitedLex Corporation.
- Most recently was the CEO of Yumchek, an F&B data analytics Company. Currently, he is a Director at MaxMax Chambers of Conciliation, Mediation & Arbitration.
- Has significant experience in managing affairs of companies in various capacities, from structuring and negotiating various types of transactions (trading, licensing, outsourcing, RFPs), to conducting due diligence and executing M&As, and to effectively manage outside counsel for dispute resolution; in addition to other routine corporate governance, data protection, regulatory and compliance work.
- Over the course of his career, he has lived and worked in the US and Asia, and has advised clients across geographies from the US, UK, Latin America, EMEA, SEA, South Asia, China, Korea to Japan, including Credit Suisse, Lockheed Martin, Hilton Hotels, Mantas, SRI, AkzoNobel, Marriott International, Ogilvy & Mather, Apollo Global Management, Insight Partners, AtoS, British Telecom, Anglo-American, CSC, and Bristol-Myers-Squibb.
- Holds degrees in mathematics & law from Delhi University and Harvard Law School, USA.



Mr. Rakesh N. Sapru
**Non-Executive &
Independent Director**
(DIN: 02332414)

- BA (Hons.) Economics from St. Stephen's College, Delhi University; Post Graduate Diploma (Business Management) from XLRI, Jamshedpur
- Over 40 years of operating and / or advisory experience in FMCG, Television Networks, Newspapers, Sports Marketing, and Technology companies
- Has held operating responsibilities for India and International markets (UK & Europe, USA, Africa, GCC, Asia, Australasia)
- Has lived in and worked from postings in India, Nigeria, UK, and Singapore. Currently lives in and operates from Singapore
- Worked with Unilever India (sales & marketing); Afcott Nigeria; and Kanmoor Foods India, before transitioning to media & entertainment.
- Worked in the media industry as Executive President of Zee TV (1992-95), CEO of Zee TV International (1996-97), Group CEO Indian Express Newspapers (1998-2000), CEO Internet Company of India (2000- 01), CEO Nimbus Sport (2002-07) and CEO Nimbus Communications (2008-09)
- Project assignments with Enfold Inc. USA, T2 Diamond Singapore over 2013-19
- Director at Nimbus Sport (2009-12); Advisory Board at Euromax (2007-14); Non-Executive Independent Director at Mercury Travels Ltd (2014-18);
- Member of Board of Governors of Spirit of Enterprise, Singapore 2017-19
- Served as an Independent Non-Executive Director on the Board of Thomas Cook India Ltd. (1999- 06) and Ador Welding Ltd. (2009- till date)

- B. Com (Hons.), BBA and MBA
- Commenced his career as a banker in 1985 and worked with HSBC for over 10 years before joining GE Capital, where he was internally transferred to another GE JV Company, IGE India, as CEO
- Four years stint in the television and broadcasting sector with companies like GE (CNBC), SAB TV, Reliance Entertainment
- Was with EIH Limited (Oberoi Group of Hotels) as CEO for the Group's travel related business, Mercury Travels Ltd., for over three years
- Spent 8 Years in Executive Search in Hong Kong and India with The Executive Access Group looking at Recruitment for Leadership Roles
- In 2014, Co- founded Executive Mantra Search Services Pvt. Limited, a firm focused on Senior & Middle Management Recruitment, and is the Managing Partner of the firm



Mr. K. Digvijay Singh
**Non-Executive &
Independent Director**
(DIN: 00004607)



Mr. Gaurav M. Lalwani
Non-Executive & Independent Director
 (DIN: 06928792)

- Founder of Kae Capital, an early stage Venture Capital Fund, where she is Director of Finance & Legal
- Previously President of Indo Pacific Polyfibers Limited (IPPL), a Dempo Group Company, where she was part of the Promoter group.
- Prior to IPPL, she worked as an Equity Analyst in JM Financial and HDFC Securities
- An Active Angel Investor in fast growing start-ups like InMobi, Innovcare, Squadrun and iGenetics
- Completed her M.Sc. (Econ) with specialisation in Analysis Design Management of an Information System & B.Sc. (Econ), Accounting & Finance from the London School of Economics. and B.A. (Econ) from St. Xaviers College of Arts, Mumbai



Mr. Sasha G. Mirchandani
Non-Executive & Independent Director
 (DIN: 01179921)

- Responsible for leading key clients for Wunderman Thompson and WPP across APAC
- Specializes in building agency teams across geographies and capabilities including; strategy, creative, media data and technology
- Worked across a range of multi-national accounts like Unilever, P&G, J&J, Kimberly Clark and Government accounts including Central Provident Fund (CPF), the Housing and Development Board (HDB), and Singapore Tourism Board, amongst others
- Has won multiple awards ranging from Cannes, Effies and has been listed as 40 under 40 in Campaign Asia's 2017 list. He also sits on the board of two public listed companies in India
- Believes in creating magic: "there are 3 ingredients of magic – creativity, capability and chemistry – if you have the 3 working together – you can unleash magic for your clients."

Ms. Nita Dempo Mirchandani
Additional Non-Executive & Independent Director
 (DIN: 01103973)



- Director and Founder of Kae Capital and Co-founder Mumbai Angels. Previously, he was at Blue Run Ventures as Managing Director for the India operations. Before joining Blue Run Ventures he was CEO and Founder of Imercius Technologies. Earlier he was at MIRC Electronics (Onida), where he was Head of Corporate Affairs and new business
- His investments include Inmobi, Healthkart, 1Mg, Myntra, Porter and Fractal Analytics. He sits on the Boards of Hathway Cable and Datacom Limited, Nazara Technologies Limited, Ador Welding, Healthkart, Young Presidents' Organization (Mumbai Chapter) and Mumbai Angels Venture Mentors, among others. Previously he was on the Boards of Fractal Analytics and Myntra.
- Completed his Business Administration from Strayer University and MMDP program at IIM, Ahmedabad.
- He is a Charter Member at TiE Mumbai and was inducted in their 2019 Hall of Fame, as an Outstanding Angel Investor, earlier in 2020.
- He is also Past President of Entrepreneurs Organisation (EO) Mumbai. He is also on the Board of Governors of the Universal Business School
- Resigned from the Board of M/s. Ador Welding limited w.e.f. 07th February, 2020 after an association of almost 6 years.



MANAGING DIRECTOR'S REVIEW

Dear Shareholders,

We were badly affected by COVID – 19 during March 2020, which dented our dream of reaching close to Rs. 575 Crore Sales during FY 2019-20. In spite of recession in HY1 of last Financial Year and COVID – 19 Pandemic impact, I am delighted to inform you that the Company has achieved turnover of Rs. 536 Crores in FY 2019-20. This is the highest ever revenue in the history of the Company. We continued with our culture of "Innovation" across the Company & mantra for growth "Move Fast Break Barriers" during the year. This has helped us to achieve "Customers delight" by providing complete solution for their welding & cutting processes.

Our focus continued to improve brand value and enhance the "TRUST" factor with the Customer & other stakeholders.

During the year, we were awarded "National Best Employer Brand 2019", by "ET Now", One of the most prestigious recognitions in the corporate world.

Entire Company is focussed to improve its brand value and enhance the "TRUST" of its customers & other stakeholders in "Ador Welding Ltd."

FY 2019-20 Performance

Up to Feb 2020, for 11 months of the financial year we were growing on all parameters such as Sales, PBT, EBIDTA, etc. over last FY. However COVID – 19 impacted business in March hence during FY 2019-20 our net operating revenue grew by around 2.65%, which further strengthened our industrial leadership.

Research & Development

Our R & D continues to develop new products & solutions using local resources including brain power. We have more than 50 design engineers from IITs, reputed technical Institutes of India, engaged in developing new cost effective solutions or improving offerings in the existing product range. Our NABL & DSIR approved facilities are offering new products, majority for addressing the needs & requirements of Railways, Defence, Infrastructure and Oil & Gas sectors during the last Financial Year. Some of the Equipments developed by us will help govt & public sector companies save on the foreign exchange, as these equipments were imported previously as no Indian manufacturers had these equipments manufactured locally.

Ador Welding Academy (AWA)

Recession during the year affected the intake at the academy. AWA, a skill development arm of Ador Welding Limited has trained about 628 welding professionals during last year. It also trained about 80 students from economically weaker (BPL) sections of the society & suitably placed them in 9 companies across India. Many small, medium and few large companies supported the skill development of economically weaker (BPL) students with their CSR funds. AWA has trained welding professionals from various industries such as Railways, Automotive, Oil & Gas and Infrastructure. Total 43 companies used AWA facility to train their employees during the year.

Ador Vision

We have dream of achieving four figures Sales in next 4-5 years. We continue to aim to be the "Best-in-Class" Enterprise, synonymous with our urge for continuous innovation in welding products & solutions, to mark significant growth in FY 2020-21, notwithstanding the economic environment and market conditions. We will also continue to focus on sustaining the initiatives taken over the past few years, in addition to / such as the following:

- Working towards "Happy Adorians create Happy Customers"
- Entire organisation to focus on enhancing the "TRUST" of our Customers & other stake holders in "Ador Welding"
- Build Synergies with our current capabilities & resources in order to offer new products & services across domestic & overseas markets.
- Imbibe innovation culture & implement advance lean manufacturing processes to maximize efficiency & achieve Zero Defect with Zero Waste effect on environment.
- Learning & growth opportunities for all Adorians to drive organisational performance.

- Strengthen IT for implementing digitization across processes & systems.
- Continuously improve financial parameters bench marking best in Class Companies.

Closing Thoughts

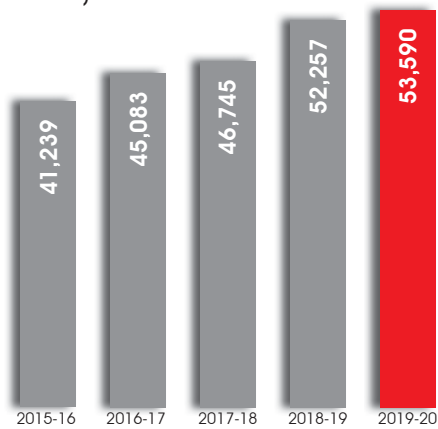
Recession in HY1 & COVID – 19 has impacted our Financial performance during FY 2019-20 but not our dreams of continuous growth. Every Adorian is committed to it.

Every successful organisation reaches at its peak not only due to its robust processes but its robust workforce. Thus, I would like to express my sincere gratitude towards all my talented "Adorians", who contributed enormously to take Ador Welding Ltd. where it is today and enabled us to turn our vision into reality! I request your continued support and involvement in the Company's journey in achieving its long term objectives. In order to enable us succeed in this endeavour, we ensure a safe, healthy and secured working environment and engrave the same in our culture through unremitting sensitization. The strongest pillars of AWL's success are our valuable loyal customers and credibility of suppliers. Our "Trust" in each other, continues to be the very basis of our long term relation and existence in this dynamic business world. We have maintained enhanced levels of corporate governance and ethical standards across our organisation. Corporate Social Responsibility (CSR) is engaging us in the field of education, vocational training, skill development, hygiene and catering to development of the society at large, primarily in areas around our factory locations. Our relentless efforts to meet our customer needs & delight will continue, with the help of diversified expertise available in our organisation. Last but not the least, I truly appreciate our Board of Directors & the Management Team and their constant invaluable support, in terms of rendering direction and their commitment.

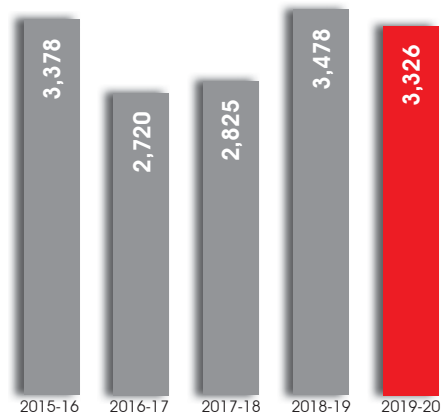
Best Wishes,
Satish M. Bhat

FIVE YEAR FINANCIAL STATISTICS

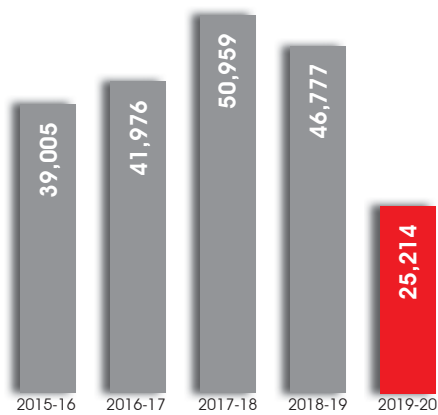
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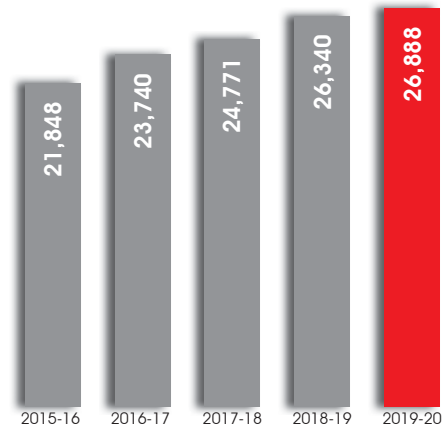
Turnover (Rs. In Lakhs)



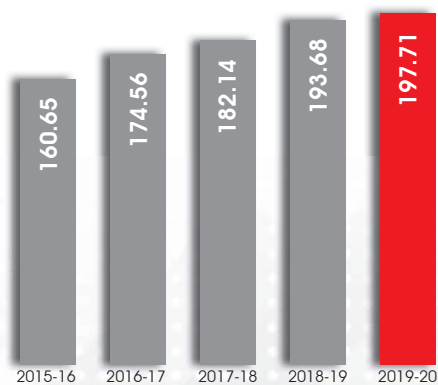
Profit Before Tax (PBT) (Rs. In Lakhs)



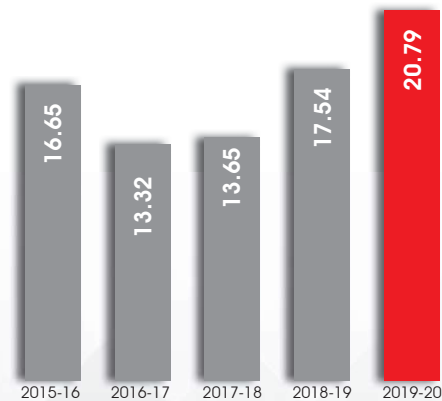
Market Capitalization (Rs. In Lakhs)



New Worth (Rs. In Lakhs)



Book Value Per Share (BVPS) (Rs.)



Earning Per Share (EPS) (Rs.)

FIVE YEAR FINANCIAL STATISTICS

(STANDALONE)

(Amount Rs. in Lakhs)

| PROFIT & LOSS ACCOUNT | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|-------------------------------------|------------|------------|------------|------------|------------|
| Sales & Other Income (net of Taxes) | 53,590 | 52,257 | 46,745 | 45,083 | 41,239 |
| Manufacturing & Other Expenses | 48,335 | 46,914 | 42,382 | 41,137 | 36,609 |
| Operating Profit / EBITDA | 5,255 | 5,343 | 4,363 | 3,946 | 4,630 |
| Depreciation | 1,068 | 960 | 1,008 | 1,122 | 1,166 |
| EBIT | 4,187 | 4,383 | 3,355 | 2,824 | 3,464 |
| Interest | 861 | 905 | 530 | 104 | 86 |
| Profit before Tax (PBT) | 3,326 | 3,478 | 2,825 | 2,720 | 3,378 |
| Exceptional Items (Net) | - | - | - | - | (195) |
| Taxation | 499 | 1,093 | 969 | 908 | 918 |
| Profit after Tax (PAT) | 2,827 | 2,385 | 1,856 | 1,812 | 2,265 |
| Comprehensive Income / (loss) | (147) | 4 | (7) | 3 | - |
| Total Comprehensive income / (loss) | 2,680 | 2,389 | 1,849 | 1,815 | - |
| Dividend (incl. DDT) | 1,066# | 1,066* | 818* | 818* | 818* |

*Final Dividend

#Intrim Dividend

(as at) (Amount Rs. in Lakhs)

| BALANCE SHEET | 31.03.2020 | 31.03.2019 | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|------------------------------------------------------------|------------|------------|------------|------------|------------|
| Net Fixed Assets (incl. CWIP and Investment in properties) | 12,486 | 11,575 | 10,299 | 10,511 | 10,010 |
| Investments | 635 | 694 | 597 | 1,418 | 1,215 |
| Current Assets | 28,577 | 27,650 | 29,117 | 23,121 | 19,872 |
| Current Liabilities | 16,687 | 15,560 | 17,208 | 13,269 | 10,896 |
| Net Current Assets | 11,890 | 12,090 | 11,909 | 9,852 | 8,976 |
| Other Non-Current Assets | 2,983 | 3,172 | 3,034 | 2,942 | 2,555 |
| Capital Employed | 27,994 | 27,531 | 25,839 | 24,723 | 22,756 |
| Equity Share Capital | 1,360 | 1,360 | 1,360 | 1,360 | 1,360 |
| Reserves & Surplus | 25,528 | 24,980 | 23,411 | 22,380 | 20,488 |
| Net Worth | 26,888 | 26,340 | 24,771 | 23,740 | 21,848 |
| Long term loan Funds | - | - | - | - | - |
| Deferred Tax Liabilities | 423 | 883 | 806 | 744 | 715 |
| Long-term provisions | 531 | 278 | 240 | 203 | 172 |
| Other long term liabilities | 152 | 30 | 22 | 36 | 21 |

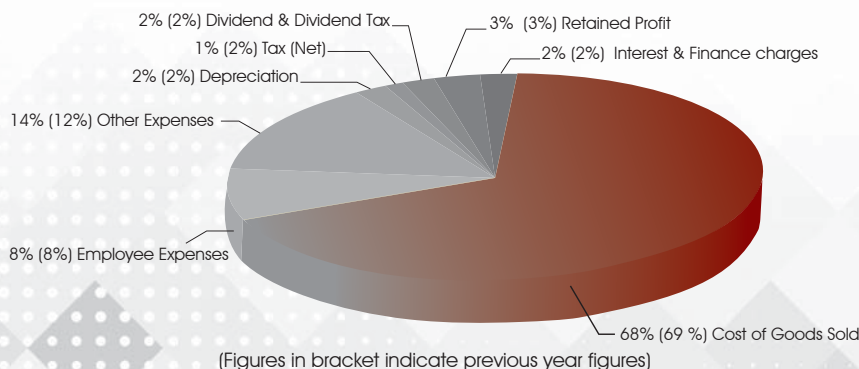
RATIOS

| | FY 2019-20 | FY 2018-19 | FY 2017-18 | FY 2016-17 | FY 2015-16 |
|------------------------------------------|------------|------------|------------|------------|------------|
| EBITDA Margin (%) | 10.00 | 10.43 | 9.53 | 8.94 | 11.38 |
| Net Margin (%) | 5.38 | 4.66 | 4.05 | 4.10 | 5.57 |
| Interest Cover (EBITDA / Gross Interest) | 6 | 6 | 8 | 38 | 54 |
| ROCE (EBIT / Capital Employed) (%) | 14.96 | 15.92 | 12.98 | 11.42 | 15.22 |
| Current Ratio (times) | 1.71 | 1.78 | 1.69 | 1.74 | 1.82 |
| Debt Equity Ratio (times) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend Per Share (DPS) (Rs.) | 6.50# | 6.50* | 5.00* | 5.00* | 5.00* |
| Earning Per Share (EPS) (Rs.) | 20.79 | 17.54 | 13.65 | 13.32 | 16.65 |
| Book Value per share (Rs.) | 197.71 | 193.68 | 182.14 | 174.56 | 160.65 |

*Final Dividend Per Share

#Intrim Dividend

DISTRIBUTION OF REVENUE



PRODUCT OFFERINGS

(WELDING BUSINESS)



| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consumables | Consumables for welding processes like SMAW / MIG / MAG (Solid wire / FCW wire / Metal core wire) / SAW / TIG / Electro Slag Strip Cladding / Brazing for Manual Semi-automatic & fully automatic applications covering a very wide range of metals and alloys – C – Mn steels / low alloy steels / Cast iron / stainless steels / Copper alloys / Nickel based alloys and Aluminum alloy. | | |
| Welding and Cutting Equipment | <ul style="list-style-type: none"> • Shielded Metal Arc Welding (SMAW) • Gas-shielded Metal Arc Welding / Flux Cored Arc Welding (GMAW/FCAW) • Gas-shielded Tungsten Arc Welding (GTAW) • Submerged Arc Welding (SAW) • Oxyfuel and Plasma Cutting (Hand held) | | |
| Gas Cutting products | <ul style="list-style-type: none"> • Single stage regulator • Two stage regulator • Cutting torch-nozzle mixing • Nozzles for acetylene and LPG • Portable gas cutting-machines • Hose for oxygen acetylene | Personal Protective Equipment (PPE) & Accessories (Safety Measures) | <ul style="list-style-type: none"> • Welding cables – Al Cu • Auto darkening helmet • Hand shield • Welding gloves • Welding clothing • Safety shoes • Welding curtains |
| Welding Automation Products & Systems (WAPS) | <ul style="list-style-type: none"> • TIP TIG • Column & Boom • Positioner • Customized Welding Solutions • Fume Extractors • Spool welding machines • CNC Oxyfuel & Plasma cutting systems | | |
| Skill Development | <ul style="list-style-type: none"> • Pre-service training • In-service training for engineers & welders • Research consultants • Post graduate programs | | |
| <p>Welding equipment manufactured (standard and customized)</p> <p>Estimated annual production of welding</p> <p>PAN India Authorized Distributors and Dealers over & above 12 sales offices</p> <p>Countries served globally through International Business Division located in Sharjah (UAE) with 24 Distributors</p> | <p>OVER 9,000</p> <p>OVER 40,000 MT</p> <p>OVER 300</p> <p>OVER 70</p> | <p>INDUSTRIES SERVED</p> <ul style="list-style-type: none"> • Automotive • Construction & infrastructure • Defence • Fertilizer Plants • Hydro Electric • Mining • Nuclear Energy • Oil & Gas • Railways | <ul style="list-style-type: none"> • Refineries • Pipelines • Ship Building • Steel Plants • Thermal Power • Wind Power • Others |

PRODUCT OFFERINGS

(PROJECT ENGINEERING BUSINESS)

Over **30** years of existence in
PROJECT ENGINEERING BUSINESS



Our Project Engineering Business (PEB) Division is a multi-disciplined SBU that provides services like design, manufacture, erection & commissioning, mechanical, electrical and instrumentation of process packages, process equipment, flare system & components, LSTK Turnkey projects, desalination plants and EPC contracts. Our state-of-the-art fabrication facility in Pune is equipped with heavy fabrication shop and has been approved by the likes of U, U2, NB, R, IBR, EIL, PDO, Toyo, UHDE, KOC, ADNOC and many more. Designing capabilities of about 22 designers enable PEB Division to offer best and most competitive solutions to the customers. The division provides an “end-to-end” solution with product warranty and process guarantee, ensuring one stop solution. In doing so, we have carved out a niche for ourselves and created an additional growth avenue for our business.

Welding & Cutting Equipment

(New Product Developments)

1) CHAMP 800:

ADOR's CHAMP 800 is an indigenously developed inverter based DC welder with High Current Gouging capability. It has long distance welding capability with 7 segment LED digital display for displaying welding current and voltages.

Following are some of the features:

- Three phase inverter based, high efficiency and high power factor DC Welder
- Suitable for normal Electrode Welding as well as gouging at high currents
- Enhanced Reliability due to SMD technology
- Arc force adjustment on panel.
- TIG welding possible with external HF unit
- Heavy duty wheels are provided for easy manoeuvrability on shop-floor
- CHAMP 800 model is suitable for gouging with up to 12 mm electrodes.
- Suitable for welding with long cables – 100 + 100 meters

Protections with Auto Reset:

- Input Supply Voltage protections for over and under voltage
- Over Temperature
- Protection against single phasing



2) ADORTIG 400:

It is a new generation Inverter based DC TIG and DC Pulsed TIG welder. This outfit consists of Gas cooled TIG torch upto 300A current handling capability. This machine can also be used for MMAW process. This TIG machine has HF start ignition as well as it can work without HF ignition by LiftArc method.

Following are some of the features, which make it special machine :

- Three phase inverter based, High efficiency and High Power Factor Pulse TIG/ MMA DC Welder
- Useful for wide variety of material types and thickness.
- Full featured TIG controls possible
- HF as well as lift-arc ignition
- Intelligent protection: over / under voltage, over current / temperature
- Latest PWM Inverter Technology
- High Efficiency (> 85%)
- Smooth and stable arc with spatter less welding



3) THYROLUXE 800:

THYROLUXE 800 is Thyristorised - welding & gouging rectifier intended for use in manual metal arc welding. It can also be used for TIG welding along with HF unit. It has constant current characteristic which can set output current constant against input supply variations of +/- 15%. Power source is also protected against single phasing, under voltage, over voltage, short circuit and temperature rise. This is most suitable for all kinds of electrodes for fabrication work, pipe welding, site construction and gouging application etc.

Following are some features of this machine :

- Thyristor based heavy duty DC Welding and Gouging Rectifier.
- Stepless control for current adjustments.
- Protections against supply fluctuations i.e. Under voltage, Over voltage, Single phasing, over load and short circuit.
- Constant current drooping characteristics – Ideal for Welding and Gouging applications.
- Power source provided with built in Hot start, Antistick and self controlled Arc force dynamics
- Step less current control
- Suitable for Heavy duty Welding and Gouging application
- Smooth and stable arc with minimum spatters
- Welder friendly Remote controller for easy and convenient setting of current from the work place or the job



4) STRIKER 500 :

Striker 500 is thyristor based heavy duty 500A MIG/MAG welding outfit. This is suitable for very harsh working environment. Apart from digital display for welding current and welding voltage, control panel is very user friendly for operator's convenience.

Following are some of the features :

- Light weight, Compact design of Power source, Wire feeder and Torch
- Crater Voltage and Current control possible with ON/OFF switch
- LED Indications for Mains ON and Trip signal
- Globule Detachment Technique keeps the tip ready without globule formation for next welding cycle
- Protection against overheating and very high secondary short circuit current
- Flux core or solid wire selection switch and Gas check Toggle switch on front panel
- Special construction of transformer – resulting in faster response time and Excellent Arc dynamics
- Digital voltage and current meters on front panel
- Wheels for easy movement of machine on the shop floor



5) SILENT CHALLENGER 302: (COMPACT)

It is the new generation diesel engine driven silent welding set conforming to latest CPCB II norms. It is compact and light weight with 2 cylinder diesel engine welding set specially recommended for Manual (SMAW) welding applications from medium to heavy duty site fabrication welding, maintenance welding with all types of electrodes and city gas pipeline and cross-country pipeline welding with 6010, 7010G, 8010G electrodes.

Following are special features of this engine driven welding set :

- Compact design with 2 cylinder diesel Engine having size of 1500 (L) X 820 (W) X 1175 (H) mm and weight of 550 kg
- CPCB –II compliance for gas emission and sound pollution norms
- LED Indications for Mains ON and Trip signal
- Ideal for heavy fabrication & site applications
- Highly reliable even in hostile site conditions
- Big savings in fuel and longer runs before next re- fuelling
- Specially proven with Cellulosic (6010, 7010G & 8010G types) and other special types of electrodes.
- Excellent Pre and Post Sales Services
- Super Silent Operations



6) MIG TORCHES :

We have introduced low duty cycle 400A (HIPRO 40 E) and heavy duty 6 meter long 400A (HIPRO 403-6E) gas cooled MIG torches with special crimping process. All the material required to manufacture these torches are locally developed with special attention to keep torches cool at high current usage.

Following are some of the features:

- Self cooled welding torch
- 2 hose lengths
- Ergonomic handle
- Mechanical switch
- Wire liners for all materials & dimensions
- Contact tips for long life



Project Engineering Business (New Product Developments)

Storage Tanks Project at Toyo Engineering site at Shirwal



Gas Metering Skids for E & H Australia



42 Inch HP Feed Lean Gas Project for KOC



Welding Automation Products & Services (WAPS)

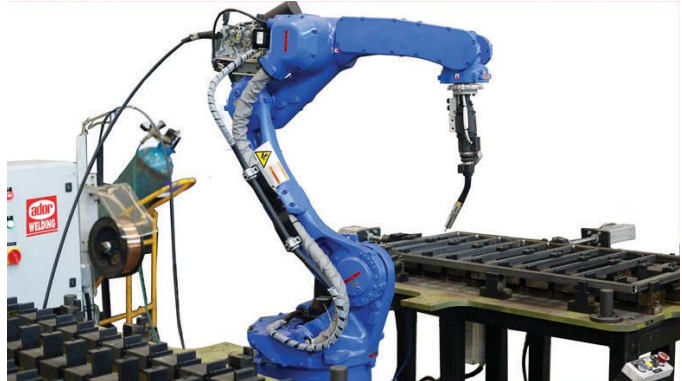
(New Product Developments)

Application: General Fabrication

Welding Process: Pulse MIG

The Robot welding package included complete integration, programming and design of fixture. The fixture had unique design where 14~18 loose parts were kept and pneumatically clamped before start of welding.

This system was with two stations and welding is performed on both stations for similar or different jobs.



Application: H BEAM WELDING FOR BRIDGE / GIRDERS

Welding Process: SAW

This is a special H Beam welding machine made for Heavy sections of bridge girders, which were produced for vendors of Railway & Railway Workshops.

It has SAW welding setup with flux recovery and self guiding welding head.

The system can rotate from its centre, which allows it to weld in both direction, forward and while reversing after rotation. This is a special design to increase the productivity of the machine.

Application: Construction Industry, Yellow Goods

Welding Process: MIG

This is special Head Stock and Tail Stock Positioner of 20MT Capacity, where both face plates move up / down in synchronisation and also rotate in synchronisation. Supplied to a prominent Yellow Goods manufacturer in India.

This system is used to manipulate very heavy work pieces to position the welding joint in down hand condition.



Application: Hydraulic Cylinder welding

Welding Process: TIG & MIG

This is a special purpose machine to weld very big size hydraulic cylinders used to open close Hydroelectric sluice gates. The system can accommodate 12 m long job and consists of a fixed Head Stock and Movable Tail Stock. The welding head is mounted on moving column with arrangement to position the welding torches (MIG & TIG), required for welding. The system is fully programmable with auto adjustment of weld height, after each layer of welding.





Welding Consumables

(New Product Developments)

SMAW Electrodes:

1. Cromoten CV

- a. Basic SMAW electrode for welding creep resistant steels
- b. Deposits 2.25Cr-1Mo-0.25V weld metal
- c. For Welding of Cr-Mo-V steel used in Power and Petrochemical sector

2. Tenalloy 90P2

- a. Basic coated electrode conforming to E9045-P2
- b. For vertical down welding of pipes
- c. For welding circumferential joints of API X70, X80 grades

3. Betanox 3545Nb

- a. Special Stainless Steel electrode for welding high heat resistant cast alloys
- b. Deposits 35Cr-45Ni-1Nb weld metal
- c. Weld has excellent creep strength and good resistance against carburising and oxidation

4. Bronze NiAl

- a. Nickel Aluminium Bronze welding electrode
- b. Conforms to ECuNiAl
- c. For joining and rebuilding of Nickel Aluminium Bronze Materials.

5. Nicalloy NiMo-7

- a. Nickel based electrode for LNG Storage systems
- b. Conforms to ENiMo-7
- c. For use in Chemical Industry

Cored Wires:

1. Automig FC 81T-1Ni2

- a. Nickel alloyed flux cored wire
- b. Conforms to E81T-1Ni2
- c. For welding steels used in low temperature service

2. Miginox MC 410NiMo

- a. Stainless Steel Metal cored wire
- b. Deposits SS 410NiMo composition
- c. For use in Hydro Power Plants

GTAW Wires:

1. Tigfil Ti1, Tigfil Ti2 & Tigfil Ti7

- a. Titanium Welding GTAW Wires
- b. Conforms to ERTi-1, ERTi-2 & ERTi-7
- c. For welding various grades of Titanium

2. Tigfil 617

- a. Nickel based GTAW wire
- b. Conforms to ENiCrCoMo-1
- c. For welding superheater tubes made of Inconel Alloy 617

3. Tigfil Cu

- a. Pure Copper GTAW wire
- b. Conforms to ERCu
- c. Contains 1% Ag., used as a brazing wire also

DIRECTORS' REPORT

To,

The Members,

The Directors take pleasure in presenting the Sixty Seventh (67th) Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31st March, 2020.

1.0 CORPORATE OVERVIEW

Your Company, M/s. Ador Welding Limited (AWL) was incorporated in the year 1951 and has come a long way to become one of India's leading players in the industry. Your company's vision is "To become the "Best in Class" Enterprise". AWL has a huge spectrum of products offering

and aims to provide "Complete Welding Solutions" to the "World of Manufacturing" for enhancing their operational efficiency".

Our presence is there across seventy (70) countries and our corporate headquarter is based in Mumbai.

2.0 FINANCIAL PERFORMANCE

(Rs. in Lakhs)

| Sr. No. | Key Financial Indicators | For the year ended 31 st March 2020 | For the year ended 31 st March 2019 | For the year ended 31 st March 2020 | For the year ended 31 st March 2019 |
|---------|------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------------------|
| | | Standalone | | Consolidated | |
| 1.1 | Sales & Other Income (Net of Excise Duty, Discounts & Incentives) | 53,590 | 52,257 | 53,665 | 52,363 |
| 1.2 | Profit before Interest, Depreciation, Tax & Other Comprehensive Income (OCI) | 5,255 | 5,343 | 5,308 | 5,425 |
| 1.3 | Profit before Tax (PBT) | 3,326 | 3,478 | 3,372 | 3,552 |
| 1.4 | Provision for Tax (including Deferred Tax) | 499 | 1,093 | 495 | 1,098 |
| 1.5 | Profit after Tax (PAT) | 2,827 | 2,385 | 2,877 | 2,454 |
| 1.6 | Total Comprehensive Income | 2,680 | 2,389 | 2,730 | 2,458 |

3.0 DIVIDEND AND RESERVES

3.1 Considering the recent changes in the tax laws, effective 01st April 2020 and in order to benefit the small / minority shareholders, your Company, at its Board of Directors Meeting held on 14th February, 2020, after considering its financial position, declared an interim dividend @ 65% (i.e. Rs. 6.50 per paid up equity share of face value of Rs. 10/- each) for the financial year (FY) 2019-20.

3.2 The amount of Interim Dividend, disbursed in FY 2019-20, was Rs. 883.90 Lakhs

(Rs. 883.90 Lakhs)* and the Dividend Distribution Tax paid thereon was Rs. 181.69 Lakhs (Rs. 181.69 Lakhs)*. This Dividend amount was paid out of the reserves of the Company.

3.3 The Interim Dividend for FY 2019-20 was paid on 04th March, 2020 to those Shareholders and Beneficial Owners, whose names appeared in the Register of Members as on the record date of Friday, 28th February 2020.

3.4 The Board has recommended transfer of Rs. 283.00 Lakhs (Rs. 239.00 Lakhs)* to General Reserve.



3.5 Considering the interim dividend payment of Rs. 6.50 per equity share, the Board has decided not to declare any additional final dividend for FY 2019-20. Hence the Interim Dividend of Rs. 6.50 per share itself is Final Dividend for FY 2019-20.

3.6 The actual dividend payout in each year will be based on the profits and Policy of the Company.

(*Figures in brackets indicate previous year)

4.0 SHARE CAPITAL

The paid up Equity Share Capital of the Company as at 31st March, 2020 stood at Rs. 1,359.85 Lakhs. During the year under review, the Company has neither issued shares nor convertible securities, nor shares with differential voting rights, nor granted any stock options or sweat equity or warrants. As at 31st March, 2020, none of the Directors of the Company hold any instruments, which are convertible into Equity shares of the Company.

5.0 FINANCE AND ACCOUNTS

During the year under review, the Rating agency CARE assigned "AA-" rating for the Company's long term borrowings and maintained "A1+" rating for the Company's short term borrowings.

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

The Notes to the Financial Statements adequately cover the Standalone and Consolidated Audited Statements and form an integral part of this Report.

6.0 OPERATIONS

In FY 2019-20, the total Sales & Other Income went up by 2.55% compared to last FY 2018-19. The year ended with Sales & Other Income of Rs. 53,590 Lakhs (Rs. 52,257 Lakhs)*. In FY 2019-20, the Company lost about 15 days (last 2 weeks) in / of March 2020, due to lock down on account of COVID-19 Pandemic, which resulted in loss of Sales / Revenue of approximately Rs. 35 Crore.

The Company's Net Sales and Other Income during FY 2019-20 comprised the following:

6.1 Welding Consumables at Rs. 40,391 Lakhs (Rs. 38,570 Lakhs)*

6.2 Equipment & Project Engineering at Rs. 7,354 Lakhs & Rs. 4,829 Lakhs respectively (Rs. 8,497 Lakhs & Rs. 4,148 Lakhs)*

6.3 Other Income of Rs. 1,016 Lakhs mainly comprised of forex gain, interest, rent & export incentives etc. (Rs. 1,042 Lakhs)*

(*Figures in brackets indicate previous year)

7.0 CAPEX

The Company incurred CAPEX of Rs. 1,941 Lakhs during FY 2019-20. The Capital work-in-progress as at 31st March, 2020 was Rs. 33 Lakhs. CAPEX planned for FY 2020 - 21 is Rs. 1,738 Lakhs, mainly for the following:-

7.1 Automation / modernization at Consumables and Equipment Plants.

7.2 Plant and Machinery for capacity expansion of certain products, and also for improvement of "productivity & in-process quality".

7.3 Replacement of Old Machinery.

7.4 Upgradation of R&D infrastructure for conducting various modern tests and analysis, for enabling improved performance of the products.

7.5 IT Compliances.

7.6 Solar power plant at Silvassa.

8.0 PERFORMANCE OF SUBSIDIARY COMPANIES

The Company does not have any material subsidiary. The Board of Directors of the Company has approved a Policy for determining

material subsidiaries, which is in line with the LODR Regulations, as amended from time to time. The said Policy has been uploaded on the Company's website at https://www.adorwelding.com/images/pdf/corporate_policies/Policy-for-determining-Material-Subsidiary.pdf

Ador Welding Academy Pvt. Ltd. (AWAPL)

AWAPL, a Wholly Owned Subsidiary of the Company, focuses on creating a pool of skilled welding technicians and professionals to serve a cross-section of industries in the infrastructure sector and also renders consulting services to corporates on setting up / improving their welding processes. At its well-equipped Pimpri (Pune) campus, AWAPL caters to informed, demanding and resource seeking customers, who are at the cutting edge of metallurgy and metal fabrication technology. AWAPL forms the backbone of their quest for new generation products, welding techniques and correct welding procedures.

In FY 2019-20, AWAPL registered a total revenue of Rs. 104.38 Lakhs (Rs. 138.47 Lakhs)*, with a profit (before exceptional items & tax) of Rs. 45.48 Lakhs (Profit before Tax of Rs. 74.11 Lakhs)*.

During FY 2019-20, due to economic slowdown in the first half of the year, the Company did not get expected number of candidates for training and then COVID-19 epidemic affected the situation further in February 2020. This has resulted in lower sales than FY 2018-19. In spite of this, AWAPL could make a substantial contribution to the technical upgradation of the human resource base in the welding industry.

(*Figures in brackets indicate previous year)

9.0 CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements relate to M/s. Ador Welding Ltd. (AWL) and its wholly owned subsidiary, M/s. Ador Welding Academy Pvt. Ltd. (AWAPL). The consolidated financial statement of the Company and its subsidiary for FY 2019-20 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of SEBI (LODR) Regulations, 2015 as well as in accordance with Section 136 of the Companies Act, 2013 as well as the Indian Accounting Standards

(Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The standalone financial statements of AWAPL are posted onto the website of the Company, which can be viewed at the following web link: www.adorwelding.com and hence, the same are not annexed to this 67th Annual Report.

The Annual Accounts and other related information of the said Subsidiary Company will also be made available to the shareholders of the Holding Company (AWL). The Annual Accounts of the Subsidiary Company are also available for e-inspection to the shareholders of AWL and your Company shall furnish a physical copy of accounts of subsidiary to any shareholder of the Company, on request.

Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries / Associate Companies / Joint Ventures is given in Form AOC-1, which forms an integral part of this Report.

10.0 RISK MANAGEMENT

The Company has formulated an Enterprise Risk Management (ERM) framework to manage various financial, non-financial risks, operational & non – operational risks, amongst other things. The Board takes the responsibility of the overall process of risk management throughout the organization.

The ERM Policy of the Company helps to continuously assess & monitor the risks assumed by the Company. The processes are in place for identifying, evaluating and managing the risks. Based on the ERM Policy, the Board hereby states that there are no elements of risks, which threaten the existence of the Company.

11.0 RELATED PARTY TRANSACTIONS

The Policy on Related Party Transactions is approved by the Board of Directors and the same is uploaded on the Company's website, which can be viewed at the following web link: https://www.adorwelding.com/images/pdf/corporate_policies/RPT_policy.pdf

During FY 2019-20, the Company entered into certain Related Party Transactions, in the ordinary course of business and on arm's length basis,



with prior approval of the Audit Committee. There were no material related party transactions (RPTs) undertaken by the Company during the year, that required shareholders' approval under Regulation 23(4) of SEBI LODR Regulations or Section 188 of the Companies Act, 2013. The Audit Committee grants omnibus approval for entering into certain transactions with the related parties, which are foreseen & repetitive in nature. A detailed summary of Related Party Transactions vis-à-vis the omnibus approval is placed before the Audit Committee for its review on a quarterly basis.

All transactions entered with the Related Parties for the year under review were on arm's length basis and not material. Hence, disclosure pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not required. Further, there are no materially significant Related Party Transactions executed between the Company & its Promoters, Directors, Key Managerial Personnel or other designated persons, that may have a potential conflict with the interest of the Company at large.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company, except remuneration, sitting fees and reimbursement of expenses, to the extent applicable. All Related Party Transactions are mentioned in the notes to accounts. The Company has developed a framework through Standard Operating Procedures, for the purpose of identification and monitoring of such Related Party Transactions.

12.0 ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is provided in Annexure - I to this Report and is also available on the Company's website: www.adorwelding.com

13.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As part of its CSR initiative, the Company spent Rs. 65.07 Lakhs during FY 2019-20 out of the budgeted CSR expenditure of Rs. 68.68 Lakhs, on various projects in the following areas:

- Promoting Health Care including Preventive Health Care
- Vocational Training for poor & needy
- Promoting education for the underprivileged

The Company considers social responsibility as an integral part of its activities and endeavors to utilize allocable CSR budget for the benefit of society. An unspent amount of Rs 3.61 Lakhs was reported by the Company at the financial year ended 31st March, 2020, as it could not conclude a particular Project due to many restrictions imposed by the State Govt. during March 2020 & nation wide Lock down announced after 22nd March, 2020, on account of COVID-19 pandemic.

The Company is, nevertheless, committed to continuously explore new opportunities, in alignment with its CSR philosophy & policy, to spend the prescribed CSR amount in the subsequent years.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year pursuant to format prescribed in the Companies (CSR Policy) Rules, 2014 are set out in **Annexure - II** of this Report. The Policy is available on Company's website at URL: https://www.adorwelding.com/images/pdf/corporate_policies/Corporate-Social-Responsibility-Policy-CSR-FY-2019-20.pdf

The composition of the CSR Committee is covered under the Corporate Governance Report, which is annexed to this Report as Annexure - IV.

14.0 LOANS, GUARANTEES & INVESTMENTS

The details of Loans, Guarantees and Investments, covered under the provisions of Section 186 of the Companies Act, 2013, are given in the notes to the Financial Statements, forming part of this Annual Report.

15.0 FIXED DEPOSITS

The Company has not accepted or renewed any deposits, within the meaning of Section 73 of the Companies Act 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

16.0 SECRETARIAL STANDARDS

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

17.0 INSURANCE

The properties / assets of the Company are adequately insured.

18.0 ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

The information required under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption & foreign exchange earnings / outgo is appended hereto as **Annexure - III**.

19.0 CORPORATE GOVERNANCE

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the **Corporate Governance** Code from FY 2001-02 onwards. The Company has complied with all the requirements of the Corporate Governance for the period 01st April, 2019 to 31st March, 2020 (FY 2019-20) pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 34(3) read with Schedule V to the LODR Regulations, a separate section on corporate governance practices followed by the Company, together with Corporate Governance Compliance Certificate received from M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, confirming compliance, forms an integral part of this Report attached hereto as **Annexure - IV**.

The **Management Discussion and Analysis Report (MDA)**, as mandated under Schedule V to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is also attached to this Report as **Annexure - V**.

20.0 SIGNIFICANT AND MATERIAL REGULATORY ORDERS

During FY 2019-20, there were no significant orders passed against the Company by any regulators or courts or tribunals, impacting the going concern status and the Company's

operations in future. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes, forming part of the Financial Statement.

21.0 NOMINATION, REMUNERATION & BOARD DIVERSITY POLICIES

The Board of Directors has framed a policy, which lays down a framework in relation to appointment and remuneration of its Directors including criteria for determining qualifications, positive attributes, independence of Director, etc, as required under the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. The Policy broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-executive Directors (by way of sitting fees and commission).

The details of the Remuneration Policy for Directors, are explained in the Corporate Governance Report, attached hereto as **Annexure - IV**.

22.0 INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR Regulations. In terms of Regulation 25(8) of the LODR Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Company has 6 (six) Independent Directors as on date.

23.0 DIRECTORS AND KEY MANAGERIAL PERSONNEL

During FY 2019-20 the following changes occurred in the composition of the Board of Directors of the Company:

- a) In accordance with the provisions of Section 152 of the Act and the Company's Articles



of Association, Mr. Ravin A. Mirchandani (DIN: 00175501), the Non- Executive Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Ravin A. Mirchandani has been given in the Notice convening the Annual General Meeting.

- b) Ms. Aruna B. Advani, (DIN 00029256) Executive Chairman, superannuated from the Board of the Company on 18th November, 2019, on attaining the age of 65 years.
- c) Mr. Sasha Gulu Mirchandani, (DIN:01179921) Non-Executive & Independent Director, tendered his resignation on & w.e.f. 07th February, 2020 due to pre-occupation. The same was noted by the Board of Directors in its Meeting held on 14th February, 2020. Mr. S. G. Mirchandani was appointed as an Independent Director on the Board from 10th November, 2014 and was on the Board for over 5 years. The Board places on record, its sincere appreciation for the contributions of Mr. S. G. Mirchandani, during his tenure as Independent Director.
- d) Pursuant to the succession planning at the Company, the Board, on the recommendation of the Nomination and Remuneration Committee, re-designated Mrs. Ninotchka Malkani Nagpal (DIN: 00031985), Whole-Time Director, as the Executive Chairman w.e.f. 19th November, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting, considering her expertise in the area of Financial Management, General Management & Strategic Financial planning, her business foresight and her rich, long-term association with the Company for over 20 years.

The Board recommends her re-designation for consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mrs. Ninotchka Malkani Nagpal is given in the Notice convening the Annual General Meeting.

- e) Considering superannuation of Ms. Aruna B. Advani, Executive Chairman, on 18th November, 2019, and re-designation of Mrs. Ninotchka Malkani Nagpal as the Executive Chairman, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Deep A. Lalvani (DIN: 01771000), as the Whole-Time Director of the Company for a period of three (3) years w.e.f. 19th November, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting, considering his expertise in Brand Building, Financial Management & e-commerce as well as his association of over 13 years.

The Board recommends his appointment for consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Mr. Deep A. Lalvani has been given in the Notice convening the Annual General Meeting.

- f) Further, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee appointed Ms. Tanya H. Advani (DIN: 08586636) as an Additional Director (Non- Executive & Non- Independent) with effect from 19th November, 2019. In terms of Section 161 of the Act, Ms. Tanya H. Advani holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing her name for the office of Director.

The Board recommends the appointment of Ms. Tanya H. Advani as a Non-executive & Non- Independent Director, for the approval by the Members of the Company. Brief profile of Ms. Tanya H. Advani is given in the Notice convening the Annual General Meeting.

- g) Mr. M. K. Maheshwari (DIN: 00012341), a Non-Executive & Independent Director, had earlier informed the Board that he may not be able to continue as an Independent Director beyond his current term i.e. after 27th July, 2019, due to pre occupation. However, Mr. Maheshwari, later re-considered his decision and communicated his

availability to continue as Non-Executive & Independent Director, till his superannuation, if re-appointed. The Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee, at its Meeting held on 25th July 2019, re-appointed Mr. M. K. Maheshwari as the Non Executive & Independent Director with effect from 28th July, 2019 up to 22nd August, 2022 (date of his superannuation), subject to the approval of the Members at the ensuing Annual General Meeting. Brief profile of Mr. M. K. Maheshwari is given in the Notice convening the Annual General Meeting.

The Board believes that his continued association would be of immense benefit to the Company hence it is desirable to continue to avail his services as an Independent Director. He will not be liable to retire by rotation.

- h) Lastly, pursuant to Regulation 17(1) of SEBI [Listing Obligations and Disclosure Requirements (Amendment)], Regulations 2018, on recommendation of Nomination and Remuneration committee, the Board of Directors of the Company appointed Ms. Nita Dempo Mirchandani (DIN: 01103973) as an Additional Director (Non- Executive & Independent) with effect from 01st April, 2020. In terms of Section 161 of the Act, Ms. Nita Dempo Mirchandani holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing her name for the office of Director. Brief profile of Ms. Nita Dempo Mirchandani is given in the Notice convening the Annual General Meeting.

In the opinion of the Board, Ms. Nita Dempo Mirchandani satisfies the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder, for her appointment as an Independent Director of the Company and she is independent of the Management. The Board believes that her association would be of immense benefit to the Company and it is desirable to avail her services as an

Independent Director. She shall not be liable to retire by rotation.

In the interest of the Company's continued prosperity and well-being, the Board recommends her appointment as an Independent Director at the ensuing Annual General Meeting.

23.1 The Directors have sent Form DIR-8, pursuant to Section 164 of the Companies Act, 2013 & Rule 14(1) of the Companies (Appointment & Qualification of Directors) Rules, 2014, along with their consent in Form DIR-2 pursuant to Section 152 of the Companies Act, 2013 & Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

23.2 Necessary Resolutions for the appointment / re-appointment / re-designation of the abovenamed Directors have been included in the Notice convening the ensuing 67th Annual General Meeting and details of the proposed appointees, as required pursuant to Regulation 36 of SEBI LODR Regulations and Clause 1.2.5 of the Secretarial Standard(ss), are given in the Appendix to the Explanatory Statement annexed to the said Notice.

24.0 DIRECTORS PERFORMANCE EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees of Directors was conducted in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board & its Committees, execution & performance of specific duties, obligations & governance. The performance evaluation of the Board of its own performance & that of its Committees and individual Directors, including the Executive Chairman and the Independent Directors was completed during the year under review. The Board of Directors expressed their satisfaction with the evaluation process.

The **manner of evaluation** has been **explained in the Corporate Governance Report** in **Annexure – IV**.



25.0 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company, to the best of their knowledge and ability, hereby confirm that:

- a) in the preparation of the Annual Accounts for FY 2019-20, all the applicable Accounting Standards have been followed, along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies & practices and applied them consistently & made judgments and estimates that are reasonable and prudent, so as to give a true & fair view of the state of affairs of the Company and of the profits of the Company for the year ended 31st March, 2020;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of this act, for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down internal financial controls, to be followed by the Company and that such internal financial controls are adequate & were operating effectively, and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all the applicable laws and that such systems were adequate & operating effectively.

26.0 BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI LODR Regulations, the Business Responsibility Report (BRR), on the initiatives taken from an environmental, social and governance perspective, in the prescribed format, is annexed as **Annexure VIII** and forms an integral part of this Report.

27.0 AUDIT COMMITTEE AND ITS RECOMMENDATIONS

The composition of the Audit Committee is covered under the **Corporate Governance Report**, which is annexed to this Report as **Annexure - IV**.

The Audit Committee plays a key role in providing assurance to the Board of Directors. Significant audit observations and corresponding corrective actions taken by the Management are presented to the Audit Committee. The Board has accepted all the recommendations of the Audit Committee and hence, there is no further explanation to be provided for, in this Report.

28.0 NUMBER OF BOARD MEETINGS

The Company has conducted 4 (four) Board meetings during FY 2019-20 and the details thereof are covered under the **Corporate Governance Report**, which is annexed to this Report as **Annexure - IV**.

29.0 COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope / charter:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee

30.0 KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company:

- a) Mr. Satish M. Bhat: **Managing Director**
- b) Mr. Girish A. Patkar: **Chief Financial Officer**
- c) Mr. Vinayak M. Bhide: **Company Secretary & Compliance Officer**

31.0 STATUTORY AUDITORS

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, (FRN: 001076N / N500013), Mumbai, were appointed as Statutory Auditors of the Company for a period of five consecutive years at the 62nd Annual General Meeting (AGM) of the Members held on 30th July, 2015, on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors, i.e. until the conclusion of the 67th Annual General Meeting.

Pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, proposes re-appointment of M/s. Walker Chandiook & Co. as Statutory Auditors of the Company for a second term of consecutive five years at the ensuing Annual General Meeting.

Pursuant to Section 141 of the Act, the Auditors have represented that they are not disqualified and continue to be eligible to act, as the Statutory Auditor of the Company.

32.0 STATUTORY AUDITOR'S REPORT

The Report of the Statutory Auditor forming part of the Annual Report, does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

No fraud was reported by the Auditors of the Company during the year under review pursuant to Section 143(12) of the Companies Act, 2013.

33.0 SECRETARIAL AUDITOR & ITS REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors had appointed M/s. N. L. Bhatia & Associates, (Unique Identification Number: P1996MH055800), a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report is annexed herewith as **Annexure - VI**. There are no qualifications in the said Report and therefore no explanations are provided in this Report.

34.0 COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013, the Board of Directors, on the recommendation of the Audit Committee, had appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai as the Cost Auditor of the Company for FY 2019-20.

The brief information of the Cost Auditor and the Cost Audit Report is as under:

- a) Name of the Cost Auditor: M/s. Kishore Bhatia & Associates
- b) Address: 701/702, D-Wing, Neelkanth Business Park, Nathani Road, Vidhyavihar (West), Mumbai – 400 086, Maharashtra, India.
- c) Membership No.: 31166
- d) Firm Registration No.: 00294
- e) Due date for submitting Cost Audit Report for FY 2018-19 by the Cost Auditor with the Company: Within 180 days from the end of the financial year (by 30th September, 2019).
- f) Actual Date of filing of Cost Audit Report for FY 2018-19 with the Central Government: 19th August, 2019

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for FY 2020-21 also. M/s. Kishore Bhatia & Associates have, under Section 139(1) of the Act and the Rules framed thereunder, furnished a certificate of their eligibility and consent for appointment. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2020-21 is being placed before the Members at the ensuing Annual General Meeting, for ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Auditors is included as Item No. 6 of the Notice convening the Annual General Meeting.

The cost records of the Company, as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act 2013, are duly prepared & maintained by the Company.

35.0 VIGIL MECHANISM & WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d) (iv) of the SEBI LODR Regulations, the Company has framed a policy on Vigil Mechanism - cum - Whistle Blower, which enables any Director, Employees & Stakeholders of the Company to report their genuine concerns / instances of any unethical / improper activity, directly to the Chairman of the Audit Committee, as a Protected Disclosure.

The detailed policy is also posted on the Company's intranet Portal SANVAD



and also onto its website at: https://www.adorwelding.com/images/pdf/corporate_policies/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf & https://www.adorwelding.com/images/pdf/corporate_policies/Whistle-Blower-for-Employees--Directors2019.pdf

36.0 POLICY ON PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", which looks into the complaints received, if any. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office / factory premises and women service providers are covered under this Policy.

Further, there were no complaints received by the Committee during FY 2019-20. The Company has also adopted a policy under the said Act, which is placed on the website of the Company, which can be viewed at the following weblink: https://www.adorwelding.com/images/pdf/corporate_policies/POSH-Prevention-Redressal-of-Sexual-Harassment.pdf

During FY 2019-20, the Company carried out various awareness programs on this subject.

37.0 TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed within / for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Furthermore, the IEPF Rules mandate companies to transfer shares of the shareholders, whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the de-mat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a

specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In light of the aforesaid provisions, the Company has, during the year, transferred to IEPF, the unclaimed dividend pertaining to FY 2011-12. Further, shares of the Company, in respect of which dividends were not claimed for 7 consecutive years or more, have also been transferred to the de-mat account of the IEPF Authority. The details of the transfer of unclaimed dividend to the Investor Education and Protection Fund ("IEPF") are provided in detail in the Corporate Governance Report annexed as Annexure IV to this report.

The Members, who have a claim on the above dividends and / of shares may claim the same from the IEPF Authority, by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and subsequently sending a physical copy of the same, duly signed, to the Company along with the requisite documents enumerated in the said Form No. IEPF-5. No claims shall lie against the Company, in respect of the dividend/shares so transferred. The Members / Claimants can only file one consolidated claim in a financial year as per the IEPF Rules.

Whilst the Company has already written to the Members, informing them about the due dates for transfer of shares to IEPF, the attention of the stakeholders is once again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and shares is also available on the Company's website at www.adorwelding.com. Investors, who have not yet encashed their unclaimed / unpaid dividend amounts are requested to correspond with the Company's Registrar and Share Transfer Agents, at the earliest. Members may also kindly refer to the Refund Procedure for claiming the aforementioned amounts, transferred to the IEPF Authority as detailed / given on www.iepf.gov.in.

38.0 EMPLOYEES

At AWL, employee well-being is of utmost importance. The Company has a structured induction process at all its locations and management development programs to

upgrade skills / knowledge of its employees. AWL believes in harnessing the potential of the employees, by providing them adequate training, opportunities and inclusive work culture in order to achieve Company's goal, in line with overall employee development. The industrial relations at all the Plants and Offices of the Company continue to remain harmonious, cordial and peaceful.

Disclosure pertaining to remuneration and other details, as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure VII**.

Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is also open for e-inspection, 21 days before and up to the date of the ensuing Annual General Meeting, during the business hours on working days. Any member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees, listed in the said Annexure, are related to any Director of the Company.

The on-roll manpower strength of the Company as at the date of this Report is 558.

39.0 MATERIAL CHANGES AND COMMITMENTS

There are no material changes affecting the financial position of the Company subsequent to the close of FY 2019-20, till the date of this report.

40.0 INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies & procedures for governance of orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention & detection of frauds and errors, accuracy & completeness of the accounting

records and timely preparation of reliable financial disclosures. The Company's financial internal control systems are commensurate with the nature of its business, the size and complexity of its operations.

41.0 REPORTING OF FRAUDS

There was no instance of fraud, during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and Rules framed thereunder.

42.0 PREVENTION OF INSIDER TRADING CODE

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a revised Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices. All the Directors, employees and third parties such as auditors, consultants etc. who could have access to the Unpublished Price Sensitive Information (UPSI) of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code. The Company Secretary & Compliance Officer, is responsible for setting forth procedures and implementation of the Code for trading in the Company's securities.

43.0 ENVIRONMENT & HEALTH

Your Company is conscious of the importance of environmentally clean and safe operations. AWL has undertaken various initiatives, which contribute towards sustainable development. Your Company strives to operate, after taking into consideration various environmental, social and governance initiatives / guidelines / laws, to achieve maximum output by optimum utilization of available resources in environment friendly manner / ways.

44.0 IMPACT OF COVID-19

Due to the unprecedented situation owing to the spread of COVID-19 across the globe, not only our domestic billing but even Exports were affected in the month of February and March, 2020. The announcement of lockdown across India also brought our production to a complete standstill. Further, as the lock down continued



in many parts of the Country, our factories remained closed for a long time and started operating gradually only from the last week of April 2020 in a phased manner, with limited manpower, as per the Government & local administration's guidelines. Similarly as our major customers and distributors are located in the cities, where lock down continued, it affected our sales for the month of April & May 2020 and is also likely to affect Sales of June 2020. Further, the migrant laborers' reverse migration is likely to impact the production for the next 6 months or so, because the capacity to fulfill the orders has reduced mainly on account of limited manpower and logistics challenges, caused by the lockdown restrictions. We, now, have slowly started receiving confirmed orders and exports have also commenced to UAE in a limited way.

We, therefore, believe that the first quarter of the current financial year 2020-21 would be affected badly and it is likely to have its impact on the annual performance also, which can't be quantifiable at this stage.

The immediate objective of the Company is to continue to be financially stable as well as protect the interest of all its stakeholders. We shall, thereafter, focus on expansion / growth. The Company, along with its dedicated employees, is determined to sail through this tough time and work towards a bright & sustainable future.

45.0 APPRECIATION

The Board places its utmost gratitude to Ms. Aruna B. Advani who superannuated from the Board of the Company on 18th November, 2019, after completing 37 years of service onto the Board of the Company.

The Board records its deep appreciation towards the exemplary services rendered by Ms. Aruna B. Advani, in various capacities. She was truly a Visionary. The Board lauds her strong positive attributes of hard work, sincerity, diligence & perseverance and recognizes growth of the Company under her effective leadership. The Board compliments her keen insights on business affairs and her concern for all the stakeholders alike.

Your Board takes this opportunity to wish Ms. Aruna B. Advani success & good health on her journey ahead.

46.0 ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their warm appreciation for the invaluable contribution and spirit of dedication shown by the employees at all levels during FY 2019-20. The Directors also express their deep gratitude for the business assistance, co-operation and support extended to your Company by its Customers, Distributors, Dealers, Suppliers, Service Providers, Bankers, various Government Organizations / Agencies & Shareholders and look forward to their continued support and co-operation in future also.

For and on behalf of the Board

Place: Mumbai
Date: 23rd June, 2020

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

ANNEXURE I - TO THE DIRECTORS' REPORT**FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN as on the financial year ended 31st March, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

| | | |
|---|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | CIN | L70100MH1951PLC008647 |
| 2 | Registration Date | 22 nd October, 1951 |
| 3 | Name of the Company | Ador Welding Limited |
| 4 | Category / Sub-Category of the Company | Public Company |
| 5 | Address of the Registered office and contact details | Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, India Tel: +91 22 6623 9300 / 2284 2525 Fax: +91 22 2287 3083 Web: www.adorwelding.com Email ID: investorservices@adorians.com |
| 6 | Whether listed company | Yes |
| 7 | Name, Address and Contact details of Registrar and Transfer Agent, if any | Sharex Dynamic (India) Pvt. Ltd. Address: C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 2851 5606 / 44 Email ID: support@sharexindia.com Website: www.sharexindia.com |

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------|
| 1 | MANUAL METAL ARC WELDING / BRAZING ELECTRODES of Manufacture falling under ITC-broad description of CORED WIRE BASE OF METAL FOR ELECTRIC ARC WELDING | 83112000 & 83111000 | 71 |
| | CONTINUOUS WELDING ELECTRODES of Manufacture falling under ITC- broad description CORED WIRE OF BASE METAL FOR ELECTRIC ARC WELDING, ARC WELDING / BRAZE WELDING FLUXES of Manufacture falling under ITC broad description of OTHER, including parts. | 72299016 | |
| 2 | WELDING & CUTTING EQUIPMENT AND ACCESSORIES of Manufacture falling under ITC-broad description OTHER (including PEB Products) | 85151900 | 29 |

III. Particulars of Holding, Subsidiary and Associate Companies

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 1 | J. B. Advani & Co. Pvt. Ltd. Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India | U51900MH1925PTC004217 | Holding | 50.01 | 2(46) |

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|----------------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 2 | Ador Welding Academy Pvt. Ltd. A-108, H Block, MIDC, Pimpri - 411 018, Maharashtra, India | U74900PN2012PTC144148 | Subsidiary | 100 | 2(87) |

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (01-04-2019) | | | | No. of Shares held at the end of the year (31-03-2020) | | | | % Change during the year |
|------------------------------------------------------------|--------------------------------------------------------------|----------|------------------|-------------------|--------------------------------------------------------|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (a) Individual | 8,61,216 | 0 | 8,61,216 | 6.33 | 8,67,349 | 0 | 8,67,349 | 6.38 | 0.05 |
| (b) Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) State Govt(s). | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) Bodies Corp. | 68,00,531 | 0 | 68,00,531 | 50.01 | 68,00,531 | 0 | 68,00,531 | 50.01 | 0.00 |
| (e) Banks/Fls | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (f) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (1):- | 76,61,747 | 0 | 76,61,747 | 56.34 | 76,67,880 | 0 | 76,67,880 | 56.39 | 0.05 |
| (2) Foreign | | | | | | | | | |
| (a) NRIs - Individuals | 49,050 | 0 | 49,050 | 0.36 | 49,050 | 0 | 49,050 | 0.36 | 0.00 |
| (b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) Banks / Fls | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (A) (2):- | 49,050 | 0 | 49,050 | 0.36 | 49,050 | 0 | 49,050 | 0.36 | 0.00 |
| Total shareholding of Promoters (A) = (A)(1)+(A)(2) | 77,10,797 | 0 | 77,10,797 | 56.70 | 77,16,930 | 0 | 77,16,930 | 56.75 | 0.05 |

| | | | | | | | | | |
|---------------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|-------------|
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| (a) Mutual Funds | 21,36,784 | 1,100 | 21,37,884 | 15.72 | 17,24,686 | 1,100 | 17,25,786 | 12.69 | -3.03 |
| (b) Banks / Fls | 23,955 | 250 | 24,205 | 0.18 | 5,025 | 250 | 5,275 | 0.04 | -0.14 |
| (c) Central Govt. (IEPF) | 1,87,393 | 0 | 1,87,393 | 1.38 | 2,07,967 | 0 | 2,07,967 | 1.53 | 0.15 |
| (d) State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) Alternate Investment Fund | 0 | 0 | 0 | 0.00 | 4,32,017 | 0 | 4,32,017 | 3.18 | 3.18 |
| (f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (g) Fls (Foreign Portfolio Investors) | 0 | 0 | 0 | 0.00 | 4,670 | 0 | 4,670 | 0.03 | 0.03 |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(1):- | 23,48,132 | 1,350 | 23,49,482 | 17.28 | 23,74,365 | 1,350 | 23,75,715 | 17.47 | 0.19 |

| Category of Shareholders | No. of Shares held at the beginning of the year (01-04-2019) | | | | No. of Shares held at the end of the year (31-03-2020) | | | | % Change during the year |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------|--------------------|-------------------|--------------------------------------------------------|-----------------|--------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (2) Non-Institutions | | | | | | | | | |
| (a) Bodies Corp. | | | | | | | | | |
| (i) Indian | 3,82,155 | 2,985 | 3,85,140 | 2.83 | 4,66,768 | 2,485 | 4,69,253 | 3.45 | 0.62 |
| (ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Individuals | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto Rs.1 lakh | 20,27,703 | 3,01,963 | 23,29,666 | 17.13 | 19,51,549 | 2,72,140 | 22,23,689 | 16.35 | -0.78 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 4,30,084 | 1,16,640 | 5,46,724 | 4.02 | 3,16,107 | 1,16,640 | 4,32,747 | 3.18 | -0.84 |
| (c) Others (specify) | | | | | | | | | |
| (i) Non Resident Indians | 1,54,102 | 1,08,230 | 2,62,332 | 1.93 | 1,49,055 | 90,308 | 2,39,363 | 1.76 | -0.17 |
| (ii) Overseas Corporate Bodies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (iii) Foreign Nationals | 0 | 0 | 0 | 0.00 | 1,182 | 0 | 1,182 | 0.01 | 0.01 |
| (iv) Clearing Members | 13,426 | 0 | 13,426 | 0.10 | 14,546 | 0 | 14,546 | 0.11 | 0.01 |
| (v) Trusts | 900 | 0 | 900 | 0.01 | 1,000 | 0 | 1,000 | 0.01 | 0.00 |
| (vi) HUF | 0 | 0 | 0 | 0.00 | 1,24,042 | 0 | 1,24,042 | 0.91 | 0.91 |
| Sub-total (B)(2):- | 30,08,370 | 5,29,818 | 35,38,188 | 26.02 | 30,24,249 | 4,81,573 | 35,05,822 | 25.78 | -0.24 |
| Total Public Shareholding (B)= (B)(1)+ (B)(2) | 53,56,502 | 5,31,168 | 58,87,670 | 43.30 | 53,98,614 | 4,82,923 | 58,81,537 | 43.25 | -0.05 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Grand Total (A+B+C) | 1,30,67,299 | 5,31,168 | 1,35,98,467 | 100.00 | 1,31,15,544 | 4,82,923 | 1,35,98,467 | 100.00 | 0.00 |

ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2019) | | | Shareholding at the end of the Year (31.03.2020) | | | % changes in shareholding during the year |
|---------|-----------------------------------|--------------------------------------------------------|----------------------------------|-------------------------------------------------|--------------------------------------------------|----------------------------------|-------------------------------------------------|-------------------------------------------|
| | | No. of Shares | % of total Shares of the Company | % of shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of shares Pledged/ encumbered to total shares | |
| 1 | J B Advani & Company Pvt. Limited | 68,00,531 | 50.01 | 0.00 | 68,00,531 | 50.01 | 0.00 | 0.00 |
| 2 | Aruna Bhagwan Advani | 2,95,480 | 2.17 | 0.00 | 2,95,480 | 2.17 | 0.00 | 0.00 |
| 3 | Gulshan Gulu Malkani | 1,11,900 | 0.82 | 0.00 | 1,11,900 | 0.82 | 0.00 | 0.00 |
| 4 | Aditya Tarachand Malkani | 1,03,626 | 0.76 | 0.00 | 1,03,626 | 0.76 | 0.00 | 0.00 |



| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2019) | | | Shareholding at the end of the Year (31.03.2020) | | | % changes in shareholding during the year |
|---------|--------------------------|--------------------------------------------------------|----------------------------------|------------------------------------------------|--------------------------------------------------|----------------------------------|------------------------------------------------|-------------------------------------------|
| | | No. of Shares | % of total Shares of the Company | % of shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of shares Pledged/encumbered to total shares | |
| 5 | Ninotchka Malkani Nagpal | 81,052 | 0.60 | 0.00 | 81,052 | 0.60 | 0.00 | 0.00 |
| 6 | Michelle Gulu Malkani | 79,200 | 0.58 | 0.00 | 79,200 | 0.58 | 0.00 | 0.00 |
| 7 | Rajbir Tarachand Malkani | 56,171 | 0.41 | 0.00 | 64,507 | 0.47 | 0.00 | 0.06 |
| 8 | Ajit T Mirchandani | 64,430 | 0.47 | 0.00 | 64,430 | 0.47 | 0.00 | 0.00 |
| 9 | Priyadarshini Lambert | 49,050 | 0.36 | 0.00 | 49,050 | 0.36 | 0.00 | 0.00 |
| 10 | Vimla Ashda Lalvani | 19,190 | 0.14 | 0.00 | 19,490 | 0.14 | 0.00 | 0.00 |
| 11 | Deep Ashda Lalvani | 21,712 | 0.16 | 0.00 | 19,209 | 0.14 | 0.00 | -0.02 |
| 12 | Shirin Aditya Malkani | 15,873 | 0.12 | 0.00 | 15,873 | 0.12 | 0.00 | 0.00 |
| 13 | Ravin A Mirchandani | 8,002 | 0.06 | 0.00 | 8,002 | 0.06 | 0.00 | 0.00 |
| 14 | Reshma Ashda Lalvani | 3,680 | 0.03 | 0.00 | 3,680 | 0.03 | 0.00 | 0.00 |
| 15 | Pravena Krishna Mathur | 900 | 0.01 | 0.00 | 900 | 0.01 | 0.00 | 0.00 |

iii) Change in Promoter's Shareholding

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the financial year (01.04.2019) | | Date | Reason | Increase / (Decrease) in Shareholding | | Cumulative Shareholding during the financial year 2019-20 | |
|---------|--------------------------|------------------------------------------------------------------|----------------------------------|------------|--------|---------------------------------------|----------------------------------|-----------------------------------------------------------|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company |
| 1 | Deep Ashda Lalvani | 21,712 | 0.16 | 09-08-2019 | Buy | 2 | 0.00 | 21,714 | 0.16 |
| | | | | 27-12-2019 | Sale | (344) | 0.00 | 21,370 | 0.16 |
| | | | | 31-12-2019 | Sale | (1,717) | 0.02 | 19,653 | 0.14 |
| | | | | 03-01-2020 | Sale | (600) | 0.00 | 19,053 | 0.14 |
| | | | | 13-03-2020 | Buy | 31 | 0.00 | 19,084 | 0.14 |
| | | | | 20-03-2020 | Buy | 125 | 0.00 | 19,209 | 0.14 |
| 2 | Rajbir Tarachand Malkani | 56,171 | 0.41 | 20-03-2020 | Buy | 1,887 | 0.01 | 58,058 | 0.43 |
| | | | | 27-03-2020 | Buy | 6,449 | 0.05 | 64,507 | 0.47 |
| 3 | Vimla Ashda Lalvani | 19,190 | 0.14 | 12-04-2019 | Buy | 300 | 0.00 | 19,490 | 0.14 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs & ADRs)

| Sr. No. | Shareholder's Name (for each of the top 10 shareholders) | Shareholding at the beginning of the financial year (01.04.2019) | | Cumulative Shareholding during the financial year 2019-20 | |
|---------|------------------------------------------------------------------|------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | Reliance Capital Trustee Co Ltd A/C Nippon India Value Fund | 8,78,890 | 6.46 | 8,77,875 | 6.46 |
| 2 | Sundaram Mutual Fund A/C Sundaram Emerging Small Cap - Series II | 6,66,811 | 4.90 | 6,66,811 | 4.90 |
| 3 | Sundaram Alternative Opportunities Fund – Nano Cap Series I | 3,11,485 | 2.29 | 3,31,664 | 2.44 |
| 4 | Investor Education & Protection Fund | 1,87,393 | 1.38 | 2,07,967 | 1.53 |
| 5 | Stock Holding Corporation of India A/C NSE Derivatives | 532 | 0.00 | 2,00,100 | 1.47 |
| 6 | TATA Infrastructure Fund | 1,80,000 | 1.32 | 1,80,000 | 1.32 |
| 7 | Court Receiver, High Court Mumbai | 1,16,640 | 0.86 | 1,16,640 | 0.86 |
| 8 | Sundaram Alternative Opportunities Fund - Nano Cap Series II | 99,498 | 0.73 | 1,00,353 | 0.74 |
| 9 | Angel Holdings Private Limited | 94,350 | 0.69 | 94,350 | 0.69 |
| 10 | Jetu Jacques Taru Lalvani | 89,000 | 0.65 | 89,000 | 0.65 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name | Shareholding at the beginning of the year (01.04.2019) | | Cumulative Shareholding at the end of the financial year 2019-20 | |
|---------|-------------------|--------------------------------------------------------|----------------------------------|------------------------------------------------------------------|----------------------------------|
| | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | A. B. Advani* | 2,95,480 | 2.17 | 2,95,480 | 2.17 |
| 2 | N. Malkani Nagpal | 81,052 | 0.60 | 81,052 | 0.60 |
| 3 | R. A. Mirchandani | 8,002 | 0.06 | 8,002 | 0.06 |
| 4 | A. T. Malkani | 1,03,626 | 0.76 | 1,03,626 | 0.76 |
| 5 | D. A. Lalvani | 21,712 | 0.16 | 19,209 | 0.14 |
| 6 | G. M. Lalwani | 10 | 0.00 | 10 | 0.00 |
| 7 | T. H. Advani ^ | 0 | 0.00 | 0 | 0.00 |
| 8 | S. M. Bhat | 0 | 0.00 | 0 | 0.00 |
| 9 | G. A. Patkar | 0 | 0.00 | 0 | 0.00 |
| 10 | V. M. Bhide | 150 | 0.00 | 150 | 0.00 |

* upto 18th November, 2019
^ w.e.f. 19th November, 2019

V. Indebtedness

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

(Rs. in Lakhs)

| Particulars | Secured Loans (excluding deposits) | Unsecured Loans | Deposits | Total Indebtedness |
|-------------------------------------------------------------------------|------------------------------------------|--------------------|----------|-----------------------|
| Indebtedness at the beginning of the financial year (01.04.2019) | | | | |
| i) Principal Amount | 6,150.00 | 349.00 | - | 6,499.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 40.77 | - | - | 40.77 |
| Total (i+ii+iii) | 6,190.77 | 349.00 | - | 6,539.77 |
| Change in Indebtedness during the financial year | | | | |
| • Addition | 31,077.38 | 20,938.42 | - | 52,015.80 |
| • Reduction | 32,940.77 | 17,392.00 | - | 50,332.77 |
| Net Change | -1,863.39 | 3,546.42 | - | 1,683.03 |
| Indebtedness at the end of the financial year (31.03.2020) | | | | |
| i) Principal Amount | 4,300.00 | 3,891.00 | - | 8,191.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 27.38 | 4.42 | - | 31.80 |
| Total (i+ii+iii) | 4,327.38 | 3,895.42 | - | 8,222.80 |

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lakhs)

| Sr. No. | Particulars of Remuneration | Name of MD / WTD / Manager | | | | Total |
|---------|-------------------------------------------------------------------------------------|----------------------------|------------------------|----------------|-------------------|---------------|
| | | Ms. A. B. Advani ^ | Mrs. N. Malkani Nagpal | Mr. S. M. Bhat | Mr. D. A. Lalvani | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 77.22 | 94.66 | 122.52 | 37.24 | 331.64 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 11.57 | 3.15 | 2.66 | 0.94 | 18.32 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - |
| 4 | Commission - as % of profit - (others, specify...) | 3.20 | 5.05 | 7.82 | 5.05 | 21.12 |
| 5 | Others, please specify* | 89.23 | 22.79 | 23.49 | 7.86 | 143.37 |
| | Total (A) | 181.22 | 125.65 | 156.49 | 51.09 | 514.45 |

^ upto 18th November, 2019

* Includes Provident Fund, Gratuity, Bonus, Superannuation (tax free) etc., wherever applicable

B. Remuneration to other Directors:**1. Independent Directors**

(Rs. in lakhs)

| Particulars of Remuneration | Name of the Director | | | | | | Total |
|----------------------------------------------|----------------------|-----------------|-----------------|-----------------------|-------------------|------------------------|--------------|
| | Mr. M. K. Maheshwari | Mr. P. K. Gupta | Mr. R. N. Sapru | Mr. K. Digvijay Singh | Mr. G. M. Lalwani | Mr. S. G. Mirchandani* | |
| Fee for attending board / committee meetings | 0.90 | 1.20 | 1.80 | 1.40 | 0.80 | - | 6.10 |
| Commission | 5.05 | 5.05 | 5.05 | 5.05 | 5.05 | 4.32 | 29.57 |
| Others, please specify | - | - | - | - | - | - | - |
| Total (1) | 5.95 | 6.25 | 6.85 | 6.45 | 5.85 | 4.32 | 35.67 |

* upto 07 February, 2020

2. Other Non-Executive Directors

(Rs. in lakhs)

| Particulars of Remuneration | Name of the Director | | | Total |
|--------------------------------------------------|-----------------------|-------------------|-------------------|---------------|
| | Mr. R. A. Mirchandani | Mr. A. T. Malkani | Ms. T. H. Advani# | |
| Fee for attending board / committee meetings | - | - | - | - |
| Commission | 5.05 | 5.05 | 1.85 | 11.95 |
| Others, please specify | - | - | - | - |
| Total (2) | 5.05 | 5.05 | 1.85 | 11.95 |
| Total (B)=(1+2) | | | | 47.62 |
| Total Managerial Remuneration A + B = (C) | | | | 562.07 |

Note: The remuneration payable to the Executive & Non-Executive Directors is within the overall limits as per the Companies Act, 2013.

w.e.f. 19th November, 2019



C. Remuneration to Key Managerial Personnel (KMP) Other than MD /Manager / WTD

(Rs. in lakhs)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---------|-------------------------------------------------------------------------------------|--------------------------|--------------|--------------|
| | | CS | CFO | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 32.02 | 32.08 | 64.10 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 0.62 | - | 0.62 |
| | (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit | - | - | - |
| 5 | Others, please specify (Provident Fund & Superannuation) | 2.88 | - | 2.88 |
| | Total | 35.52 | 32.08 | 67.60 |

VII. Penalties / Punishment / Compounding of Offences:

| Sr. No. | Type | Section of the Companies Act, 2013 | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give details) |
|----------|----------------------------------|------------------------------------|-------------------|------------------------------------------------------------|------------------------------|------------------------------------|
| A | Company | | | | | |
| | Penalty | | | | | |
| | Punishment | | | | | |
| | Compounding | | | | | |
| B | Directors | | | | | |
| | Penalty | | | | | |
| | Punishment | | | | | |
| | Compounding | | | | | |
| C | Other Officers In Default | | | | | |
| | Penalty | | | | | |
| | Punishment | | | | | |
| | Compounding | | | | | |

For and on behalf of the Board

Place: Mumbai
Date: 23rd June, 2020

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

ANNEXURE II - TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2019-20

1. A brief outline of the Company's CSR Policy, including overview of projects / programs, proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

Ador Welding Limited (AWL) is committed to comprehensive growth, by venturing into a framework of integrating social, environmental, humanitarian concerns into its core business strategy, in the best interest of all its stakeholders. As a responsible corporate citizen, the Company strives for community empowerment through socio-economic development of underprivileged and marginalized sections of society, thereby raising the Country's human development index. At AWL, CSR is a cornerstone of its corporate culture and the Company's endeavor ardently adds more value on the societal front and makes a significant impact on livelihood.

The key focus areas that echo AWL's CSR policy, are the following and AWL's CSR programs generally cover all or any of these focus areas:

- Eradicating hunger, poverty and malnutrition, promoting health care including mental health, preventive health care & sanitation, making available safe drinking water;
- Promoting education; including special education and employment enhancing vocational skills especially among children, women, elderly & the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes & hostels for women and orphans, setting up old age homes, day care centers & such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air & water;
- Taking up Rural development projects / Conducting various social awareness programs;
- Contributing to development & improvement in quality of life of the workforce and their families as well as of the society at large.
- Conservation of energy, including projects related to renewable sources of energy.

Web-link of CSR Policy:

https://www.adorwelding.com/images/pdf/corporate_policies/Corporate-Social-Responsibility-Policy-CSR-FY-2019-20.pdf

2. Composition of the CSR Committee as at 31st March, 2020:

1. Mr. Gaurav M. Lalwani - Chairman (Non - Executive & Independent Director)
2. Mrs. Ninotchka Malkani Nagpal - Member (Executive Chairman)
3. Mr. Satish M. Bhat - Member (Managing Director)
4. Mr. Deep A. Lalvani - Member (Whole-Time Director)

3. Average net profit of the Company for the last three financial years (up to FY 2019-20), under Section 198 of the Companies Act, 2013: Rs. 3,434.14 Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): Rs. 68.68 Lakhs

5. Details of CSR expenditure for FY 2019-20:

- (a) Total amount spent : Rs. 65.07 Lakhs
- (b) Amount unspent : Rs. 3.61 Lakhs

(c) Manner in which the amount was spent, is detailed below:

| Sr. No. | CSR project / activity identified | Sector in which project is covered | Projects / Programs | Amount of outlay (budget)- project / program wise | Amount spent on the projects / programs Sub heads: (1) Direct expenditure on projects / program (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|---------|-----------------------------------|----------------------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|
| 1. | Promoting Education | Facilities for Education | Renovated a Higher Secondary School at Birgam, Raipur, CG State | Rs. 50.98 Lakhs | Direct Exp. – Rs. 50.98 Lakhs Overhead – NIL | Rs. 50.98 Lakhs | Rs. 50.98 Lakhs: through M/s. Shashwat Enterprises, Raipur |
| 2. | Drinking Water Facility | Making available clean drinking water | Supported Safe Drinking Water Project at Begampur, a remote area in Hooghly District of West Bengal | Rs. 0.25 Lakh | Direct Exp – Rs. 0.25 Lakh Overhead – NIL | Rs. 51.23 Lakhs | Rs. 0.25 Lakh: through M/s. Rotary Club of Kolkata, North East |
| 3. | Promoting Education | Promoting education for poor & needy | Distributed school kits to the needy & poor students | Rs. 0.30 Lakh | Direct Exp – Rs. 0.30 Lakh Overhead – NIL | Rs. 51.53 Lakhs | Rs. 0.30 Lakh: through M/s. Seva Sahayog Foundation, Mumbai |
| 4. | Promoting Health Care | Promoting Health Care, Including Mental Health | Sponsored Mental Health (Schizophrenia / Epilepsy) support group | Rs. 0.75 Lakh | Direct Exp – Rs. 0.75 Lakh Overhead – NIL | Rs. 52.28 Lakhs | Rs. 0.75 Lakh: through M/s. Institute for Psychological Health, Pune |
| 5. | Promoting Education | Promoting Education for poor & needy | Provided Educational & Medical Facilities in slum areas of Kandivli | Rs. 0.21 Lakh | Direct Exp – Rs. 0.21 Lakh Overheads – NIL | Rs. 52.49 Lakhs | Rs. 0.21 Lakh: through M/s. Rotary Club of Mumbai (Kandivli West) Charitable Trust |
| 6. | Promoting Education | Providing training for poor & needy | Provided desktop computer tables to Vanvasi Kalyan Ashram (VKA), Khanvel, Silvassa | Rs.0.15 Lakh | Direct Exp – Rs. 0.15 Lakh Overhead – NIL | Rs. 52.64 Lakhs | Rs. 0.15 Lakh: through M/s. Vanvasi Kalyan Ashram (VKA), Khanvel, Silvassa |
| 7. | Water Facility | Hot Water facility to the underprivileged | Provided solar water heater in the hostel for Adivasis | Rs. 0.63 Lakh | Direct Exp – Rs. 0.63 Lakh Overhead - NIL | Rs. 53.27 Lakhs | Rs. 0.63 Lakh: through M/s. Vanvasi Kalyan Ashram (VKA) |
| 8. | Setting up homes and hostels | Setting up homes and hostels for women and orphans | Provided various indoor facilities in the orphanage | Rs. 0.50 Lakh | Direct Exp – Rs. 0.50 Lakh Overhead - NIL | Rs. 53.77 Lakhs | Rs. 0.50 Lakh: through M/s. Sai Aadhar |
| 9. | Vocational Training | Vocational Training for poor & needy | Vocational training to the underprivileged youth by sponsoring courses on Welding Skill development | Rs.10.30 Lakhs | Direct Exp – Rs. 10.30 Lakhs Overhead - NIL | Rs. 64.07 Lakhs | Rs. 10.30 Lakhs through M/s. Ador Welding Academy Pvt. Ltd |

| Sr. No. | CSR project / activity identified | Sector in which project is covered | Projects / Programs | Amount of outlay (budget)- project / program wise | Amount spent on the projects / programs Sub heads: (1) Direct expenditure on projects / program (2) Overheads | Cumulative expenditure upto the reporting period | Amount spent: Direct or through implementing agency |
|--------------|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------|
| 10. | Contribution to relief funds | Contribution to relief funds for socio economic development, relief and welfare of the socially backward class / underprivileged | Sponsored food packets for the underprivileged / socially backward classes during lockdown due to COVID-19 | Rs.1.00 Lakh | Direct Exp – Rs. 1.00 Lakh Overhead - NIL | Rs. 65.07 Lakhs | Rs.1.00 Lakh through Federation of Silvassa Industrial Association (SIA), Silvassa |
| Total | | | | | | Rs. 65.07 Lakhs | |

6. In case the Company has failed to spend two percent of the average net profits of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amounts in its Board Report - Refer Directors' Report.
7. During FY 2019-20, the implementation and monitoring of CSR Policy was in conformity with the CSR objectives and CSR Policy of the Company. The Board, through the CSR Committee & Senior Management closely monitors the progress of the CSR initiatives.

For and on behalf of the Board

Gaurav M. Lalwani
Chairman of CSR Committee
(DIN: 06928792)

Place: Singapore
Date: 23rd June, 2020



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PHILOSOPHY ON CSR:

Ador Welding Limited (AWL) believes that a Company's performance must be quantified in a balanced economic, environmental and social imperative. As a pioneer in the welding industry, AWL has played a significant part in the country's industrialization and infrastructure development and its welders have played a huge role in this development. The Company's CSR vision is "Welding is an essential part of everyday life as right from manufacturing cars to high rise buildings, airplanes to rockets, pipelines to highways, all of it requires welding." As a responsible corporate citizen, the Company strives for community empowerment through socio economic development of underprivileged and marginalized sections of society, thereby raising the Country's human development index.

In pursuit of our commitment towards a comprehensive growth, we venture to have in place a framework to integrate social, environmental, humanitarian concerns into our core business strategy, in the best interest of all our stakeholders. At AWL, CSR is a cornerstone of its corporate culture and the Company's endeavor ardently adds more value on the societal front and makes a significant impact on livelihood. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards creating a meaningful difference to them.

FOCUS AREAS OF CSR:

Arising from this, the key focus areas that echo AWL's CSR policy, are the following and AWL's CSR programs will generally cover all or any of these focus areas:

- Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- Promoting education; including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care

centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air & water;
- Taking up Rural development projects/Conducting various social awareness programs;
- Contributing to development & improvement in quality of life of the workforce and their families as well as of the society at large.
- Conservation of energy, including projects related to renewable sources of energy.

ORGANIZATIONAL MECHANISM FOR CSR:

The Board of Directors shall form a CSR Committee pursuant to the provisions of Section 135 of the Companies Act 2013, and will lay down the guidelines / key focus areas for the CSR activities every year.

COMPOSITION OF THE CSR COMMITTEE:

Three or more Directors, of which at least one Director shall be an Independent Director. No sitting fees will be paid to the Members of the CSR Committee.

FUNCTIONS OF THE CSR COMMITTEE:

- a) To formulate and recommend to the Board, a CSR Policy indicating the activities, to be undertaken by the Company;
- b) Recommend the amount to be spent on these activities;
- c) Monitor the Company's CSR activities under the policy, periodically.
- d) Developing the CSR annual strategy, based on the guidelines set by the Companies Act, 2013 & Rules framed there under.
- e) Preparing annual plan for CSR activities, CSR project development, CSR project approval, etc. deciding on the modalities of execution of programs, contracting, budgeting & payments, etc.

- f) Monitoring the execution mechanism for CSR projects; Periodic reporting and communication to the Board.

CSR COMMITTEE WILL ENSURE THE FOLLOWING:

- Appropriate organizational structure to effectively identify, monitor & manage CSR activities.
- All kinds of income accrued to AWL by way of CSR activities, if any, to be credited back to the CSR corpus.

IMPLEMENTATION MECHANISM OF CSR:

CSR activities will be implemented either directly on its own by the Company or through any other organisation, which is into CSR activities.

AWL can also enter into collaborative partnerships with the Government, NGOs, independently registered non-profit organisations, or with other like-minded organisations / stakeholders, so as to widen the Company's reach and leverage upon the collective expertise & experience, these partnerships will bring on pooling their resources for CSR activities.

ANNEXURE III – TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo, as required under Section 134 (3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014.

A. Conservation of Energy

AWL believes that the workplace forms one of the strongest pillars for implementation of best practices for sustainable development. AWL is committed to making continuous efforts that contribute towards an integrated development, on an ongoing basis, by adopting various innovative measures at its plants, which lead to positive consequences, such as reduction of wastages, optimum consumption of non-renewable resources, climate change mitigation as well as reduction in operational costs.

Some of the initiatives / measures taken by your Company are as follows:

1. The overall time taken in the process of testing of Champ MIG machines was reduced, which resulted in lower consumption of electricity.
2. With the help of additional capacitor banks and close monitoring of power factor, we maintained Power Factor (0.98 – 0.99) of Main Electricity Supply, resulting in cost benefit.
3. Creation of smoke free environment as well as saving of fuel was achieved, through the use of Battery Operated Pallet Truck (BOPT), which works on 20-25% of the energy / fuel cost, instead of Diesel forklift at shop floor.
4. Installed Solar power plant at Raipur factory, with the capacity of 518 KWP, which generated 6 Lakh units in FY 2019-20, thereby resulting in the reduction of greenhouse gas emissions by 390 MT per year.

B. Technology Absorption

As a pioneer in the welding industry and a major supplier of a variety of welding consumables, equipment and automation systems to national as well as international markets, AWL is consistently investing in "technology and innovation" to deliver the best "state of the art" products. The Company has 2 (two) Technology Development Centers (TDCs), 1 (one) each for Consumables and Equipment, both located at Chinchwad, Pune in Maharashtra. The TDCs continue to pursue their goals, with renewed vigor, in terms of innovation, upgradation, improvement and cost reduction. These TDCs regularly interact with the market / users for improving the competitive features and performance of the Company's products. Some of the significant technology absorption / innovations are listed hereunder:

1. Developed very compact (1.5 m length) and light weight (550 kg) engine driven welding set, which is one of the innovations of its kind, by using 2 cylinder diesel engine.
2. Introduced the USB based data storage in welding machine for storing real time welding data on Pen Drive. This is useful for monitoring the welding parameters for critical jobs, where heat inputs are very critical.
3. Developed the compact and light weight Suitcase type wire feeder, which can be detachable from the interconnecting cables.
4. Rationalization of formulation of SMAW electrodes to reduce cost and to also reduce usage of number of raw materials.
5. Development of testing facility of Titanium wire welding.
6. Development of testing equipment to test hot hardness and work hardness of all weld metal
7. Use of special material to reduce lubricant carry over in GTAW wires.
8. Development of superior Superduplex stainless steel electrode giving excellent CVN impact at -50°C.

9. Energy Conservation and Safety:

- a) Usage of LPG fired ovens instead of electrically heated ovens for all baking operations, resulted in savings of 21 KWH per MT, which is 13% over electrical baking ovens.
- b) Installation of low power consumption new machines with latest technology saved power of 50,000 KWH per year and used IE2 Electrical motors for being energy efficient.

Summary of expenditure on R & D:

| Particulars | (Rs. in Lakhs) | |
|-----------------------------------------------------------|----------------|------------|
| | FY 2019-20 | FY 2018-19 |
| Capital | 13 | 20 |
| Recurring | 308 | 325 |
| Total | 321 | 345 |
| Total R & D expenditure as a percentage of total turnover | 0.61% | 0.67% |

c) Foreign Exchange Earnings & Outgo:

| Particulars | (Rs. in Lakhs) | |
|---------------------------|----------------|------------|
| | FY 2019-20 | FY 2018-19 |
| Foreign Exchange Earnings | 3,559 | 4,764 |
| Foreign Exchange Outgo | 5,686 | 4,981 |

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai
Date: 23rd June, 2020



ANNEXURE IV – TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance in terms of Regulation 34(3) read with Schedule V (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out below. In this report, we confirm the compliance of the Corporate Governance criteria, as required under the said Listing Regulations.

A) Mandatory Requirements:

1) Company's Philosophy on the Code of Corporate Governance

The Company has a strong legacy of believing in sound corporate practices, based on transparency, accountability and high level of integrity, which forms an essential part in the functioning of the Company and increasing the long term enhancement of stakeholders' value & interest. The Company believes that its actions must result in enhancing corporate performance by maximizing stakeholders' value and also in motivating work force. We, as a Company, have always focused on 'best-in-class' Corporate Governance practices, which is a key driver for sustainable corporate growth and long-term value creation for our stakeholders. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities towards all its stakeholders by ensuring transparency, fair play and independence in its decision making. The Company's Policies are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

2) Board of Directors

The Board is entrusted with the ultimate responsibility of the Management, and performance of the Company. It provides strategic direction, leadership and guidance to Company's Management. It monitors the performance of the Company with the objective of creating long-term value for the Company's stakeholders as well as to ensure that the Management adheres to highest standards of ethics, transparency and disclosures.

2.1 Core Skills / Expertise of the Board

The Board of Directors, at its meeting held on 16th May, 2019, approved the following list of core skills / expertise in context of / with respect to the line of business of the Company, for it to function effectively. The below matrix summarizes a mix of skills, expertise and competencies, possessed by the individual Directors on the Board, during FY 2019-20, which are key to corporate governance and board effectiveness:

| Sr. No. | Core Skills / Expertise | Name of the Director |
|---------|-------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1 | General Management & Strategic Financial Planning | A. B. Advani, N. Malkani Nagpal |
| 2 | Product Manufacturing & Technology Development | S. M. Bhat |
| 3 | Brand building & E-Commerce | D. A. Lalvani, T. H. Advani, G. M. Lalwani |
| 4 | Business / Technology collaboration, Mergers & Acquisitions | R. A. Mirchandani, R. N. Sapru |
| 5 | Banking & Finance | M. K. Maheshwari, R. N. Sapru, K. Digvijay Singh |
| 6 | Sales & Corporate Marketing | K. Digvijay Singh, R. N. Sapru |
| 7 | Project Management | M. K. Maheshwari |
| 8 | Intellectual Property, Joint Ventures & International Law | P. K. Gupta |
| 9 | Financial Management | D. A. Lalvani, A. T. Malkani, M. K. Maheshwari, N. Malkani Nagpal, S. G. Mirchandani |

2.2 Composition, Number of Meetings held and Attendance

The Board of Directors of the Company, as of 31st March, 2020 comprises of 11 (eleven) Directors, consisting of 3 (three) Executive / Whole- time Directors and 8 (eight) Non-Executive Directors including 5 (five) Independent Directors. There are 2 (two) women Directors on the Board. The Board of Directors meet, generally once in a quarter, primarily to review the quarterly performance and financial results of the Company, amongst other things. The Meetings of the Board of Directors are usually held at the Registered Office of the Company. The Meetings are scheduled well in advance and the intimation of each Board Meeting is given in writing to each Director about 8 to 10 weeks before the scheduled date of the Meeting.

The Company Secretary, in consultation with the Executive Chairman and the Managing Director, prepares detailed Agenda for the Board Meetings. All the necessary documents including Annexures, Explanatory Notes, etc., are circulated, along with the Agenda, to all the Directors about 7 to 10 days in advance. The Board Members are also free to recommend inclusion of any matter in the Agenda, for discussion in the Board Meeting. The important decisions taken at the Board / Board Committee Meetings are communicated to the concerned department /division and Major outcome of the Board Meeting is also informed to the Stock Exchanges.

During last FY 2019-20 under review, the Board of Directors met 4 (four) times, i.e. on 16th May, 2019, 25th July, 2019, 12th November, 2019 and 14th February, 2020. The requisite quorum was present at the Meetings. The maximum gap between any two consecutive meetings was less than one hundred and twenty (120) days, as stipulated under Section 173(1) of the Act, and Regulation 17(2) of the LODR Regulations and the Secretarial Standard (SS) issued by the Institute of Company Secretaries of India (ICSI).

Brief details of the Board Meetings held during FY 2019-20 are as follows:

| Sr. No. | Date of the Board Meeting | Board Strength | No. of Directors Present |
|---------|---------------------------------|----------------|--------------------------|
| 1. | 16 th May, 2019 | 12 | 11 |
| 2. | 25 th July, 2019 | 12 | 10 |
| 3. | 12 th November, 2019 | 12 | 11 |
| 4. | 14 th February, 2020 | 11 | 11 |

The composition of the Board of Directors, attendance at the Board Meetings held during FY 2019-20 and at the last Annual General Meeting, number of Directorships in other Companies & Membership of Committees across other Companies, in which the Director is a Member / Chairman, are given below:

| Sr. No. | Name of the Director | Category of Directorship | Financial Year 2019-20 Attendance at | | As on March 31, 2020 | | | |
|---------|------------------------|------------------------------|--------------------------------------|----------------------------------------|------------------------------|-------------------------------------------|-----------------------|----------------------|
| | | | Board Meetings | Last AGM (26 th July, 2019) | No. of other Directorships # | No. of Directorships in listed entities ^ | Committee Positions @ | |
| | | | | | | | No. of Memberships | No. of Chairmanships |
| 1. | Ms. A. B. Advani | Executive | 2 of 3 | Absent | 2 | 1 | 3 | NIL |
| 2. | Mr. S. M. Bhat | Executive | 4 of 4 | Present | NIL | 1 | NIL | NIL |
| 3. | Mrs. N. Malkani Nagpal | Executive | 4 of 4 | Present | 2 | 2 | 2 | 0 |
| 4. | Mr. R. A. Mirchandani | Non-Executive | 4 of 4 | Present | 1 | 1 | NIL | 2 |
| 5. | Mr. A.T. Malkani | Non-Executive | 4 of 4 | Present | 1 | 2 | NIL | NIL |
| 6. | Mr. D. A. Lalvani | Non-Executive | 4 of 4 | Present | 2 | 2 | 4 | NIL |
| 7. | Mr. M. K. Maheshwari | Independent & Non- Executive | 4 of 4 | Absent | 4 | 4 | 2 | 1 |



| Sr. No. | Name of the Director | Category of Directorship | Financial Year 2019-20 Attendance at | | As on March 31, 2020 | | | |
|---------|-----------------------|------------------------------|--------------------------------------|----------------------------------------|------------------------------|-------------------------------------------|-----------------------|----------------------|
| | | | Board Meetings | Last AGM (26 th July, 2019) | No. of other Directorships # | No. of Directorships in listed entities ^ | Committee Positions @ | |
| | | | | | | | No. of Memberships | No. of Chairmanships |
| 8. | Mr. P. K. Gupta | Independent & Non- Executive | 4 of 4 | Present | NIL | 1 | NIL | NIL |
| 9. | Mr. R. N. Sapru | Independent & Non- Executive | 4 of 4 | Present | NIL | 1 | NIL | NIL |
| 10. | Mr. K. Digvijay Singh | Independent & Non- Executive | 4 of 4 | Present | NIL | 1 | NIL | NIL |
| 11. | Mr. G. M. Lalwani | Independent & Non- Executive | 4 of 4 | Absent | 1 | 2 | NIL | NIL |
| 12. | Mr. S. G. Mirchandani | Independent & Non- Executive | 0 of 3 | Present | 1 | 1 | NIL | NIL |
| 13. | Ms. Tanya H. Advani | Non-Executive | 1 of 1 | NA | 2 | 2 | Nil | Nil |

Notes:

1. Ms. Aruna B. Advani, Executive Chairman, superannuated on 18th November, 2019
 2. Ms. Tanya H. Advani was appointed as an Additional Non – Executive & Non Independent Director w.e.f. 19th November, 2019
 3. Mr. Sasha G. Mirchandani, Non – Executive & Independent Director, resigned w.e.f. 07th February, 2020, due to pre-occupation. There were no other material reasons other than pre-occupation for his resignation.
- # Excludes Directorships in Ador Welding Ltd., Foreign Companies, Private Limited Companies and Charitable Companies, if any.
- ^ Includes Directorship in Ador Welding Limited
- @ Considered Memberships / Chairmanships of Audit Committee & Stakeholders Relationship Committee only, other than that of Ador Welding Ltd., as per Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors is a Member of more than 10 (ten) Board Committees and Chairman of more than 5 (five) such Committees [the committees being, Audit Committee and Stakeholders' Relationship Committee], across all the public limited companies, in which he / she is a Director, as required under Regulation 26(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. As per Regulation 17A of the SEBI (LODR) Regulations, 2015, none of the Directors hold Directorship in more than 8 listed entities and none of the Independent Directors serve as Independent Director in more than 7 listed entities and in case they are Whole Time Directors / Managing Directors in any listed entity, then they do not serve as Independent Director in more than 3 listed entities. The same is also evident from the above table.

All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies, as required under Section 184 of the Companies Act, 2013. All the Non-Independent Directors, except the Managing Director, are liable to retire by rotation. The Executive Chairman & the Whole time Director is also liable to retire by rotation.

None of the Non-Executive Directors, including the Independent Directors of the Company, have any material pecuniary relationship or have executed any transactions with the Company, its Promoters or its Management, which would affect the independence or judgment of the Board. The Company has also not

entered into any materially significant related party transactions with its Promoters, Directors or their relatives or with the Management, etc., that may have potential conflict with the interest of the Company at large.

All the Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the LODR Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence, specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the LODR Regulations.

Details of listed entities, other than Ador Welding Limited, and category of Directorship, held by our Directors, as required under SEBI (LODR), Regulations 2015 as on 31st March, 2020 are as under:

| Sr. No. | Name of the Director | Name of the Listed Entity & Category of Directorship |
|---------|------------------------|------------------------------------------------------------------------------------------------------------|
| 1. | Ms. A. B. Advani | Coromandel International Limited – Independent Director |
| 2. | Mr. S. M. Bhat | NIL |
| 3. | Mrs. N. Malkani Nagpal | Ador Fontech Limited – Non - Executive Director |
| 4. | Mr. R. A. Mirchandani | NIL |
| 5. | Mr. A. T. Malkani | Ador Fontech Limited – Executive Director – Chairman |
| 6. | Mr. D. A. Lalvani | Ador Multiproducts Limited – Non - Executive Director |
| 7. | Mr. M. K. Maheshwari | RPG Life Sciences Limited – Independent Director Mahindra CIE Automotive Limited - Independent Director |
| 8. | Mr. P. K. Gupta | NIL |
| 9. | Mr. R. N. Sapru | NIL |
| 10. | Mr. K. Digvijay Singh | NIL |
| 11. | Mr. G. M. Lalwani | Ador Multiproducts Limited – Independent Director |
| 12. | Mr. S. G. Mirchandani | Hathway Cable and Datacom Limited – Director |
| 13. | Ms. Tanya H. Advani | Ador Multiproducts Limited |

Broad Terms of Reference / Functions of the Board:

The duties of Board of Directors have been enumerated in the LODR Regulations, Section 166 of the Companies Act, 2013 and Schedule IV to the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the Board of Directors.

The following information is generally provided to the Board of Directors:

- Annual operating plans & budgets and updates thereon.
- Capital budgets and updates thereon.
- Quarterly Unaudited Financial Results (UFR) of the Company and its Operating Divisions / Business Segments.
- Audited Financial Results (AFR) of the Company.
- Minutes of the Meetings of the Board, Committees of the Board & Subsidiary of the Company.
- The information on recruitment and remuneration of senior officers, just below the Board level, including the appointment & / or removal of CFO & CS.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations by the Company, or substantial non-payment of goods sold by the Company.



- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications on the Company.
- Risk Mitigation plans / updates.
- Details of any Joint Venture or Collaboration Agreement.
- Transactions that involve substantial payment towards Goodwill, Brand Equity or Intellectual Property.
- Significant labor problems and their proposed solutions.
- Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Quarterly / Half yearly / Yearly details of financials & other material information of Subsidiary Companies.
- Sale of investments, subsidiaries, assets, etc., which are not in the normal course of business.
- Quarterly details of Foreign Exchange exposures and steps taken by the Management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholder services, such as non-payment of dividend, delay in share transfers, etc.
- Updates on working of Subsidiaries.

The Board of Directors is routinely provided with all the above information, whenever applicable. These are submitted either as a part of Agenda or are tabled in the course of the Board Meeting, which get discussed / noted by the Board.

Code of Conduct:

The Board of Directors has laid down a 'Code of Conduct' for all the Board Members and Senior Management Personnel of the Company. The 'Code of Conduct' has also been posted onto the website of the Company and all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for FY 2019–20.

The Company has also adopted a separate code for Independent Directors, as laid down under Schedule IV to the Companies Act, 2013 and the same is also posted onto the website of the Company at the following web-link:

<https://www.adorwelding.com/corporate/code-of-conduct/for-independent-directors.html>

Further, the Company / Board confirms that all of its Independent Directors have affirmed with the "Code of Conduct for Independent Directors."

Committees of the Board:

The Board of Directors have constituted Board Committees to deal with specific areas and activities, as mandated under the law, which concern the Company and requires a closer review. The Board Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall Management of the day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting.

The Company has 4 (four) Board Level Committees:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Corporate Social Responsibility Committee

3) Audit Committee

Broad Terms of Reference / Functions of the Committee:

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions, in accordance with Section 177 of the Act, Regulation 18 read with Part C of Schedule II to SEBI LODR Regulations. Audit Committee is entrusted with the responsibility to supervise the Company's financial reporting process and internal controls.

The Audit Committee also reviews and ensures that financial statements are correct, sufficient and credible with reference, particularly, to the requirements, as enumerated under Part C of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, to the extent applicable.

In order to effectively discharge its responsibilities, the Audit Committee has been empowered:

- To call for the comments of the auditors on the internal control systems, design the scope of audit and review the observations of the auditors and also to review the financial reports, before they are submitted to the Board.
- To discuss any issues with the Internal & Statutory Auditors and the Management of the Company.
- To evaluate adequacy of Risk Management System and Risk Mitigation.
- To investigate into any matter in relation to the items referred to it by the Board.
- To have full access to the information contained in the records of the Company.
- To seek information from any employee.
- To obtain professional advice from external sources.
- To secure attendance of outsiders with relevant expertise in the meeting, if it considers necessary.
- To invite Auditors or any subject experts to the meeting.

Composition, Number of Meetings held and Attendance:

All the Members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation and Economics. During FY 2019-20 under review, 4 (four) Audit Committee Meetings were held, i.e. on 16th May, 2019, 25th July, 2019, 12th November, 2019 and 14th February, 2020. The maximum gap between two Meetings was not more than 120 days. The requisite quorum was present at the Meetings.

On 16th May, 2019, Mr. R. A. Mirchandani was inducted in place of Mr. D. A. Lalvani onto the Audit Committee.

The Company Secretary acts as the Secretary of the Audit Committee.

It is the prerogative of the Audit Committee to invite Senior Executives, whom it considers apropos, to be present at any of the Audit Committee Meetings. In all the Audit Committee Meetings held in FY 2019-20, a couple of Senior Executives and Statutory Auditors of the Company were invited.

The composition of the Audit Committee and attendance at the Meetings held in FY 2019-20 is given here under:

| Sr. No. | Name of the Member | Position in the Committee | Category of Directorship | Attendance during FY 2019-20 |
|---------|-----------------------|---------------------------|--------------------------------------|------------------------------|
| 1. | Mr. K. Digvijay Singh | Chairman | Non-Executive & Independent Director | 4 of 4 |
| 2. | Mr. P. K. Gupta | Member | Non-Executive & Independent Director | 4 of 4 |
| 3. | Mr. R. N. Sapru | Member | Non-Executive & Independent Director | 4 of 4 |



| Sr. No. | Name of the Member | Position in the Committee | Category of Directorship | Attendance during FY 2019-20 |
|------------------------------------------------------------------------|-----------------------|---------------------------|------------------------------------------|------------------------------|
| 4. | Mr. R. A. Mirchandani | Member* | Non-Executive & Non-Independent Director | 3 of 3 |
| 5. | Mr. D. A. Lalvani | Member# | Non-Executive & Non-Independent Director | 1 of 1 |
| # Till 16 th May, 2019 * From 17 th May, 2019 | | | | |

The highlights of each of the Audit Committee Meetings are informed / provided to the Board of Directors and discussed in the Board Meeting. Subsequently, the Minutes of the Audit Committee Meetings are also sent to the Board.

4) Nomination & Remuneration Committee

Broad Terms of Reference / Functions of the Committee:

The Committee is vested with all the crucial powers and authority to ensure appropriate disclosures of the remuneration of Directors and to deal with all the elements of remuneration packages w.r.t. all the Directors. The Nomination & Remuneration Committee recommends to the Board the compensation terms of the Directors & Senior Management. The Committee functions in line with the Nomination & Remuneration Committee Charter, prepared in accordance with Section 178 of the Companies Act, 2013 & Regulation 19 read with Part D (A) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, adopted by the Board, which, inter alia, includes the following functions:

- Formulating the criteria for determining qualifications, positive attributes and independence of a Director.
- Formulating the criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in senior management, in accordance with the criteria laid down, and recommend to the Board their appointment & removal.
- Ensuring that the level and composition of remuneration is reasonable & sufficient to attract, retain and motivate Directors, with the required competencies to run the Company successfully & efficiently.
- Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Ensuring that the remuneration of the Directors, Key Managerial Personnel and senior management involves a balance between fixed & variable pay, reflecting short and long- term performance objectives, appropriate to the working of the Company & its goals.
- Carrying out evaluation of every Director's performance, including that of the Independent Directors.
- Reviewing and recommending to the Board, the following:
 - a) Appointment / re-appointment of the Whole-time Directors and the Non-Executive Directors, including contract terms, performance criteria / targets, fees, travel and other benefits, etc.
 - b) "Remuneration Report" in accordance with the Companies Act, 2013 for inclusion in the Directors' Report.
 - c) "Remuneration Policy"
 - for the Whole-time / Executive Directors and Non-Executive Directors;
 - for the Key Managerial Personnel & Senior Management; and
 - for other employees.

- d) The size, qualification and composition of the Board.
 - e) Short-term incentive strategy, performance targets and bonus payments for / to the Executive Directors.
 - f) Offers, under the Company's employee equity incentive plans, if any, in respect of any financial year.
- Reviewing major changes and developments in the Company's remuneration, recruitment, retention, superannuation arrangements, human resource practices and employee relations.
 - Ensuring that the Board & the Management makes available to them sufficient information and external advice, for informed decision-making, regarding remuneration.

Composition, Number of Meetings held and Attendance:

During FY 2019-20 under review, 4 (four) Nomination & Remuneration Committee Meetings were held i.e. on 16th May, 2019, 25th July, 2019, 12th November, 2019 and 14th February, 2020. The requisite quorum was present at the Meetings.

On 16th May, 2019, Mr. D. A. Lalvani was inducted in place of Mr. A. T. Malkani onto the Nomination & Remuneration Committee. Further, on 18th November, 2019, Mr. D. A. Lalvani stepped down from the Committee in order to comply with the provisions of Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Mr. A. T. Malkani was re-inducted in his place w.e.f. 19th November, 2019.

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

The composition of the Nomination & Remuneration Committee and the attendance at its Meeting is given hereunder:

| Sr. No. | Name of the Member | Position in the Committee | Category of Directorship | Attendance During FY 2019-20 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------------|------------------------------------------|------------------------------|
| 1. | Mr. R. N. Sapru | Chairman | Non-Executive & Independent Director | 4 of 4 |
| 2. | Mr. M. K. Maheshwari | Member | Non-Executive & Independent Director | 3 of 4 |
| 3. | Mr. A. T. Malkani | Member# ^ | Non-Executive & Non-Independent Director | 2 of 2 |
| 4. | Mr. D. A. Lalvani | Member* @ | Non-Executive & Non-Independent Director | 2 of 2 |
| # Till 16 th May, 2019 * From 17 th May, 2019 @ Till 18 th November, 2019 ^ From 19 th November, 2019 | | | | |

The highlights of each of the Nomination & Remuneration Committee Meetings are provided to the Board of Directors and discussed in the Board Meeting. Subsequently, the Minutes of the Nomination & Remuneration Committee Meeting are also sent to the Board.

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Nomination & Remuneration Committee has laid down the criteria for performance evaluation of the Directors, including the Independent Directors, which shall be carried out for / by the entire Board of Directors.



The evaluation is based on various parameters, as stated below:

- Participation in the Board Meetings and Annual General Meeting.
- Quality of inputs (contribution) in the Meetings.
- Contribution towards development of Strategies.
- Contribution towards Risk Management / Mitigation.
- Efforts taken towards acquiring knowledge about the Company and its business.
- Concern towards the holistic development of the Company, short term as well as long term.

The evaluation process includes performance evaluation of individual Directors, performance evaluation of all the Board Committees by individual Directors and performance evaluation by individual Directors of the entire Board. A structured questionnaire is prepared, after circulating the draft forms, covering various aspects of the Board's functioning. A consolidated summary of the ratings given by each Director is then prepared. The report of performance evaluation is then discussed and noted by the Nomination & Remuneration Committee and the Board.

Remuneration Policy for Directors:

Pursuant to the requirements of the Companies Act, 2013 and Part D(A)(1) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Remuneration Policy for its Directors, considering particularly the following, amongst other things:

1. Remuneration to the Executive Directors:

The remuneration of the Managing / Whole-time / Executive Director(s) is decided by the Nomination & Remuneration Committee, based on the criteria such as industry benchmarks, Company's performance vis-à-vis Industry performance / track record of the Managing / Whole-time / Executive Director(s) and the same is recommended to the Board of Directors. The Company pays remuneration by way of salary, perquisites & allowances (fixed component) and Bonus, Performance Incentive & Commission (variable component) upto a maximum of 1% of the net profits of the Company, specifically computed for this purpose, as per the provisions Section 198 of the Companies Act, 2013, to all / each of its Whole-time / Executive Director(s), such that the total remuneration (including commission / bonus), as decided by the Board of Directors in its absolute discretion, does not exceed the limits prescribed under Section 197 and Schedule V to the Companies Act, 2013. Bonus, Performance Incentive and Commission is payable to the Managing Director, subject to the achievement of performance criteria / parameters, laid down by the Board of Directors from time to time. In case of inadequate or no profits, remuneration is paid, subject to the provisions of the Act and approval of the shareholders.

In terms of Regulation 17 (6) (e) of SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018, the remuneration payable to the Executive Directors, who are Promoters or members of Promoter group, shall be subject to the approval of the shareholders by special resolution in the Annual General Meeting, if the aggregate annual remuneration payable to such Directors exceeds 5% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013, where there is more than 1 (one) such Director. The Board has, on the recommendation of the Nomination & Remuneration Committee, approved the said payment exceeding 5% of the net profits of the Company, and it has been included in detail, in the Notice conveying 67th Annual General Meeting for the consideration & approval of the Shareholders.

Further, the annual increments are recommended by the Nomination & Remuneration Committee within the salary scale of the Executive Directors. The terms of remuneration are approved by the Shareholders at the Annual General Meeting and are effected in the individual Agreements, executed with the Executive Directors.

2. Remuneration to the Non-executive Directors:

As required under Schedule V(C)(5)(b) to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has uploaded the criteria for payment of Remuneration to the Non- Executive Directors onto the website of the Company, at the following web link: https://www.adorwelding.com/images/pdf/corporate_policies/criteria_for_payment_to_NEDs.pdf

The summary of the remuneration paid / payable to all the Directors for FY 2019–20 is given below:-

| | | | | | | | (Rs. in lakhs) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------|------------------------|--------------|--------------|------------------|----------------|
| Sr. No. | Name of the Director | Salary# | Benefits (Perquisites) | Bonus | Commission | Sitting Fees @ # | Total £ |
| 1. | Ms. A. B. Advani* | 166.45 | 11.57 | - | 3.20 | - | 181.22 |
| 2. | Mr. S. M. Bhat | 135.50 | 2.66 | 10.51 | 7.82 | - | 156.49 |
| 3. | Mrs. N. Malkani Nagpal ^ | 117.45 | 3.15 | - | 5.05 | - | 125.65 |
| 4. | Mr. R. A. Mirchandani | - | - | - | 5.05 | - | 5.05 |
| 5. | Mr. A. T. Malkani | - | - | - | 5.05 | - | 5.05 |
| 6. | Mr. D. A. Lalvani\$ | 45.10 | 0.94 | - | 5.05 | - | 51.09 |
| 7. | Mr. M. K. Maheshwari | - | - | - | 5.05 | 0.90 | 5.95 |
| 8. | Mr. P. K. Gupta | - | - | - | 5.05 | 1.20 | 6.25 |
| 9. | Mr. R. N. Sapru | - | - | - | 5.05 | 1.80 | 6.85 |
| 10. | Mr. K. Digvijay Singh | - | - | - | 5.05 | 1.40 | 6.45 |
| 11. | Mr. G. M. Lalwani | - | - | - | 5.05 | 0.80 | 5.85 |
| 12. | Mr. S. G. Mirchandani | - | - | - | 4.32 | - | 4.32 |
| 13. | Ms. Tanya H. Advani% | - | - | - | 1.85 | - | 1.85 |
| Total | | 464.50 | 18.32 | 10.51 | 62.64 | 6.10 | 562.07 |
| <p>*Superannuated on 18th November, 2019 ^ Re-designated as the Executive Chairman w.e.f. 19th November, 2019 % Appointed as an Additional (Non-Executive Non Independent) Director w.e.f. 19th November, 2019 \$ Re-designated & appointed & as the Whole-Time Director w.e.f. 19th November, 2019 # Fixed Component @As Member / Invitee, wherever applicable £ Excluding TDS / GST</p> | | | | | | | |

Notes:

- The Agreement to be executed with the Whole Time Director will be with effect from 19th November, 2019 to 18th November, 2022. Either party to the Agreement is entitled to terminate the Agreement by giving three months' notice to the other party, as mentioned in the Agreement.
- The Executive Chairman & the Whole Time Director, as per the Agreements, are entitled to Commission upto 1% of the net profits of the Company, as calculated under Section 198 of the Companies Act, 2013.
- The Non - Executive Directors are also entitled to commission upto 1% of the net profits of the Company proportionately / on pro-rata basis, as calculated under Section 198 of the Companies Act, 2013.



- The Agreement with the Executive Chairman and the Managing Director is also for a period of three years. Either party to the Agreement is entitled to terminate the Agreement by giving three months' notice to the other party, as mentioned in the Agreement.
- Performance Criteria for variable pay to the Managing Director for FY 2019-20 was as follows:
 - (1) Bonus upto 0.05% of the targeted net sales.
 - (2) Commission upto 0.50% of the Net Profits, subject to the achievement of targets.
- All the Promoter Directors, including the Executive Chairman & the Whole – Time Director, are liable to retire by rotation.
- According to the Articles of Association of the Company, the Managing Director is not liable to retire by rotation.
- As per the Companies Act 2013, none of the Independent Directors retire by rotation.
- The Company does not have any stock option scheme for its Directors or employees.
- Severance Fees: NIL

5) Stakeholders Relationship Committee

Broad Terms of Reference / Functions of the Committee:

The Stakeholders' Relationship Committee functions in accordance with the Charter prepared as per Section 178 of the Act and Regulation 20 read with Part D of Schedule II to SEBI LODR Regulations. The Committee looks into the matters of Shareholders / Investors grievances along with other matters, as listed below:

- to consider and resolve the grievances of security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of dividends, issue of new / duplicate share certificates, etc.
- to consider and approve de-mat / re-mat of shares / split / consolidation /sub-division of share certificates etc.
- to consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- to review measures taken by the Company, for effective exercise of voting rights by the shareholders
- to review adherence to the standards adopted by the Company, in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA)
- to review the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividend and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;

The status / summary of complaints received & replied is also reported to the Board of Directors, as an Agenda item, in every quarterly Board Meeting and is also reported to the Stock Exchanges. This information is also uploaded on the website of the Company. The Committee also empowers few executives of the Company to process the share transfer, etc.

Composition, Number of Meetings held and Attendance:

During FY 2019-20 under review, 4 (four) Stakeholders Relationship Committee Meetings were held, i.e. on 16th May, 2019, 25th July, 2019, 12th November, 2019 and 14th February, 2020. The requisite quorum was present at all the Meetings.

On 12th November, 2019, Mr. D. A. Lalvani stepped down as Chairman of the committee to comply with Regulation 20 of SEBI LODR Regulations and Mr. Ravin A. Mirchandani was inducted as Chairman of the Committee in his place w.e.f. 12th November, 2019. Further, Mr. Aditya T. Malkani stepped down as Member w.e.f. 13th November, 2019.

The Company Secretary acts as the Secretary of the Stakeholders Relationship Committee.

The composition of the Stakeholders Relationship Committee and attendance at its Meetings is given hereunder:

| Sr. No. | Name of the Member | Position in the Committee | Category of Directorship | Attendance during FY 2019-20 |
|---------------------------------------|------------------------|---------------------------|--------------------------------------------|------------------------------|
| 1. | Mr. R. A. Mirchandani | Chairman# | Non - Executive & Non Independent Director | 4 of 4 |
| 2. | Mr. D. A. Lalvani | Ex-Chairman & Member# | Executive (Whole - Time) Director | 4 of 4 |
| 3. | Mrs. N. Malkani Nagpal | Member | Executive Chairman | 4 of 4 |
| 4. | Mr. G. M. Lalvani | Member | Non - Executive & Independent Director | 4 of 4 |
| 5. | Mr. A. T. Malkani | Member* | Non - Executive & Non Independent Director | 3 of 3 |
| #From 12 th November, 2019 | | | | |
| *Till 13 th November, 2019 | | | | |

The Secretarial Department of the Company and the Registrar & Share Transfer Agent (RTA) attend to all the grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs (MCA), Registrar of Companies (ROC), etc. The Minutes of each of the Stakeholders Relationship Committee Meetings are sent to the Board of Directors.

Compliance Officer:

Mr. Vinayak M. Bhide, Company Secretary, has been designated by the Board of Directors, as the Compliance Officer.

Details of Shareholders complaints received & replied and the status on pending complaint is given below:

- The total number of complaints received and replied to the satisfaction of the shareholders during FY 2019-20 is 9.
- There were no pending complaints as on 31st March, 2020

The Statement of Directors' Shareholding is as under:

| Sr. No. | Name of the Director | Shareholding (No. of Shares) as on 31 st March, 2020 |
|---------|-------------------------------|-----------------------------------------------------------------|
| 1. | Mrs. Ninotchka Malkani Nagpal | 81,052 |
| 2. | Mr. S. M. Bhat | Nil |
| 3. | Mr. R. A. Mirchandani | 8,002 |
| 4. | Mr. A. T. Malkani | 1,03,626 |
| 5. | Mr. D. A. Lalvani | 19,209 |
| 6. | Mr. M. K. Maheshwari | Nil |
| 7. | Mr. P. K. Gupta | Nil |
| 8. | Mr. R. N. Sapru | Nil |
| 9. | Mr. K. Digvijay Singh | Nil |
| 10. | Mr. G. M. Lalwani | 10 |
| 11. | Ms. Tanya H. Advani | Nil |



6) Corporate Social Responsibility (CSR) Committee

Broad Terms of Reference / Functions of the Committee:

The Corporate Social Responsibility Committee functions in accordance with the Charter prepared & approved by the Board of Directors and the terms of reference of the Corporate Social Responsibility Committee broadly comprise the following:

- Formulating & recommending to the Board, a CSR policy, which shall indicate the activities to be undertaken by the Company, pursuant to Schedule VII to the Companies Act, 2013.
- Recommending the annual budget of the CSR activities, which indicates the amount of expenditure to be incurred on the CSR projects / programmes.
- Monitoring the implementation of CSR Policy of the Company from time to time.
- Setting up a transparent system to oversee the implementation of the CSR activities / projects / programmes.

CSR Policy is formulated & approved by the Board, as mandated under the provisions of Section 135 of the Companies Act, 2013. The CSR Policy & CSR activities / strategies for FY 2019-20 are posted onto the Company's website on the following web-link:

https://www.adorwelding.com/images/pdf/corporate_policies/Corporate-Social-Responsibility-Policy-CSR-FY-2019-20.pdf

Composition, Number of Meetings held and Attendance:

The Composition of CSR Committee is in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. During FY 2019-20 under review, 4 (four) CSR Committee Meetings were held, i.e. on 16th May, 2019, 25th July, 2019, 12th November, 2019 and 14th February, 2020. The requisite quorum was present at all the Meetings.

Mrs. N. Malkani Nagpal was inducted on CSR Committee w.e.f. 19th November, 2019, in place of Ms. A. B. Advani, who superannuated on 18th November, 2019.

The Company Secretary acts as the Secretary of the CSR Committee.

The composition of the CSR Committee and attendance at its Meetings are given hereunder:

| Sr. No. | Name of the Member | Position in the Committee | Category of Directorship | Attendance during FY 2019-20 |
|----------------------------------------|------------------------|---------------------------|----------------------------------------|------------------------------|
| 1. | Mr. G. M. Lalwani | Chairman | Non - Executive & Independent Director | 4 of 4 |
| 2. | Mr. S. M. Bhat | Member | Managing Director | 4 of 4 |
| 3. | Mr. D. A. Lalvani | Member | Executive (Whole - time) Director | 4 of 4 |
| 4. | Mrs. N. Malkani Nagpal | Member# | Executive Chairman | 1 of 1 |
| 5. | Ms. A. B. Advani | Member* | Executive Chairman | 2 of 3 |
| * Till 18 th November, 2019 | | | | |
| # From 19 th November, 2019 | | | | |

The highlights of each of the CSR Committee Meetings are informed / presented to the Board of Directors and discussed in the Board Meetings. Subsequently, the Minutes of the CSR Committee Meetings are also sent to the Board.

7) General Body Meetings

Location and time of the last 3 (three) Annual General Meetings of the Company is given below:

| Sr. No. | Financial Year | Date | Location | Time |
|---------|----------------|-------------------------------|---------------------------------|----------|
| 1. | 2018-19 | 26 th July, 2019 | Walchand Hirachand Hall, Mumbai | 11:00 am |
| 2. | 2017-18 | 10 th August, 2018 | Walchand Hirachand Hall, Mumbai | 11:00 am |
| 3. | 2016-17 | 31 st August, 2017 | Walchand Hirachand Hall, Mumbai | 11:00 am |

All the special resolutions moved in the previous 3 (three) Annual General Meetings were passed by majority of the Members present / voted at the Meeting and there were 7 (seven) special resolutions in last AGM of FY 2018-19.

During the financial year under review, there was no special resolution passed through Postal Ballot.

The summary of outflow on account of Dividends & Dividend Tax for the last 9 (nine) years along with the percentage & type of Dividend is given below:

| Sr. No. | Financial Year | Dividend % | Type of Dividend | Dividend Outflow (Rs. in lakhs) | Dividend Tax Outflow (Rs. in lakhs) | Total Outflow (Rs. in lakhs) | Profit After Tax (PAT) (Rs. in lakhs) | % of Dividend & Tax Outflow to PAT |
|---------|----------------|------------|------------------|---------------------------------|-------------------------------------|------------------------------|---------------------------------------|------------------------------------|
| A | B | C | D | E | F | G = (E+F) | H | I = (G/H)% |
| 1. | 2019-20 | 65 | Interim | 883.90 | 181.73 | 1,065.63 | 2,877.00 | 37.04 |
| 2. | 2018-19 | 65 | Final | 883.90 | 181.73 | 1,065.63 | 2,385.00 | 44.68 |
| 3. | 2017-18 | 50 | Final | 679.92 | 138.42 | 818.34 | 1,856.00 | 44.09 |
| 4. | 2016-17 | 50 | Final | 679.92 | 138.42 | 818.34 | 1,812.00 | 45.16 |
| 5. | 2015-16 | 50 | Final | 679.92 | 138.42 | 818.34 | 2,264.76 | 36.13 |
| 6. | 2014-15 | 50 | Final | 679.92 | 138.42 | 818.34 | 3,237.32 | 25.28 |
| 7. | 2013-14 | 50 | Final | 679.92 | 115.55 | 795.47 | 422.70 | 188.19 |
| 8. | 2012-13 | 60 | Final | 815.91 | 132.36 | 948.27 | 1,908.02 | 49.70 |
| 9. | 2011-12 | 60 | Final | 815.91 | 132.36 | 948.27 | 2,089.11 | 45.39 |

8) Independent Directors Meeting and Familiarization Programme for the Independent Directors

8.1 Independent Directors' Meeting:

During the year under review, the Independent Directors met on Friday 14th February, 2020, inter alia, to discuss the following:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors, as a whole.
- Evaluation of the Executive Chairman of the Company, taking into considerations the views of other Executive, Non- Executive & Independent Directors.
- Assess the quality, quantity and timeline of flow of information between the Company Management and the Board, that / which is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors brief the Board, on the outcome of their meeting / suggestions.

All the Independent Directors were physically present at the meeting, except Mr. K. Digvijay Singh and Mr. G. M. Lalwani, who attended the said Meeting through electronic mode.



8.2 Familiarization Program for Independent Directors:

Pursuant to Regulation 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company carries out Familiarization Program for the Independent Directors w.r.t. their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through which the Independent Directors are briefed on the affairs & operations of the Company. The methodology of the Familiarization Program is uploaded on the Company's web link:

https://www.adorwelding.com/images/pdf/corporate_policies/independent-directors.pdf

Further, a summary of the programs conducted for the Independent Directors during FY 2019-20 with relevant details is also uploaded on the website at the following web - link:-
<https://www.adorwelding.com/corporate/corporate-policies.html>

Disclosures

8.3 Materially significant related party transactions:

During FY 2019-20 under review, there were no materially significant Related Party Transactions of the Company with its Promoters, Directors or the Senior Management Personnel or their relatives, as well as its subsidiaries, etc. that had a potential conflict with the interest of the Company at large.

8.4 Policy for entering into Related Party Transactions:

The Company has formulated Related Party Transactions Policy, as required under the provisions of the Companies Act, 2013 & Regulation 23 (1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, and the same is uploaded on the Company's website: https://www.adorwelding.com/images/pdf/corporate_policies/RPT_policy.pdf

Material Subsidiaries:

Pursuant to Regulation 16 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Policy for determining 'material' subsidiaries has been adopted by the Company, and the same is uploaded on the following web link: https://www.adorwelding.com/images/pdf/corporate_policies/Policy-for-determining-Material-Subsidiary.pdf

8.5 Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange or Securities & Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during the last three financial years:

The Company has complied with all the known rules & regulations prescribed by the Stock Exchanges, SEBI and all other statutory authorities relating to the capital markets during the last three financial years. There were no instances of levy of any penalties or strictures on the Company.

8.6 Vigil Mechanism - Whistle Blower Policy:

The Company has established Vigil Mechanism-cum-Whistle Blower Policy, to enable its Directors, Employees & Stakeholders to report the instances of any unethical / improper activity in the Company and the said Policy is uploaded on the Company's website on the following web link:

For Stakeholders-

https://www.adorwelding.com/images/pdf/corporate_policies/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf

For Directors & Employee-

https://www.adorwelding.com/images/pdf/corporate_policies/Whistle-Blower-for-Employees--Directors2019.pdf

No person is denied access to the Chairman of the Audit Committee under the said Policy.

8.7 Statutory Audit Fees:

The Statutory Auditors of the Company, M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Mumbai were paid a total fees of Rs. 31.00 Lakhs plus out of pocket expenses at actuals and GST / Taxes, as applicable, at actuals, for carrying out the Statutory Audit, Limited Review and Tax Audit of the Company for FY 2019-20

9) Means of Communication

9.1 The Company regularly publishes its Quarterly / Half-yearly & Annual Financial Results in newspapers, viz. Business Standard (English) & Mumbai Sakal (Marathi), and simultaneously uploads them onto the website of the Company: <https://www.adorwelding.com/>. Hence, the financial results are not sent / posted to the shareholders residence. Annual Report is e-mailed to the Shareholders, whose e-mail IDs are registered with the Company / RTA / DP and posted / sent / couriered to other shareholders, who either do not have e-mail IDs or whose e-mail IDs are not registered with the Company / RTA / DP or who have specifically requested for a physical copy. The Company has a designated e-mail id: investorservices@adorians.com exclusively for investor relation, and the same is prominently displayed on the Company's website www.adorwelding.com

9.2 During FY 2019-20, three (3) Analysts / Institutional Investors Meets were conducted by the Company on 18th September, 2019, 18th November, 2019, 14th December, 2019 and one (1) Analyst & Investors call on 14th November, 2019. The presentations pertaining to the Institutional Investors / Analysts Meet are uploaded onto the website of the Company along with the relevant details at the following web-links: <https://www.adorwelding.com/images/pdf/news/Participationininvestormeet19092019.pdf>
<https://www.adorwelding.com/images/pdf/news/InvestorMeet.pdf>
<https://www.adorwelding.com/images/pdf/news/Investormeetppt15.12.2019.pdf>

9.3 The Management Discussion & Analysis (MDA) Report is an integral part of the Annual Report. (Refer Annexure V to the Directors' Report).

10) General Shareholder Information

| | |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Day, Date and Time of Annual General Meeting | Tuesday, 22 nd September, 2020 at 11:00 am |
| Venue of the Annual General Meeting | Through VC / OAVM pursuant to MCA circulars |
| Financial Year | 01 st April, 2019 – 31 st March, 2020 |
| Record Date | Record date for Interim dividend for FY 2019-20 was 28 th February, 2020 |
| Dividend Payment Day and Date | Interim dividend was declared @ 65% on 14 th February, 2020 for FY 2019-20 and the payment was made on 04 th March, 2020 |
| Financial Calendar for FY 2020–21 | Financial (unaudited) Reporting for the quarter ending June 2020 – by 14 th August, 2020 Financial (unaudited) Reporting for the quarter ending September 2020 – by 14 th November, 2020 Financial (unaudited) Reporting for the quarter ending December 2020 – by 14 th February, 2021 Financial (audited) Reporting for the year ending March 2021 – by 30 th May, 2021 |

Investor Education and Protection Fund (IEPF):

- During FY 2019-20, unclaimed dividend amount of Rs. 21,46,182/-, pertaining to the Dividend for FY 2011-12 was transferred to IEPF.
- During FY 2019-20, 22,065 Equity shares, on which dividend had remained unclaimed for a period of seven consecutive years, were transferred to the IEPF Authority. The unclaimed dividend amount (resultant benefits) on the said shares and also on the shares, which were already transferred to IEPF till last year, totaling to Rs. 25,70,221/- was directly transferred to IEPF Authority.
- During FY 2020-21, about 16,616 Equity shares are liable to be transferred to the IEPF Authority on or before 29th September 2020, unless Dividend is claimed on these shares till the date of transfer.
- Year wise amount of unpaid / unclaimed dividend lying in the unpaid Dividend account up to the year ended 31st March 2020 and the corresponding shares, which are liable to be transferred to IEPF, is given below:

| Sr. No. | Financial Year | Amount of unclaimed dividend (Rs.In lakhs) | No. of shares on which dividend is unclaimed | Remarks |
|---------|----------------|--------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | 2019-20 | 14.94 | 16,616 | If the dividend remains unclaimed for a period of 7 consecutive years (till 29 th September, 2020), then it will be transferred to IEPF |
| 2. | 2018-19 | 13.06 | 16,616 | |
| 3. | 2017-18 | 11.70 | 16,616 | |
| 4. | 2016-17 | 19.66 | 16,616 | |
| 5. | 2015-16 | 18.98 | 16,616 | |
| 6. | 2014-15 | 17.60 | 16,616 | |
| 7. | 2013-14 | 17.08 | 16,616 | |
| 8. | 2012-13 | 18.89 | 16,616 | |

Credit Rating:

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, details of credit rating obtained by the Company for all its outstanding instruments, as on 31st March, 2020 are enumerated below:

- Long Term Credit Facilities: CARE AA- : Stable (Double A Minus; Outlook : Stable)
- Short Term Credit Facilities: CARE A1 + (A One Plus)

The detailed information of credit rating is uploaded on the website of the Company at the following web-link:

<https://www.adorwelding.com/corporate/credit-rating.html>

Listing:

The Stock Exchanges, on which the Company's securities are listed and the Company's corresponding Stock Code is as under:

| Name of the Stock Exchange | Address | Stock Code |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------|
| BSE Limited, Mumbai | Phiroze Jeejeebhoy Towers, 01 st Floor, Dalal Street, Fort, Mumbai - 400 001 . | 517041 |
| The National Stock Exchange of India Limited (NSE), Mumbai | Exchange Plaza, C - 1, Block G, Bandra - Kurla Complex, Bandra (East), Mumbai - 400 051 . | ADORWELD |

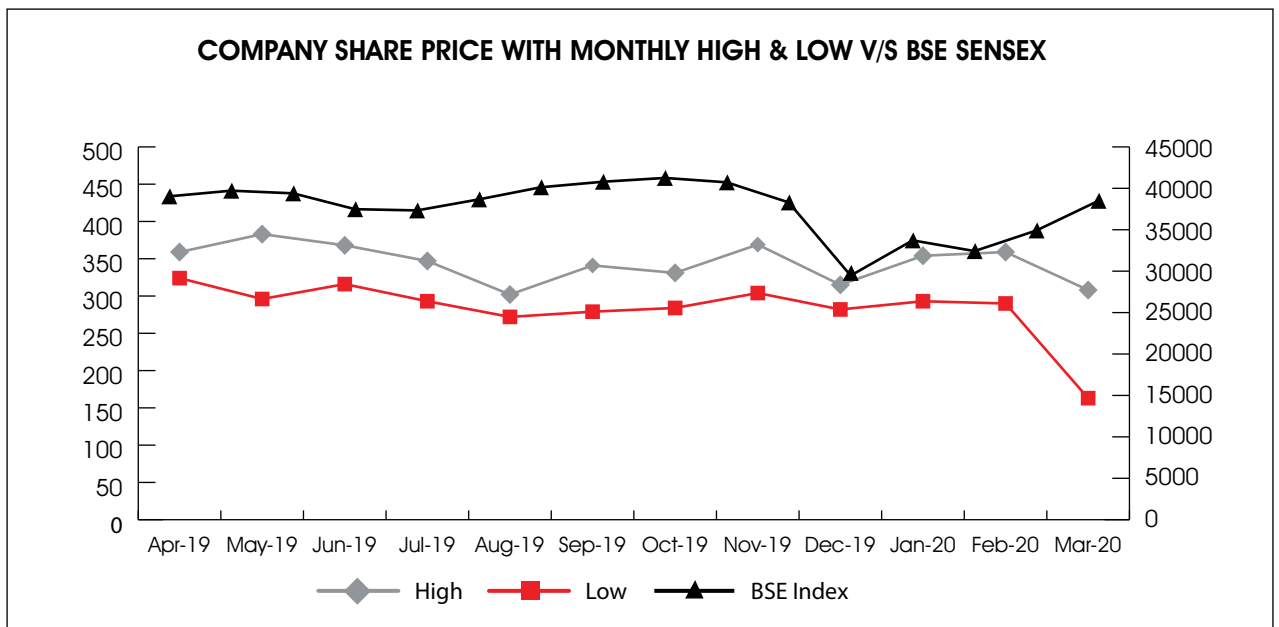
Annual Listing Fees and Custodial Fees:

The annual listing fees and custodial fees for the financial year 2019-20 have been paid by the Company within the stipulated time.

Market Price Data:

Market / Price data during each month of FY 2019-20 is given hereunder:

| INDEX | BSE | | | | NSE | | | |
|-----------------|--------|------------|-----------|---------------|---------------|------------|-----------|---------------|
| | Month | High (Rs.) | Low (Rs.) | No. of Shares | No. of Trades | High (Rs.) | Low (Rs.) | No. of Shares |
| April, 2019 | 359.25 | 324.00 | 20,972 | 879 | 358.00 | 321.00 | 1,06,921 | 5,549 |
| May, 2019 | 383.00 | 296.10 | 33,636 | 2,333 | 384.30 | 294.15 | 2,68,624 | 13,839 |
| June, 2019 | 367.80 | 316.45 | 8,098 | 692 | 366.95 | 314.10 | 47,610 | 3,329 |
| July, 2019 | 346.90 | 293.20 | 12,744 | 847 | 356.60 | 286.55 | 88,099 | 4,722 |
| August, 2019 | 302.00 | 272.00 | 11,875 | 694 | 302.00 | 280.20 | 70,556 | 3,822 |
| September, 2019 | 340.80 | 279.35 | 19,664 | 2,525 | 341.00 | 279.00 | 1,91,404 | 9,074 |
| October, 2019 | 331.00 | 284.20 | 12,855 | 1,207 | 332.20 | 292.00 | 72,819 | 4,787 |
| November, 2019 | 368.80 | 303.95 | 14,176 | 1,764 | 360.00 | 303.35 | 2,45,518 | 11,754 |
| December, 2019 | 315.00 | 281.60 | 7,666 | 1,404 | 316.00 | 284.90 | 91,851 | 5,793 |
| January, 2020 | 353.95 | 292.70 | 19,755 | 3,313 | 354.00 | 292.05 | 1,83,200 | 12,391 |
| February, 2020 | 359.05 | 289.70 | 13,907 | 1,994 | 358.65 | 281.55 | 1,72,031 | 10,653 |
| March, 2020 | 307.90 | 163.15 | 39,829 | 1,247 | 311.90 | 160.00 | 1,11,276 | 7,049 |

Performance in comparison to BSE Sensex:

Registrar & Share Transfer Agent:

- The name of the Registrar & Share Transfer Agent (RTA) of the Company is:
M/s. Sharex Dynamic (India) Pvt. Ltd.
- The share transfer is handled by the Company's RTA at the following address:
M/s. Sharex Dynamic (India) Pvt. Ltd.
C 101, 247 Park,
L.B.S Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, INDIA
Tel: +91 22 2851 5606 / 44
Website: www.sharexindia.com
E-mail: support@sharexindia.com

Share Transfer System:

Shares lodged for physical transfer (in the nature of Transmission or name deletion or Transposition) with RTA of the Company are normally processed within a period of 15 days from the date of lodgment, provided the documents are clear in all respects. All requests for de-materialization of shares are also processed and the confirmation is given by RTA to the depositories within 15 days. The Company Secretary and a couple of Senior Executives of the Company are empowered to approve the share transfers.

Grievances and other miscellaneous correspondence on / with respect to change of address, bank mandates, NECS etc. received from the Members, are generally processed by RTA of the Company, within 7 working days

Distribution of shareholding as on 31st March, 2020:

| Sr. No. | Range of Shareholding | No. of Shareholders | % of Total Shareholders | No. of Shares Held | % of Total Shareholding |
|---------|-----------------------|---------------------|-------------------------|--------------------|-------------------------|
| 1. | 1-100 | 7,359 | 57.10 | 3,46,237 | 2.54 |
| 2. | 101-200 | 2,286 | 17.74 | 3,64,336 | 2.68 |
| 3. | 201-500 | 2,512 | 19.49 | 7,39,688 | 5.44 |
| 4. | 501-1,000 | 392 | 3.04 | 3,02,176 | 2.22 |
| 5. | 1,001-5,000 | 266 | 2.06 | 5,68,416 | 4.18 |
| 6. | 5,001-10,000 | 33 | 0.26 | 2,32,495 | 1.71 |
| 7. | 10,001-1,00,000 | 28 | 0.22 | 10,52,172 | 7.74 |
| 8. | 1,00,001 and above | 12 | 0.09 | 99,92,947 | 73.49 |
| | Total | 12,888 | 100.00 | 1,35,98,467 | 100.00 |

Shareholding Pattern (category wise) as on 31st March, 2020:

| Sr. No. | Category | No. of Shares Held | % of Total Shareholding |
|---------|--------------------------------|--------------------|-------------------------|
| 1. | Promoters | 77,16,930 | 56.75 |
| 2. | Mutual Funds | 17,25,786 | 12.69 |
| 3. | Banks / Financial Institutions | 5,275 | 0.04 |
| 4. | Alternate Investment Fund | 4,32,017 | 3.18 |
| 5. | Foreign Portfolio Investors | 4,670 | 0.03 |
| 6. | NRIs / OCBs | 2,39,363 | 1.76 |
| 7. | Private Corporate Bodies | 4,69,253 | 3.45 |
| 8. | Resident Individuals & others | 29,90,627 | 21.99 |
| 9. | Clearing Members | 14,546 | 0.11 |
| | Total | 1,35,98,467 | 100.00 |

De-materialization of Shares and Liquidity:

- 1,31,15,544 Equity shares of the Company, representing about 96.45% of the total shares of the Company, have been dematerialized as on 31st March, 2020.
- Trading in the shares of ADOR WELDING LIMITED is permitted only in de-materialized form with effect from 08th May, 2000 and are available for trading on both the depositories of India, i.e. M/s. National Securities Depository Ltd. (NSDL) & M/s. Central Depository Services (India) Ltd. (CDSL).

Statutory Compliance:

During FY 2019-20 under review, the Company has generally complied with all the applicable provisions, filed all returns, forms, etc. & furnished all the relevant particulars, as required under the Companies Act, 2013, to the extent notified and other allied Acts / Rules, the Securities & Exchange Board of India (SEBI) Regulations.

Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity: NIL

Commodity price risk or foreign exchange risk and hedging activities:

The Company takes 'forward cover' of appropriate amount and hedges its FOREX exposure. The Company does not hedge in commodity prices.

Plant Locations:

The Company has the following manufacturing plants as of 31st March, 2020:

| | |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Ahmednagar Plant | Chennai Plant |
| Plot B-5, MIDC Industrial Area, Nagar - Manmad Road, Ahmednagar - 414 111 Maharashtra, INDIA | Melakottiyur, via Vandalur, Kelambakkam Road, Chennai - 600 127, Tamil Nadu, INDIA |
| Chinchwad Plant | Raipur Plant |
| Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019 Maharashtra, INDIA | Bilaspur Road, Industrial Estate, Raipur - 493 221, Chattisgarh, INDIA |
| Silvassa Plant | |
| Survey No. 59/11/1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230 U. T. of Dadra & Nagar Haveli, INDIA | |

Address for Correspondence:**Ador Welding Limited**

Ador House, 4th Floor, 6, K. Dubash Marg, Fort, Mumbai - 400 001-16, Maharashtra, INDIA.

B) Non Mandatory Requirements:

- **Chairman of the Board:**

The Company has an Executive Chairman and hence the requirement pertaining to reimbursement of expenses to a Non-Executive Chairman does not arise.

- **Shareholders Rights:**

As the Company's financial results are published in English newspaper having a wide circulation all over India and in Marathi newspaper widely circulated in Mumbai (Maharashtra), the same are not sent individually to the shareholders of the Company. The Company's quarterly / half yearly / Annual Financial Results are also posted onto the Company's website.

- **Audit Qualifications:**

There are no qualifications in the Auditor's Report.

- **Separate Posts for Chairman & CEO:**

The Company has separate posts of Chairman (Executive), being Mrs. Ninotchka Malkani Nagpal and the Managing Director (MD), being Mr. Satish M. Bhat.

- **Training of the Board Members:**

The necessary training will be provided to the Board Members, as & when required.

- **Reporting of the Internal Auditors:**

M/s. Kirtane & Pandit, LLP Chartered Accountants, Pune, were appointed as the Internal Auditors of the Company for FY 2019-20 to conduct the Internal Audit for all its Plants, sales offices and Head (Registered) Office, as per the scope approved by the Audit Committee.

For and on behalf of the Board

Place: Mumbai
Date: 23rd June, 2020

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Declaration by the Managing Director pursuant to Regulation 34(3) and Schedule V - Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

As the Managing Director of Ador Welding Limited and as required pursuant to Regulation 34(3) and Schedule V Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Members of the Board of Directors and Senior Management Personnel of Ador Welding Limited have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management, adopted by the Company, for FY 2019-20.

For and on behalf of the Board

Place: Mumbai
Date: 23rd June, 2020

S. M. Bhat
Managing Director
(DIN: 05168265)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Ador Welding Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 16 September 2019.
2. We have examined the compliance of conditions of corporate governance by Ador Welding Limited ('the Company') for the year ended on 31 March 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance, as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of Corporate Governance, as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

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

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

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiook & Co LLP**
Chartered Accountants

Firm Registration No. 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN : 20042423AAAADK2356

Place: Mumbai

Date: 23rd June, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

ADOR WELDING LIMITED

Ador House, 6, K. Dubash Marg,
Fort, Mumbai - 400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Ador Welding Limited having CIN: L70100MH1951PLC008647 and having its registered office at Ador House, 6, K. Dubash Marg, Fort, Mumbai, MH - 400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| SR. NO. | NAME OF THE DIRECTORS | DIN | DATE OF APPOINTMENT IN COMPANY |
|---------|----------------------------------|----------|--------------------------------|
| 1. | Ninotchka Malkani Nagpal | 00031985 | 03/10/1997 |
| 2. | Satish Madhusudan Bhat | 05168265 | 20/07/2012 |
| 3. | Deep Ashda Lalvani | 01771000 | 27/07/2007 |
| 4. | Ravin Ajit Mirchandani | 00175501 | 28/07/2006 |
| 5. | Aditya Tarachand Malkani | 01585637 | 27/07/2007 |
| 6. | Manojkumar Madangopal Maheshwari | 00012341 | 28/03/2005 |
| 7. | Piyush Kumar Gupta | 00963094 | 27/10/2006 |
| 8. | Rakesh Narain Sapru | 02332414 | 19/10/2008 |
| 9. | Kunwar Digvijay Singh | 00004607 | 01/02/2009 |
| 10. | Gaurav Mohan Lalwani | 06928792 | 10/11/2014 |
| 11. | Tanya Halina Advani | 08586636 | 19/11/2019 |

Ensuring the eligibility of the Directors for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on them, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness, with which the Management has conducted the affairs of the Company.

For **M/s N.L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F001176B000609146

Place: Mumbai
Date: 24th August, 2020

N. L. Bhatia
Managing Partner
FCS: 1176 CP No. 422

ANNEXURE V - TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

ADOR is the leading provider of end to end welding & cutting products and solutions. We are serving clients in India and abroad for over sixty years.

Our vision is to build an organization delivering the best of welding products and solutions leveraging technology delivered by best in class people. We are guided by our value system, which drives our attitudes and actions.

Our objective is to build a sustainable business organization that serves the needs of the welding community, while creating opportunities for our employees and wealth for our stakeholders.

There are many challenges, which affect our business. These are discussed in the Risk factors section of this report.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Welding Industry forms the backbone of the manufacturing sector, which accounts for around 16% of GDP. No technique, apart from welding, is so widely used by the manufacturing sector to join metals and alloys efficiently to add value to their products. Most of the objects, we use in our daily life would not have been possible without the use of welding. It is one of the most critical operation in any manufacturing process and the quality of welding has a direct impact on the quality of the final product.

The total welding industry comprising of Welding Consumables like sticks and wires / flux, Welding equipment (machines), Cutting equipment and Welding automation is currently estimated to be around Rs. 4,000 Crore. Consumables, having a share of around 70% is the main driver of the market. Equipment sale is estimated @ 15%, Cutting equipment @10% and Welding automation @ 5% completes the welding industry.

The consumable market is rather fragmented with over 20 manufacturers in organized space representing around 70% of the total consumable sale. The balance 30% share is represented by unorganised participants and importers.

The Equipment segment is represented by organised players for about 65% of the Market, many of whom are multinational Companies having manufacturing facilities in India and the balance is catered by unorganised players & importers.

ADOR has a significant market share in both Consumable and Equipment Market and is a leader in many products and geographies.

The Welding Automation segment is highly specialized and growing. We have also focused our efforts in establishing our presence in this segment, which will help us in offering a bouquet of products & services to the clients and be a one stop solution provider to all their welding needs.

For long, the industry was dominated by low technology. However the domestic industry under 'Make in India' initiative has been investing in the state of art processes and equipment in order to be competitive in domestic and international markets. The Industry has also upgraded technology in manufacturing of welding equipment to compete with multinationals, who have set up manufacturing facilities in India.

In India, since the past few years, there has been an increasing trend to incorporate greater number of dissimilar materials in the mix of manufactured products. This trend is particularly noticeable in the Automotive and Aerospace industries, where light weighing, efficiency and enhanced functionality is demanded by end users and law legislators alike. Such factors have generated a good deal of R&D in how to weld different metals and the more extreme case of metal to composite and polymer joining. Technologies are available, but acquisition of such technologies, for application in India, will take some years to justify acquisition costs.

The future of welding holds great promise, as methods are devised for joining dissimilar and non-metallic materials and for creating products of innovative shapes & designs.

Initiatives like 'Make in India', a huge domestic market, increasing share of young work force, sector specific incentives aiming to make India a global



manufacturing hub has resulted in a rise in investments in the manufacturing sector. Gross capital formation, which represents net investments in Fixed assets, stood at Rs. 28.27 Lakh Crore (USD 405.88 billion) in HY-1 of FY 2019-20.

The Government of India aims to increase the share of manufacturing in GDP to 25% by the year 2022 from current 16%. All this augurs well for the welding industry, which can be expected to grow @ CAGR of around 9%, over the period.

OPPORTUNITIES AND THREATS

Since the past two years we have invested in new technologies & products in all our business segments, in order to expand our product portfolio, strengthen our market presence, and drive growth. Despite the setback in our plans due to COVID-19, we continue to execute our strategy in fiscal 2021. We are confident that the investments we have made and continue to make, will enable us to cement our position in the welding space as a leading and trusted brand for all welding solutions and build a long lasting relationship with our customers.

As per provisional estimates released in May 2020, GDP growth in fiscal 2020 has slipped to 4.2% from 6.1% in fiscal 2019. Manufacturing and Construction GDP also showed poor growth of 0.30% and 1.3% respectively. Fiscal deficit is also expected to be wider than budgeted. Due to COVID-19, GDP growth in fiscal 2021 is expected to be marginal, if at all. Low investment activity and sluggish consumption & exports is a cause for concern since it has a negative impact on Company's growth plans and profitability.

OUTLOOK, RISKS AND CONCERNS

The COVID -19 pandemic has disrupted demand and supply chain across industries negatively, impacting the business of companies and driving the global economy towards recession. Governments in several countries have imposed strict lockdowns in a bid to contain the virus from spreading. This, in turn, has forced businesses to reconfigure their business plans and postpone investments. These events could cause companies to reprioritize their spending on building new assets.

Consequently market demand & supply chains have been affected and may further impact all our stake holders. Our clients, who are large, medium and small businesses have been negatively impacted due to

the economic downturn. This may result in postponing, ongoing and future projects. We fear some may also go into liquidation, if lockdown imposed by the government continues for some more months.

Restrictions on travel may impact our ability to reach required locations for sales, thereby affecting revenues and profitability.

The Central and State Government's inability to invest in new projects due to fiscal constraints may affect our PEB business.

Our operations may be affected, if man power is not available due to reverse migration of labour, which took place during the lockdown.

Our suppliers are large & small and spread far & wide. Their ability to restart their operations will have a bearing on production.

The productivity of our employees may be affected, due to Work from Home (WFH) Protocol and quarantine.

The impact of COVID-19 in the fourth quarter of fiscal 2020 on the Company was not significant but felt nevertheless and disrupted financial targets set for the financial year 2019-20. The Company anticipates a continued slowdown in client spending in fiscal 2021, which could result in lower sales revenues. However in the long term (F 2022 onwards), we see increased opportunity for our business as COVID-19 effect fades away and clients regain confidence. We are likely to experience significant improvement in business and growth from 4th quarter of the current financial year.

In response to these unusual events, we have taken the following initiatives to optimize our cost structure and operational rigor to ensure operational excellence.

Focus will be to improve liquidity and cash management, with strong focus on working capital cycles. Accelerating operational cost optimization initiatives, such as employee rationalization, travel cost restructuring, employee compensation etc. will enable us to postpone non critical investment in fixed assets.

We believe that Fiscal 2021 is a year of being resilient and preparing for the future.

INCOME STATEMENT ANALYSIS

The total operating revenue for the year ended 31st March, 2020 was Rs. 52,574 lakhs, with a growth of around 2.65% over the previous year. Revenue

from consumables was Rs. 40,391 lakhs registering a growth of 4.72% over the previous year. Revenue from equipment business was Rs. 7,354 lakhs registering a de-growth of 13.45% over the previous year. Project engineering business revenue was Rs. 4,829 lakhs for the year registering a growth of Rs. 681 lakhs, compared to the previous year. Other income of Rs. 1,016 lakhs mainly consisted of forex gains, interest income, duty drawback, etc. We continuously endeavor to improve gross margins through a mix of cost control, product pricing and innovation. Return on tangible net worth increased to 10.51% from 9.05% in the previous year.

BALANCE SHEET ANALYSIS

The Company funded all its capital investment from internal accruals. Debtors have been controlled at 90 days. Inventory is higher at 43 days compared to 37 days in the previous year. The Company has borrowed working capital funds for its business, which will be repaid out of free cash flows of the Company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company strongly believes that effective internal controls are inherent to the principle of good corporate governance and that operational freedom in conducting business should be exercised within the framework of appropriate checks & restraints.

The Company, with the help of a professional Audit & Consultancy firm, had developed a formal "Internal Financial Control System" (IFCS) comprising of authority, level & power, supervision, checks & balances, planning & procedures few years ago. This system (IFCS) is reviewed and updated on an on-going basis. The system covers the following aspects of business processes and reporting:

1. Financial propriety of business transactions
2. Manufacturing operations and processes
3. Accurate reporting of financial transactions, as per the applicable accounting standards
4. Efficient use and protection of resources of the Company
5. Compliance with the established Company policies, guidelines and statutes

The Company has a well-defined Internal Audit System. The scope of Internal Audit is finalized in consultation with the Statutory Auditors and approved by the Audit

Committee. The audit plan is focused on the following objectives:

- Operational and related activities
- Improving management control, process efficiency, etc.

The Audit Committee, consisting of Independent Directors and a Non-Independent Director, reviews the Internal Audit Reports and offers necessary guidance with respect to its coverage & scope.

The Company has an ERP system, which has made its Financial and Accounting Management Systems more robust. Further, Business Intelligence (BI) has helped us in analyzing and taking faster decisions. The Company's aim and endeavor has been to sustain its culture of continuous learning and leveraging talent, as the fundamental enabler of its business growth.

The Company's COPS software helps in centralizing its order processing, which has improved efficiency in logistics / movement of goods. The Company has a very sound compliance track record with all the Legal and Statutory authorities in the Country, and there is a regular Management Audit mechanism to ensure that the Company, does not violate any known Legal or Statutory provisions, applicable to the Company.

HUMAN RESOURCES

AWL is defined by its core values of Wellbeing, Excellence, Innovation, Sustainability, and Leadership. Our belief is **"Pleasure in the Job puts perfection in the work"**. We are known for our open, fair and transparent culture, which ensures our employees have the positivity and pleasure, that act as the anchors of our business.

Our success, as a Company, depends upon the success of our employees (Adorians). In our quest for excellence, we are continuously striving to build a feeling of employee ownership towards the organization through initiatives such as * My Health, My Responsibility (Health), *My Performance, My responsibility (PMS)*, *My Pay, My Choice (flexipay)*, and many more, thereby motivating and encouraging them to only pursue excellence at work. We have cultivated an attitude of ownership amongst our employees that differentiates us from our competitors. The employee strength as of 31st March 2020 stood at 560.

We are dedicated to build a culture, in which our employees feel challenged, rewarded and have the



opportunity to demonstrate their skills & abilities. Best in practice HR policies namely learning & development programs, employee engagement strategies, employer branding and reward & recognition schemes and initiatives have been carefully designed to align with the business objectives. In line with this, we are proud to announce the felicitation of Ador Welding Limited with prestigious awards namely, **'National Best Employer Brand'** and **'Top-100-Sustainable HR Leadership award'** to our Head of Human Resources by World HRD Congress.

The HR department is aimed to achieve two important objectives: (1) Being strategic partners and significantly contributing to business improvement. (2) Contributing to a Holistic Employee Well-being, balancing physical and mental / emotional health.

Considering the objectives, this year our special focus is on nurturing a high trust culture within and outside the organization, which is key to long term organizational effectiveness & success. Our MD's Mantra **"Happy Adorians = Happy Customers"**, can be achieved only if there exists a bond of trust, by means of staying committed to what you claim to offer i.e. most importantly Mutual Growth, Quality, Timely Delivery and Satisfaction of our customers. In view of the same and to achieve the end results, we offer our employees with a well-balanced variety

of training opportunities ranging from functional, behavioral, leadership, career development to personal development facilitated by internal as well as external experts.

In order to achieve our objective of employee wellbeing, we conducted training programs on Emotional and Social Intelligence, Symbiotic Strategic Leadership, Personal Branding and Effectiveness for middle line managers, Prevention of Sexual Harassment Act (POSH) workshop. An initiative **"Fittest Adorian of the Quarter"** was also launched for the same reason. We also conducted several health drives like Stress Management, Talk on obesity, Balance diets, Blood pressure and Sugar check, Eye checkup etc. for all our employees. It is our employees, who make all the difference and it also holds true for the success of our organization.

We believe that the progress of an organization lies in a transparent and empowered environment conducive to innovation. We, thus, provide forums for employees to voice their opinions through initiatives like "Skip Level Meetings", "Town Hall" and "Talk to your MD" by virtue of such friendly initiatives and Best-in-Class practices, we look forward to build our brand value further stronger and bigger, which has established over the years & no matter what, we continue to do so and create a great place to work for all.

Disclaimer:

The information and opinion expressed in this section of the Annual Report may contain certain forward looking statements, which the Management believes are true to the best of its knowledge, at the time of its preparation. The Company and the Management shall not be held liable for any loss, which may arise, as a result of any action taken on the basis of the information contained herein.

For and on behalf of the Board

Place: Mumbai
Date: 23rd June, 2020

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

ANNEXURE VI – TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Ador Welding Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate governance practices adopted by **M/s. Ador Welding Limited**, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, according to the provisions of:

- (1) The Companies Act, 2013 (the Act) and the Rules made thereunder including statutory amendments made thereto and modifications thereof for the time being in force;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (3) The Depositories Act, 2018 and the Regulations and bye-laws framed thereunder;
- (4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable;
- (5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable to the Company during the Financial Year**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the Financial Year**
 - f) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2013; **Not applicable to the Company during the Financial Year**
 - g) The Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993; **Not applicable to the Company during the Financial Year**



- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the Financial Year**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable to the Company during the Financial Year**
- (6) Other Laws applicable to the Company;
- a) Factories Act, 1948 and Rules made thereunder
 - b) Industrial Employment (Standing Orders) Act, 1946 & Rules 1957
 - c) Payment of Bonus Act, 1965, & Rules, 1965
 - d) Maternity Benefit Act, 1961 & Rules
 - e) Employees Compensation Act, 1923 & Rules.
 - f) Minimum Wages Act, 1948, M.W (C) Rules, 1950
 - g) Child Labour (P&R) Act 1986, & Rules.
 - h) Air (Prevention and Control of Pollution) Act, 1981
 - i) Water (Prevention and Control of Pollution) Act, 1974
 - j) The Noise (Regulation and Control) Rules, 2000
 - k) The Environment (Protection) Act, 1986
 - l) Payment of Wages Act, 1936
 - m) Employees State Insurance Act, 1948
 - n) Employees PF & Miscellaneous Provisions Act, 1952
 - o) Contract Labour (Regulation & Abolition) Act, 1970
 - p) Legal Metrology Act, 2009
 - q) Payment of Gratuity Act, 1972
 - r) Industrial Disputes Act, 1947
 - s) Indian Contract Act, 1872
 - t) The States Shops and Establishment Act
 - u) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
 - v) Income tax Act, 1961
 - w) The States Goods and Services Tax Act, 2017
 - x) The Central Goods and Services Tax Act, 2017
 - y) The Interstate Goods and Services Tax Act, 2017

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We 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. During the period under review, there were following changes in the composition of the Board of Directors:

1. Ms. Aruna B. Advani (DIN: 00029256), superannuated and retired from the position of the Executive Chairman (Whole Time Director) of the Company w.e.f. from 18th November, 2019
2. Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) was re-designated as the Executive Chairman of the Company w.e.f. from 19th November, 2019.
3. Mr. Deep A. Lalvani (DIN: 01771000) was re-designated & appointed as the Whole Time Director (Executive Director) of the Company w.e.f. from 19th November, 2019.

4. Ms. Tanya H. Advani (DIN: 08586636) was appointed as an Additional Director (Non-Executive) of the Company w.e.f. from 19th November, 2019.
5. Mr. Shasha Gulu Mirchandani (DIN: 01179921), resigned as an Independent Director of the Company w.e.f. 07th February, 2020.
6. Ms. Nita Dempo Mirchandani (DIN: 01103973) was appointed as an Additional Director (Non-Executive & Independent) of the Company w.e.f. 01st April, 2020.

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 members' views are captured and recorded as part of the minutes.

We 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.

We further report that at the Annual General Meeting held on July 26, 2019, the Shareholders approved the following by way of Special Resolutions:

- (i) Re-appointment of Ms. Aruna B. Advani (DIN: 00029256) as the Executive Chairman of the Company up to 18th November, 2019 with effect from 01st May, 2019.
- (ii) Re-appointment of Mr. P. K. Gupta (DIN: 00963094) as an Independent Director of the Company to hold office for a second term of five consecutive years from 28th July, 2019.
- (iii) Re-appointment of Mr. R. N. Sapru (DIN: 02332414) as an Independent Director of the Company to hold office for a second term of five consecutive years from 28th July, 2019.
- (iv) Re-appointment of Mr. K. Digvijay Singh (DIN: 00004607) as an Independent Director of the Company to hold office for a second term of five consecutive years from 28th July, 2019.
- (v) Re-appointment of Mr. Gaurav Mohan Lalwani (DIN: 06928792) as an Independent Director of the Company to hold office for a second term of five consecutive years from 10th November, 2019.
- (vi) Re-appointment of Mr. Sasha Gulu Mirchandani (DIN: 01179921) as an Independent Director of the Company to hold office for a second term of five consecutive years from 10th November, 2019.
- (vii) Payment of Commission to the Non-Executive Directors of the Company up to a sum not exceeding 1% of the Net Profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, proportionately, for a period of five years beginning with effect from F.Y. 2019-20.

We further report that, the company has appointed M/s. Walker Chandio & Co. LLP, Mumbai as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years i.e. from FY 2020-21 to FY 2024-25.

For M/s N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F008663B000620461

Place: Mumbai
Date: 26th August, 2020

Bhaskar Upadhyay
Partner
FCS: 8663 **CP No.** 9625



To,
The Members,

Ador Welding Limited

Our report of even date is to be read along with this letter.

- (1) Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
- (2) We 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. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- (4) Wherever required, we have obtained the Management Representation about the compliance of Laws, Rules & Regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standard is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
- (6) 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.
- (7) Due to lock down it was impossible to conduct a physical audit and hence the Company has extended virtual data room facility to the Auditor for performing Secretarial Audit.

For M/s N.L. Bhatia & Associates
Practicing Company Secretaries
UIN: P1996MH055800
UDIN:F008663B000620461

Place: Mumbai
Date: 26th August, 2020

Bhaskar Upadhyay
Partner
FCS: 8663 **CP No.** 9625

ANNEXURE VII – TO THE DIRECTORS' REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for Financial Year (FY) 2019-20:

| Sr. No. | Name of the Director | Designation | Ratio |
|---------|----------------------------|----------------------------------------|-------|
| 1. | Ms. A. B. Advani (a) | Executive Chairman | 42.54 |
| 2. | Mrs. N. Malkani Nagpal (b) | Executive Chairman | 29.50 |
| 3. | Mr. S. M. Bhat | Managing Director | 36.73 |
| 4. | Mr. D. A. Lalvani (c) | Whole – Time Director | 11.99 |
| 5. | Mr. R. A. Mirchandani | Director (Non-Executive) | 1.18 |
| 6. | Mr. A. T. Malkani | Director (Non-Executive) | 1.18 |
| 7. | Ms. Tanya H. Advani (d) | Director (Non-Executive) | 0.43 |
| 8. | Mr. M. K. Maheshwari | Director (Independent & Non-Executive) | 1.40 |
| 9. | Mr. P. K. Gupta | Director (Independent & Non-Executive) | 1.47 |
| 10. | Mr. R. N. Sapru | Director (Independent & Non-Executive) | 1.61 |
| 11. | Mr. K. Digvijay Singh | Director (Independent & Non-Executive) | 1.51 |
| 12. | Mr. G. M. Lalwani | Director (Independent & Non-Executive) | 1.37 |
| 13. | Mr. S. G. Mirchandani (e) | Director (Independent & Non-Executive) | 1.01 |

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year (FY) 2019-20:

| Sr. No. | Name of the Director | Designation | % variance |
|---------|----------------------------|----------------------------------------|------------|
| 1. | Ms. A. B. Advani (a) | Executive Chairman | 19.11 |
| 2. | Mrs. N. Malkani Nagpal (b) | Executive Chairman | 2.72 |
| 3. | Mr. S. M. Bhat | Managing Director | -6.49 |
| 4. | Mr. D. A. Lalvani (c) | Whole – Time Director | 1010.65 |
| 5. | Mr. R. A. Mirchandani | Director (Non-Executive) | 9.78 |
| 6. | Mr. A. T. Malkani | Director (Non-Executive) | 9.78 |
| 7. | Ms. Tanya H. Advani (d) | Director (Non-Executive) | NA |
| 8. | Mr. M. K. Maheshwari | Director (Independent & Non-Executive) | 13.33 |
| 9. | Mr. P. K. Gupta | Director (Independent & Non-Executive) | 11.61 |
| 10. | Mr. R. N. Sapru | Director (Independent & Non-Executive) | 10.48 |
| 11. | Mr. K. Digvijay Singh | Director (Independent & Non-Executive) | 3.20 |
| 12. | Mr. G. M. Lalwani | Director (Independent & Non-Executive) | 15.84 |
| 13. | Mr. S. G. Mirchandani (e) | Director (Independent & Non-Executive) | -16.12 |
| 14. | Mr. G. A. Patkar | Chief Financial Officer | 5.21 |
| 15. | Mr. V. M. Bhide | Company Secretary | 9.62 |



Notes:

- a) Ms. Aruna B. Advani superannuated from the Board on 18th November, 2019
 - b) Mrs. Ninotchka Malkani Nagpal was re-designated as Executive Chairman of the Company w.e.f. 19th November, 2019
 - c) Mr. D. A. Lalvani was re-designated & appointed as the Whole-Time Director of the Company w.e.f. 19th November, 2019
 - d) Ms. Tanya H. Advani was appointed as an Additional Director (Non-Executive & Non- Independent) of the Company w.e.f. 19th November, 2019
 - e) Mr. Sasha G. Mirchandani resigned from the Board w.e.f. 07th February, 2020
3. The percentage increase in the median remuneration of employees in FY 2019-20 over FY 2018-19: **3.96%**
 4. The number of permanent employees on the roll of the Company as on 31st March, 2020: **560**
 5. Average percentile increase already made in the salaries of employees other than the managerial personnel in FY 2019-20 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The percentile increase in the remuneration of Non-Manual cadre and Managerial cadre (excluding Whole-time Directors) is 60 percentile and 71.50 percentile respectively.
 6. Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes, it is confirmed that the remuneration paid, during FY 2019-20, was as per the Remuneration Policy of the Company.**
 7. Details of **top 10 employees** of the Company in terms of remuneration* drawn in FY 2019-20:

| Sr. No. | Name | Age (Years) | Designation | Qualification/s | Years of Experience | Date of Commencement of Employment | Last Employment | |
|---------|----------------------|-------------|-------------------------------------------------------|-------------------------------------------------|---------------------|------------------------------------|-------------------------------------------------|-----------------------------------|
| | | | | | | | Post Held | Name of the Last Employer |
| 1. | Manoj Pandey | 48 | Head - Human Resources | PG in HRM, B.E. (Electronics & Instrumentation) | 28 | 02-Apr-2012 | Head – HR Operations | Tata Teleservices Ltd. |
| 2. | V.M.Bhide | 51 | Head - Corp. Admin, IA, KM, Legal & Company Secretary | B.Com., LL.B. (Gen), AICWA, DTL, DLL & LW, FCS | 30 | 04-Jan-1993 | Assistant (Costing) | BASF India Ltd. |
| 3. | Sunanda Kumar Palit | 58 | Head – CCC and Strategic support to Equipment & WAPS | B.Tech. (Hons.) from IIT Kharagpur | 37 | 04-Jun-2012 | Divisional Product Manager (Equipment Division) | ESAB India Ltd. |
| 4. | Aniruddha R. Vilekar | 47 | Head - Plant Operations & Marketing | B.E. (Met.) | 27 | 02-Jul-2008 | National Sales & Development/ Product Head | Vikas Powder Metallurgy Pvt. Ltd. |
| 5. | Vineet Bansal | 52 | Sales Head – Domestic Welding | Mechanical Engineering | 29 | 03-Nov-1992 | Engineer – Technical Services | Cimmco Limited, Bharatpur |
| 6. | S Ajaykumar | 55 | Head - International Business & PEB Sales | Masters in Electronics | 30 | 04-Apr-2009 | National Manager (Sales & service)- All India | Atlas MTT (I) Pvt. Ltd. |

| Sr. No. | Name | Age (Years) | Designation | Qualification/s | Years of Experience | Date of Commencement of Employment | Last Employment | |
|---------|------------------|-------------|---------------------------------------------|------------------------------------------|---------------------|------------------------------------|--------------------------|--------------------------------------------|
| | | | | | | | Post Held | Name of the Last Employer |
| 7. | Suryakant Sethia | 41 | Deputy General Manager - Finance & Accounts | Chartered Accountant (CA) | 15 | 22-Jun-2015 | DGM (Accounts & Finance) | Equinox Realty and Infrastructure Pvt. Ltd |
| 8. | Rakesh Choudhary | 50 | Head - WAPS SBU | BE - Mechanical | 26 | 02-Apr-2018 | Sales Manager India | Usha Martin Industries Ltd. |
| 9. | Girish A. Patkar | 64 | Chief Financial Officer (CFO) | MBA / PGDM (Finance), B. Sc. (Chemistry) | 39 | 01-Sep-2015 | CFO | Equinox Realty & Infrastructure Pvt. Ltd. |
| 10. | Ulhas Pujari | 46 | Plant Head – PEB Manufacturing | BE and MBA | 26 | 15-Jul-2013 | DGM Production | Carraro India Ltd. |

* The statement of remuneration will be made available for e-inspection by the Members during business hours on any working day, 21 days prior to the date of AGM. Interested Members may write to the Company Secretary for obtaining a copy of the same.

None of the employees who are posted abroad are drawing remuneration of over Rs. 60 Lakhs per Financial Year or Rs. 5 Lakhs per month.

8. Details of employees with annual remuneration of Rs. 102 Lakhs or more, who are employed throughout the year or monthly remuneration of Rs. 8.50 Lakhs or more, even if employed for part of the year during FY 2019-20:

| Sr. No. | Name | Age (Years) | Designation | Remuneration (Gross) (Rs. in Lakhs) | Qualification/s | Years of Experience | Date of Commencement of Employment | Last Employment | |
|---------|------------------------|-------------|--------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|--------------------------------|------------------------------|
| | | | | | | | | Post Held | Name of the Last Employer |
| 1. | Ms. A. B. Advani | 65 | Executive Chairman | 181.22 | <ul style="list-style-type: none"> A Science Graduate (Hons) from University of Sussex Owners Management Programme from Harvard Business School Strategic Financial Planning from IIM, Ahmedabad | 43 | 01.05.1999 | Managing Director | J. B. Advani & Co. Pvt. Ltd. |
| 2. | Mr. S. M. Bhat | 59 | Managing Director | 156.49 | <ul style="list-style-type: none"> A Bachelor in Production Engineering from VJTI of 1983 batch Post-graduation in International Marketing and Finance from International Management Institute (IMI) New Delhi, which is affiliated with Institute of Management Development (IMD), Geneva | 35 | 02.06.2008 | V.P. (Business Development) | Schuler (India) Pvt. Ltd. |
| 3. | Mrs. N. Malkani Nagpal | 50 | Executive Chairman | 125.65 | <ul style="list-style-type: none"> MBA, with specialization in Finance from Imperial College, UK; B.Sc. in Business & Economics from Lehigh University, PA, USA | 27 | 03.10.1997 | Chairman & Whole Time Director | J. B. Advani & Co. Pvt. Ltd. |



| Sr. No. | Name | Age (Years) | Designation | Remuneration (Gross) (Rs. in Lakhs) | Qualification/s | Years of Experience | Date of Commencement of Employment | Last Employment | |
|---------|---------------------|-------------|---------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------------------|-----------------|---------------------------|
| | | | | | | | | Post Held | Name of the Last Employer |
| 4. | Mr. Deep A. Lalvani | 39 | Whole-time Director | 51.09 | <ul style="list-style-type: none"> A Commerce Graduate with distinction in Marketing & Advertising and Masters in Commerce with specialization in Accounts Pursued MBA from Manchester Business School, UK and did courses at London School of Economics, UK Awarded an honorary Doctorate in the year 2019 | 18 | 27.07.2007 | General Manager | Ador Fontech Limited. |

Notes:

- All the above Appointments are Contractual.
- Remuneration shown above comprises of salary, allowances, bonus, commission, perquisites, Leave encashment, contribution to Provident Fund, Superannuation Fund, Gratuity Fund etc., wherever applicable.
- Information regarding qualifications, experience and last employment held is based on particulars furnished to the Company, by the employees concerned.
- Ms. Aruna B. Advani holds 2,95,480 equity shares, Mrs. Ninotchka Malkani Nagpal holds 81,052 equity shares, Mr. Deep A. Lalvani holds 19,209 equity Shares, whereas Mr. S. M. Bhat does not hold any shares of the Company as on 31st March, 2020.
- Ms. Aruna B. Advani, Mrs. Ninotchka Malkani Nagpal, Mr. Deep A. Lalvani and Mr. S. M. Bhat are not related to any other Directors or to each other or to any employees of the Company.
- Ms. Aruna B. Advani superannuated from the Board on 18th November, 2019
- Mrs. Ninotchka Malkani Nagpal was re-designated as Executive Chairman of the Company w.e.f. 19th November, 2019
- Mr. D. A. Lalvani was re-designated & appointed as the Whole-Time Director of the Company w.e.f. 19th November, 2019

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai
Date: 23rd June, 2020

ANNEXURE VIII – TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

Ador Welding Limited (AWL), erstwhile Advani – Oerlikon Limited, is a pioneer in the welding industry. AWL, since its inception in the year 1951, has played a significant role in the country's industrialization and infrastructure development by providing the finest welding consumables, equipment and automation solutions, coupled with skill development in India. The Company has progressively extended its welding knowledge and expertise to cover many high-end specializations and has catered to a sophisticated range of user needs in India and in the overseas markets.

AWL envisions to become "Best in Class" Enterprise. AWL adopts responsible business practices, which are in the interest of the environment and the society at large. AWL commits towards a comprehensive growth, by venturing to have in place a framework to integrate social, environmental, humanitarian concerns into its core business strategy, in the best interest of all its stakeholders. AWL believes that a Company's performance must be quantified in a balanced economic, environmental and social imperative.

The core values of AWL strive in developing a sustainable business model, which flows from the top and infuses throughout the organization, across business segments. During the year under review, the Company continued to take progressive strides towards waste management and energy management, thereby re-affirming its commitment towards sustainable development. This Report is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR Regulations) and provides an overview of the activities carried out by the Company, under each of the nine principles outlined in National Voluntary Guidelines (NVG).

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L70100MH1951PLC008647
- Name of the Company:** Ador Welding Limited
- Registered address:** Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India
- Website:** www.adorwelding.com
- E-Mail Id:** investorservices@adorians.com
- Financial Year reported:** 2019-20
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

| Sr. No. | Name and Description of main products | NIC Code |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1. | MANUAL METAL ARC WELDING / BRAZING ELECTRODES of Manufacture falling under ITC-broad description of CORED WIRE BASE OF METAL FOR ELECTRIC ARC WELDING | 83112000 & 83111000 |
| 2. | CONTINUOUS WELDING ELECTRODES of Manufacture falling under ITC- broad description CORED WIRE OF BASE METAL FOR ELECTRIC ARC WELDING, ARC WELDING / BRAZE WELDING FLUXES of Manufacture falling under ITC broad description of OTHER, including part | 72299016 |
| 3. | WELDING & CUTTING EQUIPMENT AND ACCESSORIES of Manufacture falling under ITC-broad description OTHER (including PEB Products) | 85151900 |



8. List three key products / services that the Company manufactures / provides (as in balance sheet)

- A. Champ Series of welding equipment
- B. Ni Cr welding consumables for high impact and strategic applications
- C. Customized welding Automation products.

Kindly refer to our website www.adorwelding.com for complete list of our products.

9. Total number of locations where business activity is undertaken by the Company

- A. Number of International Locations:** Sales office in Sharjah, UAE.
- B. Number of National Locations:** The Manufacturing locations are situated at Ahmednagar & Chinchwad (in Maharashtra), Chennai (in Tamil Nadu), Raipur (in Chattisgarh), and Silvassa (in the U. T. of Dadra & Nagar Haveli), whereas the sales offices are situated at Mumbai, Bengaluru, Chennai, Coimbatore, Delhi, Hyderabad, Indore, Jaipur, Kolkata, Pune, and Raipur.

Please refer our "Market reach page" and "Plant Locations" section under Corporate Governance Report for exact / complete list of our sales offices and Plant Locations with addresses & contact numbers.

10. Markets served by the Company – Local / State / National / International: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- 1. Paid up Capital (INR):** 13.60 Crore
- 2. Total Turnover (INR):** 535.90 Crore
- 3. Total profit after taxes (INR):** 28.27 Crore
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** The Company's total spending on CSR for the year ended 31st March, 2020 was Rs. 65.07 Lakhs, which is 1.89% of its average profits of the last three years, calculated under Section 198 of the Companies Act, 2013.
- 5. List of activities in which expenditure in 4 above has been incurred:** Please refer Annexure II to Board's Report for details on CSR initiatives undertaken by the Company.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company / Companies?

During the year under review, the Company had only 1 (one) Subsidiary Company i.e. M/s. Ador Welding Academy Private Limited (AWAPL), located at Pimpri in Maharashtra, India. The details of the subsidiary form a part of Annexure I to the Board's Report i.e. "Form MGT-9: Extract of Annual Return".

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

M/s. Ador Welding Academy Private Limited (AWAPL) is a separate legal entity and is not a part of any BR initiatives of the Company. However, the Company positively influences and encourages its subsidiary to adopt Business Responsibility (BR) initiatives. AWAPL is guided by AWL's philosophy to conduct their business in an ethical, transparent and accountable manner.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

The Company's suppliers and distributors are critical aspects of its business / supply chain operations. The Company encourages all these entities (suppliers / distributors) to follow BR initiatives and contribute towards a more sustainable / balanced environment, however it has not yet made it mandatory for any of its suppliers, distributors etc. to participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION**1. Details of Director / Directors responsible for BR**

a. Details of the Director / Directors responsible for implementation of the BR policy / policies:

1. **DIN Number:** 05168265
2. **Name:** Mr. Satish M. Bhat
3. **Designation:** Managing Director

b. Details of the BR head:

| Sr. No. | Particulars | Details |
|---------|-----------------------------------|-------------------------------|
| 1. | DIN Number (if applicable) | 05168265 |
| 2. | Name | Mr. Satish M. Bhat |
| 3. | Designation | Managing Director |
| 4. | Telephone number | 022-66239300 / 22842525 |
| 5. | E-mail id | investorservices@adorians.com |

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE), released by the Ministry of Corporate Affairs (MCA), has adopted Nine Areas of Business Responsibility. These are as follows:

| Principle Number | Principle |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Businesses should conduct and govern themselves with Ethics, Transparency and Accountability |
| 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| 3 | Businesses should promote the well-being of all the employees |
| 4 | Businesses should respect the interests of, and be responsive towards all its stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| 5 | Businesses should respect and promote human rights |
| 6 | Businesses should respect, protect and make efforts, to restore the environment |
| 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| 8 | Businesses should support inclusive growth and equitable development |
| 9 | Businesses should engage with and provide value to their customers & consumers in a responsible manner |



| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|
| 1. | Do you have a policy/policies for | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / International standards? If yes, specify? (50 words) | People policies including POSH, non-discrimination, ethics such as whistle blower policy, etc. are as per the national norms. Other policies (e.g. sustainability, CSR, EH&S) have originated internally from our values. However all the policies conform to the principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, National Guidelines on Responsible Business Conduct, notified by the Ministry of Corporate Affairs (MCA), Government of India. | | | | | | | | |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? | Y | N | N | Y | Y | N | N | N | N |
| 5. | Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? | N | N | N | Y | Y | N | N | N | N |
| 6. | Indicate the link for the policy to be viewed online? | View restricted to the respective stakeholders. | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8. | Does the company have in-house structure to implement the policy / policies | Y | N | Y | Y | Y | N | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies? | Y | N | Y | Y | Y | N | N | N | Y |
| 10. | Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | The Company is working on developing and improving its system for evaluating the implementation of its policies. The policies are evaluated internally from time to time and updated, whenever required. | | | | | | | | |

b. If answer to the question at Serial No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|-----------------------------------------------------------------------------------------------------------------------------------|----|----|----|----|----|----|----|----|----|
| 1. | The company has not understood the Principles | - | - | - | - | - | - | - | - | - |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | - | - | - | - | - | - | - | - | - |
| 3. | The company does not have financial or manpower resources available for the task | - | - | - | - | - | - | - | - | - |
| 4. | It is planned to be done within next 6 months | - | - | - | - | - | - | - | - | - |
| 5. | It is planned to be done within the next 1 year | - | - | - | - | - | - | - | - | - |
| 6. | Any other reason (please specify) | - | - | - | - | - | - | - | - | - |

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3- 6 months, Annually, More than 1 year

The BR head of the Company reviews and assesses the various aspects of BR performance of the Company annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) the Company shall be annually publishing the Business Responsibility Report from the Financial Year 2019-20 onwards, if applicable and the same will form an integral part of Board's Report of the Company.

The Business Responsibility Report forming part of the Annual Report for FY 2019-20 of the Company is available onto the website of the Company viz.: www.adorwelding.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

AWL places utmost importance on ethics, transparency and accountability. AWL strongly believes in them and has "zero tolerance" towards lack of integrity. The policies relating to these values cover, not only the Company but also its Subsidiary Company. The Suppliers / Contractors / NGOs and other entities dealing with the Company are encouraged to maintain ethical standards in all their practices and contribute towards the betterment of the society.

AWL believes that the Company's performance must be quantified in a balanced economic, environmental and social imperative. This belief of the Company is echoed in the Policies on Ethics, Transparency and Accountability, by avoiding any acts and practices that are abusive, corrupt, or anti-competitive in nature.

The three pillars supporting the governance structure of the Company are as under:

- Ethics:** In consonance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a "Code of Conduct", which mandates the Directors, Senior Management and Employees of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner.
- Transparency:** The Governance structure of the Company is further supported by a Vigil Mechanism Policy, which serves as a tool for its directors and employees to report any genuine concerns about unethical behavior, actual or suspected, without fear of reprisal. The mechanism, provides an avenue to stakeholders to raise concerns or violations pertaining to the activities of the Company.
- Accountability:** In order to instill accountability amongst the employees of the Company, AWL has in place an Internal Code of Conduct for Regulating, Monitoring, Prohibiting and Reporting of Trades by Designated Persons.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof in about 50 words or so**

The Company has setup an investor grievance mechanism / cell to respond to investor grievances in a timely and appropriate manner. The details of Stakeholders complaints received and resolved during the financial year 2019-20 are as follows:



| Sr. No. | Description | No. of Complaints |
|---------|-----------------------------------------------|-------------------|
| 1 | Stakeholders Complaint Received | 19 |
| 2 | Stakeholders Complaint Resolved | 19 |
| 3 | Stakeholders Complaint Pending | 0 |
| 4 | Percentage of Stakeholders Complaint Resolved | 100% |

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS AND SERVICES

a) List up to 3 of your products or services, whose design has incorporated social or environmental concerns, risks and/or opportunities.

Being a leading Welding Company in the field of manufacturing, AWL understands its obligations relating to the social and environmental concerns & risks. The Company diligently fulfils all its compliance obligations relating to its products' environmental aspects as well as occupational health and safety. Three of our Manufacturing units (at Chinchwad, Raipur & Silvassa) are ISO 9001, ISO 14001 & OHSAS 18001 certified.

AWL's following three products' design has incorporated social or environmental concerns:

- **Welding Machines**

Welding machines eliminated the use of potentially environmentally hazardous materials in electronic assemblies and packaging of welding machines. AWL developed engine driven welding sets, which are specially designed for the Indian defense forces, to work under stringent environmental conditions.

- **Welding Consumables: Non-Copper coated GMAW wire**

AWL developed an innovative process to manufacture MIG / MAG welding wire, without copper coating. The copper is coated on the welding wire for prevention of rust. The process of copper coating uses chemicals, such as Copper Sulphate & Sulphuric Acid, that generates environmentally hazardous chemical wastes, which are to be treated in an ETP, before being disposed. With this novel process, the use of these chemicals has been eliminated, besides improving the performance of the product.

- **Special Welding Consumables for special materials**

Efforts to reduce the weight and increase the efficiency of any component, machine, vehicle or structure, are going on in every sector. For this, special high strength materials are developed worldwide. For these special materials, various special consumables are developed. These consumables are developed by AWL using fully indigenous raw materials, which are replacing imported products in various sectors, such as power, refinery, naval, defense etc.

b) For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company is committed to environment sustainability. The Company works towards reduction and optimal utilization of resources i.e. energy, water, raw material, logistics etc. by incorporating new techniques & innovative ideas. The following reduction was achieved since the previous year throughout the value chain, with respect to the above-mentioned areas:

- We successfully eliminated the Lead (Pb) in soldering process of welding machines. Lead (Pb) is a hazardous material for health of humans. We also stopped usage of EPS (Thermocol) material for packing and started 100% usage of re-cyclable EPE and Corrugated Papers, for packaging.
- We drastically reduced the use of sulphuric acid and eliminated copper sulphate in the process of Non Copper Coated GMAW wire. This has also resulted in reduction of effluent quantum in ETP, which has reduced chemical and hazardous waste generation. This has eliminated the wastage disposal process.

- Special Welding consumable/s for special materials are designed by rationalizing raw material components, which have reduced the inventory cost and reduced the number of ingredients of raw material.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company, on a continuous basis, takes several measures to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material / other resources and pursuing zero pollution through various initiatives, technological upgradation and improvement projects. Welding machines, with inverter technology, give energy saving of 30% over welding machines with conventional technology. About 40% of our machine sale has shifted from conventional technology-based machines to Inverter technology-based machines. In FY 2019-20 we sold fewer conventional technology based welding machines (670 nos) as compared to FY 2018-19 (980 nos). These were replaced by highly energy efficient inverter-based machines.

For copper coating of GMAW wire separate process is used, which uses water (about 300 Ltrs per shift). For Non copper coated wire this process, in totality, is eliminated. Hence there is saving of water and energy for the wire, which is converted to non-copper-coated form from copper coated. In special welding consumables, for special materials, there isn't any direct reduction of energy / water for consumers due to these products, however, these are the welding consumable products, which are developed for welding those specific materials, which have been specially developed by customer for their specific usage in stringent environmental conditions. This gives the advantages to customers, in terms of confidentiality of their products and usage of 'Make In India' products at competitive prices.

c) Does the company have procedures in place for sustainable sourcing (including transportation)? (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to focus on protection of environment, stakeholders' interest and cost effectiveness, while procuring any raw material or goods. The main raw materials - Steel, and Chemicals are procured from manufacturers / producers, who are well reputed, keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate. Some of the initiatives are as follows:

➤ **Environmental initiatives**

- Use of recycled packing materials for welding equipment.
- Utilization of Green Energy. (518 KW Solar Power Plant installed in Raipur + 200 KW under progress at Silvassa)
- Use of ROHS compliant products, use of recyclable packaging material and reusable packaging.
- Wire basket used for MIG wire spooling, to reduce the use of Plastic spools, to some extent.
- 18 Kg spool packing implemented, in place of 15 Kg, thereby reducing overall plastic use by approx. 15%.
- Recycled ABS material used for Spools, in place of Virgin plastic, for MIG spooling.

➤ **Hazardous / Risk Control initiatives**

- LNG was replaced with PNG, at Silvassa plant.
- Vacuum Packing automation introduced, in place of Manual Packing, to avoid Human fatigue.

➤ **Social initiatives**

- Various training sessions were carried out for suppliers for improving their quality and productivity, through Process and Quality audits.



- All required help is provided by the Company for improving the capacity, quality standards and efficiencies of suppliers.

➤ **Economic initiatives**

- While developing suppliers, AWL always considers sustainable sourcing alternatives and firmly believes that creation of a sustainable supply chain, is essential for long-term growth.

d) Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company encourages local procurement of goods & services around its plants proximity and region.

Our raw material import content, for welding equipment, has been reduced from 20 % to 4 % last year. All electrical and electronic parts of machines are developed in-house and are being manufactured locally by developing the vendors locally & improving their manufacturing and technical capabilities. Local procurement stands at 67% of the total procurement today and has improved from 60% to 67% in the last two years alone. Further, most of the raw material such as minerals, oxides, which are required for manufacturing welding consumables, are locally developed through local vendors. The design of the consumables is also altered in some cases to aid localizations.

e) Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so

AWL strongly believes that reuse and recycling principle takes not only structures and capacity but also awareness and advocacy. The Company endeavors to manage the environmental impacts of organizational activities, products and services. The percentage of recycling of products and waste falls in the range of 2-3%.

PRINCIPLE 3: EMPLOYEE WELLBEING

1. Please indicate the Total number of employees: **560**
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis- **90**
3. Please indicate the Number of permanent women employees: **34**
4. Please indicate the Number of permanent employees with disabilities: **1**
5. Do you have any employee association that is recognized by Management: **No**
6. What percentage of your permanent employees is Members of this recognized employee association: **NA**
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

| Sr. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as on end of the financial year |
|---------|--------------------------------------------------|---------------------------------------------------|-----------------------------------------------------------|
| 1. | Child labour /forced labour / involuntary labour | Nil | NA |
| 2. | Sexual harassment | Nil | NA |
| 3. | Discriminatory employment | Nil | NA |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- a) Permanent Employees- **100%**
- b) Permanent Women Employees- **100%**
- c) Casual / Temporary / Contractual Employees- **50%**
- d) Employees with Disabilities- **100%**

Safety is of paramount importance to the Company. All employees in the Company are provided with safety training, as part of their induction programme. The safety induction programme is also a compulsory requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis, to build a culture of safety across its workforce. Basic safety aspects are covered in induction for new joinees and bi-annual fire drills & skills are imparted on-the-job or through job rotation.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of management cadre employees are met through Company's L&D structure, which includes various training delivery mechanisms.

PRINCIPLE 4: RESPONSIVENESS TO ALL STAKEHOLDERS / STAKEHOLDER ENGAGEMENT

1. Has the company mapped its internal and external stakeholders? Yes / No

Yes. The Company deals with various stakeholders viz. business partners, employees, contract workers, Bankers, investors / shareholders and suppliers. The Company uses both formal and informal mechanisms / channels to engage with various stakeholders to understand their concerns and expectations. Engagement with the stakeholders is an on-going process and the individual departments within the organization have roles and responsibilities, identified & defined to engage with various stakeholders.

The Company considers its women employees as one of the most important stakeholders of the organization and has also recruited a woman as "Factory Manager" at its Equipment Manufacturing Plant in FY 2019-20.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company is committed to the welfare of marginalized and vulnerable sections of the society. The Company engages with its Stakeholders on an ongoing basis and has identified specific areas like educating and training the underprivileged / vulnerable stakeholders, which help them improve their standard of living.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

The Company, as part of fulfilment of its CSR obligation, has undertaken programs and projects, which are aimed at serving the needy, socio-economically backward and disadvantaged communities to improve their quality of life, such as women empowerment and promotion of education and healthcare by identifying the marginalized segments of the society and contributing towards meeting their social needs. Please refer Annexure II to our Board's Report for details of our CSR activities in FY 2019-20.

PRINCIPLE 5: PROMOTING HUMAN RIGHTS

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

AWL recognizes, supports and respects the protection of human rights, labour & environmental standards. AWL does not hire child labour, forced labour and involuntary labour. The suppliers / contractors / NGOs,

dealing with the Company, are always encouraged to maintain ethical standards in all their practices. AWL values and strives to protect the wellbeing of its employees.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaints relating to human rights violation were received during the last Financial Year 2019-20.

PRINCIPLE 6: PROTECTING THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

Sustainability is built into the Company's business processes. This Policy reaffirms value system committed to integrate environmental, social and ethical principles into Company's business and innovates sustainable mobility solutions with passion to enhance quality of life of communities. The Joint Venture partners / Suppliers / Contractors / NGOs / and others are also encouraged to maintain ethical standards in all their practices.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has come up with various strategies / initiatives to address global environmental issues. The Company has worked extensively to address such issues by striking a balance between economic growth and preservation of the environment. In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimize consumption and also to improve energy efficiency, through innovative measures.

During the year under review, Solar Power Plant was installed in Raipur factory to reduce the carbon footprint and the Company utilized solar energy at the said Plant.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess risks including environmental risks. The Company's three Manufacturing units are ISO 9001, ISO 14001, ISO 50001 and OHSAS 18001 certified.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, in line with the National Clean Development Mechanism, the Company has replaced Tube lights with LED lights. The Company has also successfully installed a solar panel for 518 kw in Raipur.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

For cleaner technology, the Company has installed Effluent Treatment Plants (ETPs) & Sewage Treatment Plants (STPs) for use of water for gardening applications. We, at AWL, appreciate and recognize the fact that nature is known to improve mental, physical, and emotional wellbeing of people in its vicinity besides saving of energy and hence all our manufacturing factories have created a green landscape with over two thousand trees and many flowering plants, across its factories, which also support the ecosystem.

Further, the Company has wet scrubber for fume extraction system for controlling the air pollution at plants for welding consumables. Automated dousing systems are routinely used for charging of in-process chemicals at consumable plants. Batching plants for minerals, metal & alloy powders, used to make fluxes for welding electrodes, are automated.

The Company has also taken various initiatives in energy efficiency viz., VFDs on various machines, replacement of Tube light with LED and high efficiency motors, several ovens at consumable plants with contactor logic, have been converted into thyristor power control for making them more accurate and energy efficient.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated by the Company are / is within the permissible limits given by CPCB / SPCB. We have external agencies, who come with the required instruments routinely within the stipulated period, to check and verify compliance of stack & effluent management.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the Financial Year 2019-20, there was no unresolved show cause / legal notices received from CPCB / SPCB.

PRINCIPLE 7: RESPONSIBLE POLICY ADVOCACY

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Bombay Chamber of Commerce and Industry (BCCI)
- (b) Association of Welding Products Manufactures (AWPM)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has, till now, not participated in any such events. However, in future the Company shall raise issues, which are of the industrial concerns and not detrimental in nature.

PRINCIPLE 8: INCLUSIVE DEVELOPMENT

1. Does the company have specified programmes /initiatives /projects in pursuit of the policy related to Principle 8? If yes, details thereof.

AWL is well aware of its responsibility as a Business unit to the society. Inclusive growth means every stakeholder engaged gets an opportunity to enjoy and share the benefits accrued by the Company. The Company through its skill development programs attempts to ensure that youth of the Country are trained to master welding skill set and is made employable.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The Company undertakes various CSR activities either through registered Trusts or by contributing directly to the NGOs that have an established track record of carrying out CSR activities. M/s. Ador Welding Academy Private Limited (AWAPL), our wholly-owned subsidiary, regularly conducts programs for imparting training to the youth, especially from the socially weak background, in the field of welding through sponsorship from various Corporates, under their CSR initiatives.

3. Have you done any impact assessment of your initiative?

We constantly assess, monitor and capture feedback in both, formal and informal ways, with respect to our CSR spends. We have involvement of our Management and their guidance for effectively assessing the impact.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent its share of CSR obligation of Rs. 65.07 Lakhs for the financial year 2019-20. Out of the total amount, the Company has spent Rs. 62.36 Lakhs in the below named projects:



| Sr. No. | Project Description | Amount (Rs. in Lakhs) |
|--------------|------------------------------------------------------|-----------------------|
| 1 | Promotion of Education (Raipur School refurbishment) | 61.61 |
| 2 | Promoting Health Care, Including Mental Health | 0.75 |
| Total | | 62.36 |

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We directly connect with the beneficiaries at the grass root. In FY 2019-20 we had paid Rs. 0.75 Lakh, under our CSR initiative, to the Institute of Psychological Health (IPH), Pune by sponsoring Schizophrenia / Epilepsy support groups and the Patients were benefitted immensely through care givers, who attended the Meetings of the support groups.

We believe in transformation of a long term nature and hence have our interventions in an integrated manner.

PRINCIPLE 9: PROVIDING VALUE TO THE CUSTOMERS

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

A well-established system viz. Customer Care Center (CCC) is in place for dealing with customer feedback and complaints. Customers are provided various options to connect with the Company through e-mails, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. There aren't any customer complaints / consumer cases pending as on the end of last financial year 2019-20. All the complaints are efficiently attended by our cross functional team (Plant QC team / Plant Production / TDC {R&D} team) along with our sales team.

Further, we conduct regular meetings with customer representatives for understanding the nature of difficulties faced by our customers. Based on the feedback of representatives, we suggest welding parameters specific to customer's job, provide demonstration to welders at customer's premises as well as replace specific lot, in order to satisfactorily resolve the complaints. Corrective & preventive actions are taken and shared with customers as well.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)

Yes, the Company does display the required / necessary product information on the product label.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

No complaints or cases have been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behavior.

4. Did your company carry out any consumer survey / consumer satisfaction trends?

Yes, we do have a system in place to get feedback from our customers, which is through our sales team. A feedback sheet is sent to the customers, to give their views / feedback on our services including product quality, cost, and timely delivery, amongst other things.

In the said feedback sheet the customer has to rate our services in the scale from "poor to excellent" and has to also mention their expectations, if any. In addition to this, we also carry out survey through electronic media from time-to- time to get customer feedback. Upon receipt of feedbacks, the same are analyzed and a suitable action plan is formed for improvements.

Independent Auditor's Report

To the Members of Ador Welding Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Ador Welding Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter – COVID-19

4. We draw attention to Note 45 of the accompanying standalone financial statements which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and standalone financial statements of the Company as at the balance sheet date. The impact of these uncertainties on the Company's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



| Key audit matter | How our audit addressed the key audit matter |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue recognition | Our response: |
| Refer Notes 1(II)(I), 31 and 57 to the standalone financial statements | |
| <p>The Company generates revenue mainly from two sources: i) Sale of consumables; and ii) Sale of equipment and rendering of services under project engineering business (PEB).</p> <p>Revenue of the Company is recognized in accordance with Indian Accounting Standard 115, 'Revenue from contracts with customers' ('Ind AS 115).</p> <p>Owing to the multiplicity of the Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.</p> <p>Further, Ind AS 115 requires management to make certain key judgements, such as, identification of distinct performance obligations, in contract with customers (such as after sales maintenance services and product warranties), determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>The revenue from sale of consumables and equipment is recognised when control over the goods is transferred to the customer according to the contract terms, which is generally upon delivery of goods as mentioned in Note 1(II)(I) while the performance obligations, in case of PEB, are satisfied over the time.</p> <p>The timing of revenue recognition is important to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year-end.</p> <p>Accordingly, due to the significant risk associated with revenue recognition, it has been determined to be a key audit matter in our audit of the standalone financial statements.</p> | <p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies in accordance with Ind AS 115. • Tested the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition, including controls around rebates / discounts and cut off assertion. • Selected a sample of continuing and new contracts and performed the following procedures: <ul style="list-style-type: none"> – Analysed and identified the performance obligations in these contracts; – Compared these performance obligations with that identified and recorded by the Company; – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and – Tested the allocation of transaction price to identified performance obligations in the contract. • Performed substantive testing for samples of revenue transactions recorded during the year, and revenue transactions recorded before and after year-end to test cut off assertion, by verifying the underlying documents for such selected samples, which included shipping documents, lorry receipt, sales order, approved price list. • Verified the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorized person and goods inward note. • Performed analytical procedures on current year revenue based on overall revenue recognized, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; • Assessed that the disclosures made by the management in standalone/consolidated financial statements are accordance with applicable accounting standards. |
| Unbilled revenue - EPC Contract | Our response: |
| Refer Note 17 to the standalone financial statements | |
| <p>During the financial year 2016-17, the Company entered into a contract for providing Engineering Procurement and Constructions (EPC) service in relation to a gas line project, with a customer in Kuwait for a contract of value KWD 4,929,550.</p> <p>The Company's performance obligations under the said contract were completed in financial year 2018-19 and the Company has recognized the entire revenue from this contract by the end of such financial year in accordance with the accounting principles of Ind AS 115, Revenue from contracts with customers.</p> <p>As per the terms of the contract, the Company can invoice the customer only after the other vendors involved in the project complete their portion of the work and a quality inspection is done by the customer. Consequently, while the Company has completed its performance obligations and has recognized revenue, as aforesaid, aggregating to Rs. 10,959 lakhs, the unbilled revenue as at 31 March 2020 amounts to Rs 5,625 lakhs (Previous Year - Rs. 7,840 lakhs).</p> <p>Considering the materiality of the amounts involved and significant efforts required in assessing the appropriateness of the carrying value of the unbilled revenues, we have considered this matter to be a key audit matter for the current year audit.</p> | <p>Our audit procedures in relation to revenue recognition, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> – Obtained an understanding of management's process and evaluated the design and tested the operating effectiveness of controls around revenue recognition and accounting treatment of unbilled revenue as per Ind AS 115; – Obtained and inspected the agreement, with respect to the key contractual terms including those related to invoicing, entered into by the Company with the customer and evaluated the appropriateness of the accounting treatment assessed by the management; – Evaluated whether the performance obligations and service delivery obligations as per the terms of the contract appear to be satisfied by the Company to the extent of revenue recognized, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work; – Tested all the invoices raised in relation to the project from its commencement until 31 March 2020 and traced the receipt of money in respect of such invoices to the bank statements. – Obtained an independent confirmation from the contractor to the project certifying that the balance invoicing under the project would be done subsequent to the testing phase, to corroborate the reasons of delay in invoicing as explained by the management. – Evaluated the appropriateness of the disclosures made in the financial statements with respect to revenue and related balances. |



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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
- 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 standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 23 June 2020 as per Annexure B expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us;
 - I. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - II. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - III. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
 - IV. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 20042423AAAADK2356

Place: Mumbai
Date: 23 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of Ador Welding Limited on the standalone financial statements for the year ended 31 March 2020

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company' products/services 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 cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:



Statement of Disputed Dues

| Name of the statute | Nature of dues | Amount (in Lakhs) | Amount paid under Protest (in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------|------------------------------------|---------------------------------------------------|
| Income Tax Act, 1961 | Disallowance of scientific research expenses | 62.63 | 12.55 | Financial year 2013-14 | CIT (Appeals) |
| The Central Excise Act, 1944. | Additional Liability arising due to difference in assessable value, disallowance of CENVAT credit (including penalty/interest, if any) | 7.72 | 1.00 | 1998-99 | Custom, Excise and Service Tax Appellate Tribunal |
| | | 2.18 | 0.96 | 2006-07 | Assistant Commissioner |
| | | 13.42 | - | 2008-09 | Commissioner-Appeal |
| | | 2,361.46 | 88.56 | 2012-2017 | CESTAT |
| Central Sales tax Act and Local Sales Tax Acts of various statutes | Additional Liability arising due to difference in assessable value, disallowance of VAT credit (including penalty/interest, if any) | 18.07 | 9.21 | 1987-1988, 1992-1993 | High court |
| | | 45.19 | 35.87 | 2005-2006 | Deputy Commissioner |
| | | 152.23 | 5.50 | 2005-2006 | Deputy Commissioner |
| | | 20.09 | - | 2004-05 | Joint Commissioner |
| | | 6.88 | - | 2004-05 | Joint Commissioner |
| | | 7.98 | - | 2003-04 | Joint Commissioner |
| | | 0.21 | - | 2003-04 | Joint Commissioner |
| | | 341.45 | 341.45 | 2005-06 | Additional session court |
| | | 484.86 | - | 2005-06 | DC – Appeals |

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN : 20042423AAAADK2356

Place: Mumbai

Date: 23 June 2020



Annexure B to the Independent Auditor's Report of even date to the members of Ador Welding Limited on the standalone financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Ador Welding Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 20042423AAAADK2356

Place: Mumbai
Date: 23 June 2020

STANDALONE BALANCE SHEET

| Particulars | Notes | (Rs. in lakhs) | |
|-----------------------------------------------------------------------------------------|-------|------------------------|------------------------|
| | | As at 31 March 2020 | As at 31 March 2019 |
| Assets | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2A | 11,446 | 10,461 |
| (b) Right-of-use asset | 2B | 110 | - |
| (c) Capital work-in-progress | 3 | 28 | 102 |
| (d) Investment property | 4 | 810 | 887 |
| (e) Intangible assets | 5 | 87 | 120 |
| (f) Intangible assets under development | | 5 | 5 |
| (g) Financial assets | | | |
| (i) Investments in subsidiary | 6 | 353 | 353 |
| (ii) Loans | 7 | 183 | 160 |
| (iii) Other financial assets | 8 | 687 | 531 |
| (h) Non-current tax assets, net | 9 | 41 | 332 |
| (i) Other non-current assets | 10 | 2,072 | 2,149 |
| | | <u>15,822</u> | <u>15,100</u> |
| (2) Current assets | | | |
| (a) Inventories | 11 | 6,221 | 5,159 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 282 | 341 |
| (ii) Trade receivables | 13 | 12,977 | 8,451 |
| (iii) Cash and cash equivalents | 14 | 502 | 2,667 |
| (iv) Other bank balances | 15 | 138 | 133 |
| (v) Loans | 16 | 157 | 159 |
| (vi) Other financial assets | 17 | 6,199 | 8,188 |
| (c) Current tax assets, net | 18 | 439 | - |
| (d) Other current assets | 19 | 1,944 | 2,893 |
| | | <u>28,859</u> | <u>27,991</u> |
| Total Assets | | <u>44,681</u> | <u>43,091</u> |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 20 | 1,360 | 1,360 |
| (b) Other equity | 21 | 25,528 | 24,980 |
| | | <u>26,888</u> | <u>26,340</u> |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Other financial liabilities | 22 | 145 | 23 |
| (b) Provisions | 23 | 531 | 278 |
| (c) Deferred tax liabilities, net | 24 | 423 | 883 |
| (d) Other non-current liabilities | 25 | 7 | 7 |
| | | <u>1,106</u> | <u>1,191</u> |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 26 | 8,191 | 6,499 |
| (ii) Trade payables | 27 | | |
| Total outstanding dues to micro and small enterprises | | 316 | 60 |
| Total outstanding dues to creditors other than micro and small enterprises | | 5,766 | 6,625 |
| (iii) Other financial liabilities | 28 | 1,734 | 1,265 |
| (b) Other current liabilities | 29 | 356 | 753 |
| (c) Provisions | 30 | 324 | 358 |
| | | <u>16,687</u> | <u>15,560</u> |
| Total equity and liabilities | | <u>44,681</u> | <u>43,091</u> |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes 1 to 59 are an integral part of the financial statements. | | | |

This is the balance sheet referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

Managing Director
DIN : 05168265

N.Malkani Nagpal

Executive Chairman
DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

Place : Mumbai

Date : 23 June 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

(Rs. in lakhs)

| Particulars | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 31 | 52,574 | 51,215 |
| Other income | 32 | 1,016 | 1,042 |
| Total Income | | 53,590 | 52,257 |
| Expenses | | | |
| Cost of raw materials and components consumed | 33 | 36,026 | 35,083 |
| Purchase of stock-in-trade | 34 | 653 | 979 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 35 | (58) | 167 |
| Employee benefits expenses | 36 | 4,251 | 4,110 |
| Finance costs | 37 | 861 | 905 |
| Depreciation and amortisation expense | 2,4,5 | 1,068 | 960 |
| Other expenses | 38 | 7,463 | 6,575 |
| Total expenses | | 50,264 | 48,779 |
| Profit before tax | | 3,326 | 3,478 |
| Tax expense | 39 | | |
| Current tax | | 909 | 1,018 |
| Deferred tax (credit) / charge | | (410) | 75 |
| Profit for the year | | 2,827 | 2,385 |
| Other comprehensive income | 40 | | |
| (i) Items that will not be reclassified to statement of profit and loss | | (197) | 6 |
| (ii) Income tax relating to above items | | 50 | (2) |
| Net other comprehensive (loss) / income | | (147) | 4 |
| Total comprehensive income for the year | | 2,680 | 2,389 |
| Earnings per equity share | 52 | | |
| Basic and diluted earnings per share (Rs. 10 per share) | | 20.79 | 17.54 |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes 1 to 59 are an integral part of the financial statements. | | | |

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

Managing Director

DIN : 05168265

N.Malkani Nagpal

Executive Chairman

DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

Place : Mumbai

Date : 23 June 2020

STANDALONE CASH FLOW STATEMENT

| Particulars | | (Rs. in lakhs) | | | |
|-------------|--------------------------------------------------------------------------------------------------------|-----------------------------|----------------|-----------------------------|---------|
| | | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
| A) | Cash flow from operating activities | | | | |
| | Profit before tax | | 3,326 | | 3,478 |
| | Adjustment for: | | | | |
| | Fair value adjustments relating to | | | | |
| | Financial assets at FVTPL | 59 | | (18) | |
| | Financial assets at amortised cost | (1) | | (6) | |
| | Financial liabilities at amortised cost* | - | | 0 | |
| | Interest expense on lease liability | 11 | | - | |
| | Depreciation and amortisation expense | 1,068 | | 960 | |
| | Bad debts written off | 36 | | 29 | |
| | Provision for doubtful debts | 541 | | 193 | |
| | Provision for doubtful deposit and advances | 35 | | 12 | |
| | Provision for unbilled revenue | 52 | | - | |
| | Assets and Inventory written off / discarded | - | | 19 | |
| | Items considered separately: | | | | |
| | Finance costs | 850 | | 905 | |
| | Loss on sale of property, plant & equipment | 10 | | 9 | |
| | Surplus on sale of investments | (2) | | - | |
| | Interest income | (98) | | (161) | |
| | Rental income | (110) | | (72) | |
| | Exchange gain on revaluation of foreign currency monetary item | (88) | 2,363 | (124) | 1,746 |
| | Operating profit before working capital changes | | 5,689 | | 5,224 |
| | Adjustments for changes in working capital | | | | |
| | Inventories | (1,062) | | 253 | |
| | Trade receivables | (5,084) | | 522 | |
| | Loans and Other receivables | 3,128 | | 1,618 | |
| | Trade payables | (614) | | (861) | |
| | Liabilities and Provisions | 299 | (3,333) | 558 | 2,090 |
| | Cash generated from operating activities | | 2,356 | | 7,314 |
| | Income tax paid | | (1,057) | | (1,013) |
| | Net cash generated from operating activities | | 1,299 | | 6,301 |
| B) | Cash flow from investing activities | | | | |
| | Acquisition of property, plant and equipment (including capital work-in-progress and capital advances) | (2,200) | | (1,918) | |
| | Purchase of investments | (1,600) | | (79) | |
| | Proceeds from sale of property, plant and equipment | 10 | | 21 | |
| | Proceeds from sale of investments | 1,602 | | - | |
| | Interest income | 98 | | 164 | |
| | Rental received | 105 | | 83 | |
| | Investment in fixed deposits | (156) | | (183) | |
| | Net cash used in investing activities | | (2,141) | | (1,912) |

(Rs. in lakhs)

| Particulars | Year ended | | Year ended | |
|-------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
| | 31 March 2020 | | 31 March 2019 | |
| C) Cash flow from financing activities | | | | |
| Finance costs | (859) | | (893) | |
| Repayment of lease liability | (24) | | - | |
| Proceeds from current borrowings | 54,284 | | 29,400 | |
| Repayment of current borrowings | (52,592) | | (31,021) | |
| Dividend paid | (1,768) | | (680) | |
| Dividend distribution tax | (364) | | (140) | |
| Net cash used in financing activities | | (1,323) | | (3,334) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | | (2,165) | | 1,055 |
| Cash and cash equivalents at the beginning of the year | | 2,667 | | 1,612 |
| Cash and cash equivalents at the end of the year [Refer note 14] | | 502 | | 2,667 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes to the cash flow statement

a) Components of cash and cash equivalents:

(Rs. in lakhs)

| Particulars | As at | |
|-----------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Cash on hand | 5 | 5 |
| Cheques on hand | - | 2,061 |
| Balances with banks in current accounts | 497 | 601 |
| Total | 502 | 2,667 |

The accompanying notes 1 to 59 are an integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai

Date : 23 June 2020

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

Managing Director
DIN : 05168265

N.Malkani Nagpal

Executive Chairman
DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

STANDALONE STATEMENT OF CHANGES IN EQUITY

A) Equity share capital (Refer note 20)

| Particulars | Number of shares | Rs. in lakhs |
|----------------------------------------|-------------------|--------------|
| Issued, subscribed and paid up: | | |
| As at 1 April 2018 | 13,598,467 | 1,360 |
| As at 31 March 2019 | 13,598,467 | 1,360 |
| As at 31 March 2020 | 13,598,467 | 1,360 |

B) Other equity (Refer note 21)

| Particulars | Reserves and surplus | | | Total |
|----------------------------------------------------|----------------------|----------------------------|-------------------|---------------|
| | General reserve | Capital redemption reserve | Retained earnings | |
| Balance as at 1 April 2018 | 13,961 | 223 | 9,227 | 23,411 |
| Net profit for the year | - | - | 2,385 | 2,385 |
| Net other comprehensive income for the year | - | - | 4 | 4 |
| Transfer from retained earnings to general reserve | 186 | - | (186) | - |
| Equity dividend including taxes thereon as above | - | - | (820) | (820) |
| Balance as at 31 March 2019 | 14,147 | 223 | 10,610 | 24,980 |
| Net profit for the year | - | - | 2,827 | 2,827 |
| Net other comprehensive loss for the year | - | - | (147) | (147) |
| Transfer from retained earnings to general reserve | 239 | - | (239) | - |
| Equity dividend including taxes thereon as above | - | - | (2,132) | (2,132) |
| Balance as at 31 March 2020 | 14,386 | 223 | 10,919 | 25,528 |

The accompanying notes 1 to 59 are an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandniok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai

Date : 23 June 2020

V.M. Bhide

**Head - Corp. Admin,
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Secretary**

G.A. Patkar

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Officer**

S.M. Bhat

Managing Director
DIN : 05168265

N.Malkani Nagpal

Executive Chairman
DIN : 00031985

Place : Mumbai

Date : 23 June 2020

Note 1 - Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020

I. Background of the Company

Ador Welding Limited ('the Company') was incorporated in 1951 and is one of India's leading player in the field of Welding Products, Technologies and Services. The Company is also engaged in providing customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries. The Company is a public limited company and domiciled in India and its shares are listed on two recognised stock exchanges in India - The BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The registered and corporate office of the Company is situated at Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400001.

The separate financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 23 June 2020.

II. Significant Accounting Policies followed by the Company

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

(b) Basis of Preparation

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities that are measured at fair value and defined benefit plan assets measured at fair values by Ind AS.

Fair value is the price that would be received on sale of asset or paid on transfer of liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Current and non-current classification

All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle for each of its businesses, as per the criteria set out in the Schedule III to Act.

(c) Critical estimates and judgments

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

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

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



Useful lives of PPE , investment property and Intangible assets

Property, plant and equipment represent a significant proportion of the asset base of the Company. Depreciation is provided as per the Straight Line Method over the estimated useful lives of assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act. - Refer note 1(II)(d),(e),(f)

Valuation of deferred tax assets / liabilities

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgment is involved in arriving at the deferred tax assets and liabilities, which is based on the Company's current operations and projections for the future. - Refer note 1(II)(o)

Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 46.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. - Refer note 1(II)(i)

Other areas involving critical estimates or judgments are :

- i) Revenue from Project Engineering Business projects - Refer note 1(II)(l)
- ii) Estimation of tax expenses and tax payable - Refer note 39
- iii) Probable outcomes of matters included under Contingent Liabilities - Refer note 41
- iv) Leases - Estimating the incremental borrowing rate - Refer note 1(II)(p)

(d) Property plant and equipment (including Capital Work-in-Progress)

Freehold Land is carried at historical cost. All other items of Property, plant and equipment are stated at cost / deemed cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction are capitalised, as part of cost of qualifying asset.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value or net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method, based on useful life as estimated by the management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets. Depreciation on assets acquired under finance lease is spread over the lease period or useful life, whichever is shorter.

Assets not yet ready for use are recognised as capital work-in-progress.

(e) Intangible Assets (including intangibles under development)

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.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of three years.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.

(f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entity, is classified as Investment Property. Investment property is measured initially at its cost, including related transaction costs and where applicable, borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed, when incurred. When part of an Investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on a pro-rata basis on the straight-line method, based on useful life as estimated by the management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets.

(g) Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements. Refer to note 6 for the list of investments.

(h) Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised, whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss. (fair value less disposal cost)

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation, if there were no impairment.

(i) Investments and financial assets**Classification**

The Company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (ii) those measured at amortised cost.



The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model, in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining, whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Company classifies its debt instruments:

- (i) **Amortised cost** : Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment, that is subsequently measured at amortised cost and is not part of a hedging relationship, is recognised in statement of profit and loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (ii) **Fair value through other comprehensive income (FVTOCI)** : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- (iii) **Fair value through profit or loss** : Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach, permitted by Ind AS 109 Financial

Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- (i) The Company has transferred the rights to receive cash flows from the financial asset or,
- (ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand & at bank and current investments with an original maturity of three months or less. Cash and cash equivalents consist of balances with banks, which are unrestricted for withdrawal and usage.

(j) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability, based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

(k) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the 'average cost' method. The cost of finished goods and work in progress comprises raw material, packing materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) Revenue recognition

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation, by transferring a promised good or service to customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and discounts, value added taxes, goods and service tax and applicable taxes, which are collected on behalf of the government or on behalf of third parties.

i) Sale of consumables

Revenue from sale of consumables is recognised at point in time when the control of the asset is transferred to the customer, generally on delivery of the consumables.

ii) Project Engineering Business

Project engineering contracts generally take 1 to 2 years for execution. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of Company's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. For contracts with distinct performance obligations, Company allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price (i.e. fair value based on market approach) of each distinct goods or service in the contract. Generally, most of the revenue in project engineering segments is recognized over time, because control of the asset is transferred as & when the asset is created or enhanced to customers.

The Company monitors estimates of total contract revenue and costs on a regular basis throughout the contract period. The cumulative impact of any change in estimates of the contract value or cost



is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

iii) Contract Assets

Contract assets represent revenue recognized in excess of revenue billed. These amounts are billed after milestones specified in the agreement are achieved. Contract assets are disclosed under Other Current Assets in the Balance sheet.

iv) Benefit on account of entitlement to Import duty

Free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export from India (MEIS) scheme are accounted in the year of export, as export incentives.

(m) Other income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(n) Employee Benefits

Provident fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes", as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity fund: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment, to vested employees at retirement, death, incapacitation or termination of employment, of an amount, based on the respective employee's salary and the tenure of employment.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gains / losses arising on the measurement of defined benefit obligation are credited / charged to other comprehensive income.

Superannuation fund: Contribution towards superannuation fund for certain employees is made to Ador Welding Employees Superannuation Fund Trust administered by the Company. The benefit is classified as a "Defined Contribution Schemes" as the Company does not carry any further obligation, apart from the contribution made on a monthly basis.

Employees state insurance scheme: The Company makes contribution to state plans namely Employees State Insurance Scheme and has no further obligation beyond making the payment to them.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the statement of profit and loss in the year in which they arise.

Termination benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the statement of profit and loss, as and when incurred.

(o) Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred taxes are also recognised in Other comprehensive income or directly in Equity, respectively.

(i) Current income tax

The current income tax includes income tax payable by the Company, computed in accordance with the tax laws applicable in the jurisdiction in which the Company operates. Advance tax and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intend to settle the asset and liability on a net basis.

(ii) Deferred income tax

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss, at the time of recognition.

Deferred tax assets are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which, such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

(p) Leases

The Company has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially used all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low



value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor:

Lease income from operating leases, where the Company is a lessor, is recognised in other income on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet, based on their nature.

(q) Foreign currency transactions

The functional and presentation currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities, that are measured in terms of historical cost in foreign currencies, are not retranslated.

(r) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Company has a present obligation, as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company.

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

(s) Earnings per share

Basic earning per share is computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares, outstanding during the year.

Diluted earning per share is computed by dividing net profit after tax (excluding other comprehensive income), as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earning per share and the weighted average number of equity shares, which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(f) Provision for warranty

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Company. It is expected that this expenditure will be incurred over the contractual warranty period.

(u) Research & Development

Revenue expenditure on research & development (including overheads) are charged out as expense in the year in which they are incurred. Expenditure of a capital nature on research & development is debited to respective fixed assets and depreciation is provided on such assets, as are depreciable.

(v) Standards issued but not effective

There is no standard that is issued but not yet effective on 31 March 2020.

Note 2A - Property, plant and equipment

(Rs. in lakhs)

| Description | Freehold land | Leasehold land | Buildings (Refer note (a) as below) | Ownership premises | Plant and equipments (including computers) | Electrical installations | Furniture and fixtures | Office equipments | Vehicles | Temporary shed | Research & Development assets: | | | | Total | |
|------------------------------------|---------------|----------------|-------------------------------------|--------------------|--------------------------------------------|--------------------------|------------------------|-------------------|------------|----------------|--------------------------------|------------|--------------------------------------------|------------------------|----------|------------------|
| | | | | | | | | | | | Freehold land | Buildings | Plant and equipments (including computers) | Furniture and fixtures | | Air conditioners |
| Gross carrying value | | | | | | | | | | | | | | | | |
| As at 1 April 2018 | 144 | - | 7,014 | 259 | 13,440 | 1,118 | 791 | 200 | 356 | 3 | 34 | 127 | 746 | 4 | 7 | 24,243 |
| Additions | 198 | - | 416 | 15 | 1,147 | 52 | 174 | 55 | 54 | - | - | - | 20 | - | - | 2,131 |
| Deductions | - | - | - | - | 213 | 10 | 2 | 8 | 42 | - | - | - | 4 | - | - | 279 |
| As at 31 March 2019 | 342 | - | 7,430 | 274 | 14,374 | 1,160 | 963 | 247 | 368 | 3 | 34 | 127 | 762 | 4 | 7 | 26,095 |
| Additions | - | - | 313 | - | 1,353 | 74 | 52 | 21 | 87 | - | - | - | 13 | - | - | 1,913 |
| Adjustments (Refer note (b) below) | - | 23 | 53 | - | - | - | - | - | - | - | - | - | - | - | - | 76 |
| Deductions | - | - | - | - | 123 | 17 | 14 | 6 | 18 | - | - | - | - | - | - | 178 |
| As at 31 March 2020 | 342 | 23 | 7,796 | 274 | 15,604 | 1,217 | 1,001 | 262 | 437 | 3 | 34 | 127 | 775 | 4 | 7 | 27,906 |
| Accumulated depreciation | | | | | | | | | | | | | | | | |
| As at 1 April 2018 | - | - | 2,055 | 70 | 10,757 | 761 | 500 | 162 | 127 | 3 | - | 90 | 464 | - | 5 | 14,994 |
| Depreciation charge | - | - | 229 | 5 | 448 | 63 | 55 | 14 | 42 | - | - | 1 | 29 | - | 1 | 887 |
| Adjustments | - | - | 1 | - | 1 | - | - | - | - | - | - | - | - | - | - | 2 |
| Deductions | - | - | - | - | 190 | 10 | 2 | 7 | 37 | - | - | - | 3 | - | - | 249 |
| As at 31 March 2019 | - | - | 2,285 | 75 | 11,016 | 814 | 553 | 169 | 132 | 3 | - | 91 | 490 | - | 6 | 15,634 |
| Depreciation charge | - | - | 246 | 5 | 496 | 57 | 64 | 21 | 48 | - | - | 1 | 27 | - | 1 | 966 |
| Adjustments (Refer note (b) below) | - | - | 18 | - | - | - | - | - | - | - | - | - | - | - | - | 18 |
| Deductions | - | - | - | - | 111 | 16 | 14 | 5 | 12 | - | - | - | - | - | - | 158 |
| As at 31 March 2020 | - | - | 2,549 | 80 | 11,401 | 855 | 603 | 185 | 168 | 3 | - | 92 | 517 | - | 7 | 16,460 |
| Net carrying value | | | | | | | | | | | | | | | | |
| As at 31 March 2019 | 342 | - | 5,145 | 199 | 3,358 | 346 | 410 | 78 | 236 | - | 34 | 36 | 272 | 4 | 1 | 10,461 |
| As at 31 March 2020 | 342 | 23 | 5,247 | 194 | 4,203 | 362 | 398 | 77 | 269 | - | 34 | 35 | 258 | 4 | - | 11,446 |

Notes:-

- (a) Includes:
- (i) Rs. 0.01 lakh (31 March 2019: Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
- (ii) Rs. 4.17 lakhs (31 March 2019: Rs. 4.17 lakhs) for tenements in an association of apartment owners.
- (b) During the current financial year 2019-20, Leasehold land & building, situated at Delhi (Naraina) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakhs has been reclassified from "Investment property" to "Property, plant and equipment"
- (c) Certain assets have been pledged with the banker as security, for details refer note 54.

Note 2B - Right-of-use asset**(Rs. in lakhs)**

| Description | Right-of-use asset [Refer note 43, note (a) and (b) as below] | Total |
|---------------------------------|---------------------------------------------------------------------|------------|
| Gross carrying value | | |
| As at 1 April 2018 | - | - |
| Additions | - | - |
| Deductions | - | - |
| As at 31 March 2019 | - | - |
| Additions | 130 | 130 |
| Deductions | - | - |
| As at 31 March 2020 | 130 | 130 |
| Accumulated amortisation | | |
| As at 1 April 2018 | - | - |
| Amortisation charge | - | - |
| Deductions | - | - |
| As at 31 March 2019 | - | - |
| Amortisation charge | 20 | 20 |
| Deductions | - | - |
| As at 31 March 2020 | 20 | 20 |
| Net carrying value | | |
| As at 31 March 2019 | - | - |
| As at 31 March 2020 | 110 | 110 |

Notes:-

- (a) The Company has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated. This has resulted in recognising a right-of-use asset of Rs. 130 lakhs and a corresponding lease liability of Rs. 129 lakhs. In the statement of profit and loss for the current year, operating lease expenses, which were recognised as other expenses in previous periods, is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard does not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 9.50% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.
- (b) The Company's Right-of-use assets comprises of only buildings, whose net carrying amount as at 31 March 2020 is Rs. 110 lakhs after adjusting accumulated depreciation of Rs. 20 lakhs.
- (c) The Company incurred Rs. 31 lakhs for the year ended 31 March 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 55 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 11 lakhs for the year. [Refer note 38]

Note 3 - Capital work-in-progress

| Particulars | (Rs. in lakhs) | |
|------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Opening balance | 102 | 75 |
| Add : Addition during the year | 16 | 84 |
| Less : Capitalised during the year | (90) | (57) |
| As at 31 March 2020 | 28 | 102 |

Note 4 - Investment property

| Description | (Rs. in lakhs) | | | | |
|------------------------------------|------------------|------------------------------------------------|------------|-----------------------|--------------|
| | Freehold land | Leasehold land [Refer note (d) below] | Buildings | Ownership premises | Total |
| Gross carrying value | | | | | |
| As at 1 April 2018 | 49 | 45 | 939 | 82 | 1,115 |
| Additions | - | - | - | - | - |
| Adjustments | - | (1) | - | - | (1) |
| Deductions | - | - | - | - | - |
| As at 31 March 2019 | 49 | 44 | 939 | 82 | 1,114 |
| Additions | - | - | - | - | - |
| Adjustments [Refer note (d) below] | - | (23) | (53) | - | (76) |
| Deductions | - | - | - | - | - |
| As at 31 March 2020 | 49 | 21 | 886 | 82 | 1,038 |
| Accumulated depreciation | | | | | |
| As at 1 April 2018 | - | - | 180 | 28 | 208 |
| Depreciation charge | - | - | 18 | 1 | 19 |
| Deductions | - | - | - | - | - |
| As at 31 March 2019 | - | - | 198 | 29 | 227 |
| Depreciation charge | - | - | 18 | 1 | 19 |
| Adjustments [Refer note (d) below] | - | - | (18) | - | (18) |
| Deductions | - | - | - | - | - |
| As at 31 March 2020 | - | - | 198 | 30 | 228 |
| Net carrying value | | | | | |
| As at 31 March 2019 | 49 | 44 | 741 | 53 | 887 |
| As at 31 March 2020 | 49 | 21 | 688 | 52 | 810 |

Notes :

(a) Fair Value of Investment properties* :

| Description | (Rs. in lakhs) | | | | |
|----------------------------|----------------|-------------------|------------|-----------------------|--------------|
| | Freehold land | Leasehold land | Buildings | Ownership premises | Total |
| As at 31 March 2019 | 427 | 1,432 | 1,244 | 889 | 3,992 |
| As at 31 March 2020 | 427 | 1,432 | 941 | 889 | 3,689 |

*Estimation of fair value

The fair valuation is based on current prices in the active market of similar properties. The main inputs used for valuation are quantum, area, location, demand, quality of construction, age of building and trend of fair market etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is based on comparable sales approach. The fair value measurement is categorised in level 2 of fair value hierarchy.

(b) Information regarding income and expenditure of Investment property :

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Rental income derived from investment properties | 110 | 72 |
| Direct operating expenses (including repairs and maintenance) for properties generating rental income | 10 | 9 |
| Direct operating expenses (including repairs and maintenance) for properties that did not generate rental income | 4 | 10 |
| Profit arising from investment properties before depreciation | 96 | 53 |
| Less: Depreciation | (19) | (19) |
| Profit arising from investment properties | 77 | 34 |

- (c) The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.
- (d) During the current financial year 2019-20, Leasehold land and building situated at Delhi (Naraina) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment".

Note 5 - Intangible assets

| Description | (Rs. in lakhs) | |
|---------------------------------|-------------------|------------|
| | Computer Software | Total |
| Gross carrying value | | |
| As at 1 April 2018 | 544 | 544 |
| Additions | 108 | 108 |
| Deductions | - | - |
| As at 31 March 2019 | 652 | 652 |
| Additions | 28 | 28 |
| Adjustments | 2 | 2 |
| Deductions | - | - |
| As at 31 March 2020 | 682 | 682 |
| Accumulated amortisation | | |
| As at 1 April 2018 | 478 | 478 |
| Amortisation charge | 54 | 54 |
| Deductions | - | - |
| As at 31 March 2019 | 532 | 532 |
| Amortisation charge | 63 | 63 |
| Deductions | - | - |
| As at 31 March 2020 | 595 | 595 |
| Net carrying value | | |
| As at 31 March 2019 | 120 | 120 |
| As at 31 March 2020 | 87 | 87 |

Note 6 - Non-current investments

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (A) Investment in unquoted equity shares, measured at cost | | |
| Investment in subsidiary Company : | | |
| Ador Welding Academy Private Limited | | |
| 3,000,000 (31 March 2019: 3,000,000) equity shares of Rs.10 each | 353 | 353 |
| (B) Investment in unquoted equity shares, measured at fair value through profit or loss | | |
| Plasma Laser Technologies Limited | | |
| 261,105 (31 March 2019: 261,105) Series A Preferred shares of NIS 1 each | - | 927 |
| Less: Provision for diminution in the value of investments [Refer note (a) below] | - | (927) |
| | - | - |
| Total | 353 | 353 |
| Aggregate amount of unquoted investments before impairment | 353 | 1,280 |
| Aggregate amount of impairment in the value of investments | - | 927 |

Note:

(a) Investment in Plasma Laser Technologies Limited (PLT)-

During the current year, the Company has written off the investment of Rs. 927 lakhs (Previous year Rs. 927 lakhs) in Plasma Laser Technologies Limited (PLT) against the provision created for diminution in the value of investment in PLT amounting to Rs. 927 lakhs.

Note 7 - Non-current loans

Unsecured, considered good (unless otherwise stated)

| Particulars | (Rs. in lakhs) | |
|---------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposit | 189 | 164 |
| Less : Provision for doubtful deposit | (20) | (12) |
| Loan to employees | 14 | 8 |
| Total | 183 | 160 |

Break-up:

| Particulars | (Rs. in lakhs) | |
|-------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 183 | 160 |
| Loans, which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total | 183 | 160 |

Note 8 - Other non-current financial assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------|------------------------|------------------------|
| Fixed deposits for bank guarantees | 687 | 531 |
| Total | 687 | 531 |

Note 9 - Non-current tax assets, net**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------------|------------------------|------------------------|
| Advance income tax [Refer note (a) below] | 41 | 332 |
| Total | 41 | 332 |

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2014-15, A.Y. 2016-17, A.Y. 2019-20 and A.Y. 2020-21. Total amount of advance taxes paid for these assessment years is Rs. 3,077 lakhs and provision for taxes made is Rs. 3,036 lakhs.

Note 10 - Other non-current assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------|------------------------|------------------------|
| Capital advances [Refer note (a) below] | 82 | 46 |
| Less : Provision for capital advances | (27) | - |
| Prepaid expenses | 27 | 20 |
| Balances with government authorities | 1,990 | 2,083 |
| Total | 2,072 | 2,149 |

Note:

(a) Capital advances include:

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Land at Silvassa | 27 | 27 |
| Less : Provision for capital advances | (27) | - |
| Building | 37 | - |
| Plant and equipments | 18 | 19 |
| Total | 55 | 46 |

Note 11 - Inventories

(Valued at lower of cost and net realisable value)

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Raw materials and components and packing material | 3,190 | 2,185 |
| Work-in-progress | 902 | 600 |
| Finished goods | 1,552 | 1,817 |
| Stock-in-trade | 113 | 108 |
| Stores, spares, parts, scrap etc. | 267 | 268 |
| Right to receive inventory | 197 | 181 |
| Total | 6,221 | 5,159 |

Note 12 - Current Investments

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Financial assets classified and measured at fair value through profit or loss | | |
| (A) Investment in mutual funds (Quoted) | | |
| Birla Sunlife Balanced 95 fund - growth - direct plan (31 March 2020: 7,709.91 units, 31 March 2019: 7,709.91 units of Rs. 100 each) | 48 | 63 |
| Birla Sunlife Balanced 95 fund - growth - regular plan (31 March 2020: 3,680.059 units, 31 March 2019: 3,680.059 units of Rs. 100 each) | 21 | 28 |
| DSP Blackrock Balanced fund - direct plan - growth (31 March 2020: 12,209.416 units, 31 March 2019: 12,209.416 units of Rs. 100 each) | 17 | 20 |
| DSP Blackrock Balanced fund - regular plan - growth (31 March 2020: 28,696.993 units, 31 March 2019: 28,696.993 units of Rs. 100 each) | 38 | 43 |
| Franklin India Balanced fund - growth (31 March 2020: 5,430.881 units, 31 March 2019: 5,430.881 units of Rs. 10 each) | 5 | 7 |
| HDFC Hybrid Equity Balanced fund - regular plan - growth (31 March 2020: 107,912.58, 31 March 2019: 107,912.58 units of Rs. 100 each) | 46 | 58 |
| ICICI Prudential Balanced fund - growth (31 March 2020: 53,322.947 units, 31 March 2019: 53,322.947 units of Rs. 10 each) | 57 | 72 |
| Investment in mutual funds | 232 | 291 |
| (B) Investment in bonds (Quoted) | | |
| 9.60% Tourism Finance Corporation Limited Bonds_2028 (31 March 2020: 2 units, 31 March 2019: 2 units of Rs. 10 lakhs each) | 20 | 20 |
| 9.65% Tourism Finance Corporation Limited Bonds_2033 (31 March 2020: 1 units, 31 March 2019: 1 units of Rs. 10 lakhs each) | 10 | 10 |
| 9.05% Oriental Bank of Commerce Bond (Perpetual) (31 March 2020: 2 units, 31 March 2019: 2 units of Rs. 10 lakhs each) | 20 | 20 |
| Investment in bonds | 50 | 50 |
| Total (A+B) | 282 | 341 |

Note 13 - Trade receivables**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------------------------------------|------------------------|------------------------|
| Trade receivables | 13,758 | 8,708 |
| Receivables from related parties (Refer Note 47) | 17 | - |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| Less : Provision for doubtful trade receivables | (798) | (257) |
| Total | 12,977 | 8,451 |

Break-up:**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Secured, considered good [Refer note (a) below] | 250 | 589 |
| Unsecured, considered good [Refer note (b) below] | 12,727 | 7,862 |
| Unsecured, considered doubtful | 798 | 257 |
| Less : Provision for doubtful trade receivables | (798) | (257) |
| Total | 12,977 | 8,451 |
| Includes amount due by Private Companies in which Director / officer is a Director (Refer Note 47) | 8 | - |

Notes:

(a) Secured by letter of credit

(b) Includes an amount of Rs. Nil (31 March 2019: Rs. 169 lakhs) on account of retention money of Project engineering business.

Note 14 - Cash and cash equivalents**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------|------------------------|------------------------|
| Cash on hand | 5 | 5 |
| Cheques on hand | - | 2,061 |
| Balances with banks in current accounts | 497 | 601 |
| Total | 502 | 2,667 |

Note 15 - Other bank balances**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------------------------------------------------|------------------------|------------------------|
| Earmarked balances with banks [Refer note (a) below] | 132 | 127 |
| Deposits with maturity of more than three months but less than twelve months | 6 | 6 |
| Total | 138 | 133 |

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2020.

Note 16 - Current loans

Unsecured, considered good (unless otherwise stated)

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | 110 | 117 |
| Loan to related parties (Refer Note 47) | 1 | 4 |
| Loans and advances to employees | 37 | 29 |
| Others | 9 | 9 |
| Total | 157 | 159 |

Break-up:

| Particulars | (Rs. in lakhs) | |
|-------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 157 | 159 |
| Loans, which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total | 157 | 159 |

Note 17 - Other current financial assets

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Unbilled revenue | 6,139 | 7,840 |
| Less: Provision for unbilled revenue | (52) | - |
| Interest accrued but not due on fixed deposits | 2 | 2 |
| Measurement of derivative contract at marked to market* | - | 148 |
| Other receivables | | |
| (a) from related parties | 2 | 0 |
| (b) from others | 108 | 198 |
| Total | 6,199 | 8,188 |

* Amounts below Rs 0.50 lakh have been rounded off.

Note 18 - Current tax assets, net

| Particulars | (Rs. in lakhs) | |
|-------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advance income tax [Refer note (a) below] | 439 | - |
| Total | 439 | - |

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2017-18 and A.Y. 2018-19. Total amount of advance taxes paid for these assessment years is Rs. 2,062 lakhs and provision for taxes made is Rs. 1,623 lakhs.

Note 19 - Other current assets

(Rs. in lakhs)

| Particulars | As at | |
|-----------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Contract assets | 485 | 2,115 |
| Advance to suppliers | 1,217 | 418 |
| Prepaid expenses | 129 | 184 |
| Duty entitlement on hand | 4 | 14 |
| Duty drawback and MEIS receivable | 68 | 162 |
| Input tax credit receivable | 41 | - |
| Total | 1,944 | 2,893 |

Note 20 - Equity share capital

(Rs. in lakhs)

| Particulars | As at | |
|-----------------------------------------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Authorised shares | | |
| 30,000,000 (31 March 2019: 30,000,000) equity shares of Rs. 10 each | 3,000 | 3,000 |
| Issued, subscribed and fully paid-up shares | | |
| 13,598,467 (31 March 2019: 13,598,467) equity shares of Rs. 10 each fully paid up | 1,360 | 1,360 |
| Total | 1,360 | 1,360 |

Note 20 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| Equity shares | | | | |
| Shares outstanding at the beginning of the year | 13,598,467 | 1,360 | 13,598,467 | 1,360 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 13,598,467 | 1,360 | 13,598,467 | 1,360 |

Note 20 b- Rights, preferences and restrictions

The Company has only one class of shares referred to as equity shares having a par (face) value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.

Note 20 c- Shares held by holding Company

| Particulars | As at | |
|--------------------------------------|----------------------|----------------------|
| | 31 March 2020 | 31 March 2019 |
| Equity shares of Rs. 10 each | No. of shares | No. of shares |
| J.B.Advani & Company Private Limited | 6,800,531 | 6,800,531 |

Note 20 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|------------------------------------------|---------------------|---------------|---------------------|---------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity shares of Rs. 10 each | | | | |
| J.B.Advani & Company Private Limited | 6,800,531 | 50.01% | 6,800,531 | 50.01% |
| Reliance Capital Trustee Company Limited | 877,875 | 6.46% | 878,890 | 6.46% |
| Total | 7,678,406 | 56.47% | 7,679,421 | 56.47% |

Note 20 e- The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2020.

Note 21 - Other equity

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| General reserve [Refer note (a) below] | 14,386 | 14,147 |
| Capital redemption reserve account [Refer note (b) below] | 223 | 223 |
| Retained earnings [Refer note (c) below] | 10,919 | 10,610 |
| Total | 25,528 | 24,980 |

Notes :

(a) General reserve*

| Particulars | (Rs. in lakhs) | |
|---------------------------------------|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balance at the beginning of the year | 14,147 | 13,961 |
| Add: Transfer from retained earnings | 239 | 186 |
| Balance at the end of the year | 14,386 | 14,147 |

*The general reserve is a distributable reserve maintained by the Company to be utilised in accordance with the Act.

(b) Capital redemption reserve account**

| Particulars | (Rs. in lakhs) | |
|---------------------------------------|---------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Balance at the beginning of the year | 223 | 223 |
| Transaction during the year | - | - |
| Balance at the end of the year | 223 | 223 |

**The reserve has been created on / during buy back of equity shares and it is a non- distributable reserve.

(c) Retained earnings*****(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 10,610 | 9,227 |
| Transaction during the year | | |
| Add: Net profit for the year | 2,827 | 2,385 |
| Add: Net other comprehensive (loss)/income for the year | (147) | 4 |
| Less: Transfer to general reserve | (239) | (186) |
| Less: Equity dividend [Refer note (c)(i) below] | (1,768) | (680) |
| Less: Tax on equity dividend | (364) | (140) |
| Balance at the end of the year | 10,919 | 10,610 |

***Retained earnings pertain to the accumulated earnings made by the Company over the years.

Note (c)(i):**Distributions made and proposed**

The Board of directors at its meeting held on 16 May 2019 had recommended a final dividend of 65% (Rs 6.50 per equity share of par value Rs 10 each). The proposal was approved by shareholders at the Annual General Meeting held on 26 July 2019, this had resulted in a cash outflow of Rs. 1,066 lakhs, inclusive of dividend distribution tax. Further, the Board of Directors at its meeting held on 14 February 2020 have declared an interim dividend of 65% (Rs. 6.50 per equity share of par value Rs 10 each) this had further resulted in a cash outflow of Rs 1,066 lakhs, inclusive of dividend distribution tax. [Refer note 51]

Note 22 - Other non-current financial liabilities**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| Rent deposit | 22 | 10 |
| Deposit from trainees / employees | 10 | 13 |
| Lease liability [Refer note 43] | 113 | - |
| Total | 145 | 23 |

Note 23 - Non-current provisions**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------------|------------------------|------------------------|
| Provision for employee benefits | | |
| Gratuity [Refer note 46 (II)] | 387 | 172 |
| Compensated absences [Refer note 46 (III)] | 144 | 106 |
| Total | 531 | 278 |

Note 24 - Deferred tax liabilities, net

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Deferred tax liabilities on account of: | | |
| On timing difference between book depreciation and depreciation as per Income Tax Act, 1961 | 824 | 1,013 |
| Capital expenditure for scientific research | - | 109 |
| Financial asset measured at FVTPL | 0 | 6 |
| | 824 | 1,128 |
| Deferred tax assets on account of: | | |
| Employee benefits | 157 | 130 |
| Provision for doubtful dues | 218 | 89 |
| Deferment of revenue | 26 | 26 |
| | 401 | 245 |
| Net deferred tax liabilities | 423 | 883 |

* Amounts below Rs 0.50 lakh have been rounded off.

Note 25 - Other non-current liabilities

| Particulars | (Rs. in lakhs) | |
|----------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advance income | 7 | 7 |
| Total | 7 | 7 |

Note 26 - Borrowings

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| A. Secured Borrowings | | |
| From banks | | |
| Working capital loan repayable on demand [Refer note (a) and (b) below and also refer note 54] | 4,300 | 6,150 |
| B. Unsecured Borrowings | | |
| From banks | | |
| Working capital loan repayable on demand | 800 | - |
| Cash credit facility availed from bank | 2,699 | - |
| Other loans | | |
| Liability on account of bills discounting | 392 | 349 |
| Total | 8,191 | 6,499 |

Notes:

(i) Nature of Security and terms of repayment for short term secured borrowings of Holding Company:

- (a) Working capital loan from a bank, balance outstanding amounting to Rs 4,000 lakhs (31 March 2019: Rs 4,000 lakhs) are secured first pari passu charge by way of hypothecation of Company's entire stocks and book debts, both present and future, exclusive charge on the entire plant and machinery and other movable fixed assets of the Company and on the land & building of the Company located at survey no. 59/11/1, 59/11/2, 59/11/3, 59/12 and 59/13 situated at village Masat, Silvassa UT of Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 8.10% p.a. (31 March 2019: 9.10% p.a.)

(b) Working capital loan from another bank, balance outstanding amounting to Rs 300 lakhs (31 March 2019: Rs 2,150 lakhs) are secured by way of first pari passu charge on current assets of the Company and, exclusive charge on Chennai plant (land & building and both present & future movable fixed assets including plant & machinery) situated at Survey Nos. 166/1A2 and 1661b, Patta No. 10, situated in the Kanchipuram District, chengalpattu Taluk, Melakottaiyur Village Chennai 600 048. Working capital loan repayable on demand, Rate of interest 11.25% p.a. (31 March 2019: 10.65% p.a.)

(ii) Terms of repayment for short term unsecured borrowings:

(c) Working capital loan from another bank, balance outstanding amounting to Rs 500 lakhs (31 March 2019: Nil), repayable on demand, Rate of interest 8.98% p.a. (31 March 2019: Nil.)

(d) Working capital loan from another bank, balance outstanding amounting to Rs 300 lakhs (31 March 2019: Nil), repayable on demand, Rate of interest 9.25% p.a. (31 March 2019: Nil.)

(iii) Guarantees given by banks to third parties amounting to Rs. 2,105 lakhs (31 March 2019: Rs. 2,369 lakhs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 27 - Trade payables

(Rs. in lakhs)

| Particulars | As at | As at |
|--------------------------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Amounts due to related parties [Refer Note 47] | 122 | 139 |
| Dues to micro, small and medium enterprises [Refer note (a) below] | 316 | 60 |
| Others | 5,644 | 6,486 |
| Total | 6,082 | 6,685 |

Note:

(a) The Company has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said Act is as under:

(Rs. in lakhs)

| Particulars | As at | As at |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Principal amount due remaining unpaid to supplier as at the end of accounting year | 316 | 60 |
| Interest due remaining unpaid to supplier as at the end of accounting year | 3 | 0* |
| Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | 3 | 0* |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | 3 | 0* |
| Amount of further interest due and payable even in the succeeding year, until such date when the interest dues, as above, are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 | - | - |

This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

* Amounts below Rs 0.50 lakh have been rounded off.

Note 28 - Other current financial liabilities

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Deposits: | | |
| (a) Rent deposit | 9 | 15 |
| (b) From distributors | 164 | 154 |
| (c) From others | 21 | 13 |
| Employee benefits payable | 159 | 143 |
| Unclaimed dividend | 132 | 127 |
| Creditors for capital goods | 22 | 297 |
| Lease liability [Refer note 43 below] | 13 | - |
| Provision for expenses [Refer note (a) below] | 1,041 | 419 |
| Measurement of derivative contract at marked to market | 93 | - |
| Others | 80 | 97 |
| Total | 1,734 | 1,265 |

Note:

(a) Movement in provision for expenses are as follows :

| Particulars | (Rs in lakhs) | | | |
|------------------------------------------------------------|-----------------------|----------------------------------------------|---------------------------|---------------------------|
| | As at 1 April 2019 | Utilised / reversal during the year | Provision for the year | As at 31 March 2020 |
| Expenditures towards Project Engineering Business Projects | 40 | 40 | 574 | 574 |
| Variable incentive pay | 125 | 125 | 50 | 50 |
| Bonus and commission payable to Directors | 94 | 94 | 76 | 76 |
| Electricity expenses | 3 | 3 | 10 | 10 |
| Freight expenses | 69 | 69 | 106 | 106 |
| Legal and professional fees | 15 | 15 | 5 | 5 |
| Other expenses | 73 | 73 | 220 | 220 |
| Total | 419 | 419 | 1,041 | 1,041 |

Note 29 - Other current liabilities

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advances received from distributors on behalf of customers | 12 | 12 |
| Advances received from customers* | 220 | 407 |
| Statutory dues | 92 | 105 |
| Liability for Goods and Service Tax | 28 | 226 |
| Advance income | 4 | 3 |
| Total | 356 | 753 |

* Includes an amount of Rs. 65 lakhs (31 March 2019; Rs. 313 lakhs) on account of Project Engineering Business.

Note 30 - Current provisions**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------------------------------------|------------------------|------------------------|
| Provision for employee benefits | | |
| Provision for Compensated absences [Refer note 46 (III)] | 83 | 93 |
| Other provisions [Refer note (a) below] | | |
| Provision for warranties | 55 | 67 |
| Provision for sales return | 186 | 198 |
| Total | 324 | 358 |

Note:**(a) Movement in provision:****(Rs. in lakhs)**

| Particulars | Provision for warranties | Provision for sales return |
|----------------------------------------------------------|-----------------------------|-------------------------------|
| As at 31 March 2019 | 67 | 198 |
| Additional provision recognised | 55 | 186 |
| Amount used (charged against provisions) during the year | (67) | (198) |
| As at 31 March 2020 | 55 | 186 |

Note 31 - Revenue from operations**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------------|-----------------------------|-----------------------------|
| Sale of goods: | | |
| Domestic | 48,746 | 46,134 |
| Export | 3,532 | 4,688 |
| Sale of services | 74 | 166 |
| Other operating revenue: | | |
| Sale of scraps and others | 222 | 227 |
| Total | 52,574 | 51,215 |

Also refer note 57

Note 32 - Other income

| Particulars | (Rs. in lakhs) | |
|-------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Interest income on financial asset measured at amortised cost | | |
| (i) Fixed deposits with banks | 32 | 21 |
| (ii) Overdue amount from customers | 51 | 66 |
| (iii) Others | 15 | 74 |
| Realised gain on financial assets measured at fair value through profit or loss | 2 | - |
| Rent received [Refer note 44] | 110 | 72 |
| Duty drawback and export incentive | 139 | 181 |
| Insurance recovered (net of expense) | 53 | 59 |
| Foreign currency fluctuation gain (net) | 438 | 163 |
| Provisions / liabilities no longer required now written back | 56 | 8 |
| Fair value change of financial asset, measured at fair value through profit or loss | - | 17 |
| Insurance claims received | 20 | 245 |
| Miscellaneous income | 100 | 136 |
| Total | 1,016 | 1,042 |

Note 33 - Cost of raw materials and components consumed

| Particulars | (Rs. in lakhs) | |
|---------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Opening stock | 2,185 | 2,241 |
| Add: Purchases | 37,031 | 35,027 |
| Less: Closing stock | (3,190) | (2,185) |
| Total | 36,026 | 35,083 |

Note 34 - Purchase of stock-in-trade

| Particulars | (Rs. in lakhs) | |
|--------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Welding products | 203 | 248 |
| Welding accessories | 325 | 333 |
| Chemicals, minerals and others | 125 | 398 |
| Total | 653 | 979 |

Note 35 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|-------------------------------|-------------------------------------|-------------|-----------------------------|-------|
| | At the beginning of the Year | | | |
| Finished goods | 1,998 | | 1,961 | |
| Stock-in-trade | 108 | | 113 | |
| Work-in-progress | 600 | 2,706 | 799 | 2,873 |
| At the end of the Year | | | | |
| Finished goods | 1,749 | | 1,998 | |
| Stock-in-trade | 113 | | 108 | |
| Work-in-progress | 902 | 2,764 | 600 | 2,706 |
| Total | | (58) | | 167 |

Note 36 - Employee benefits expenses**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---------------------------------------------------------------|-----------------------------|-------|-----------------------------|-------|
| | Salaries, wages and bonus | 3,483 | | 3,438 |
| Contribution to provident and other funds [Refer note 46 (I)] | 297 | | 199 | |
| Contribution to gratuity [Refer note 46 (II)] | 47 | | 44 | |
| Staff welfare expenses | 424 | | 429 | |
| Total | 4,251 | | 4,110 | |

Note 37 - Finance costs**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|---------------------------------------------|--------------------------------|-----|-----------------------------|-----|
| | Interest expense on borrowings | 683 | | 741 |
| Bill discounting charges | 37 | | 50 | |
| Interest on supplies | 115 | | 110 | |
| Interest on lease liability [Refer note 43] | 11 | | - | |
| Interest on others | 15 | | 4 | |
| Total | 861 | | 905 | |

Note 38 - Other expenses

| Particulars | (Rs. in lakhs) | |
|-------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Manufacturing and other expenses [Refer note 38(a)] | 2,949 | 2,816 |
| Electricity expenses | 26 | 23 |
| Rent [Refer note 43] | 31 | 111 |
| Freight | 825 | 628 |
| Legal and professional fees | 218 | 220 |
| Insurance | 50 | 46 |
| Repairs and maintenance - others | 129 | 132 |
| Travelling, conveyance and vehicle expenses | 702 | 674 |
| Directors fees | 6 | 6 |
| Telephone, postage and telegram | 139 | 166 |
| Rates and taxes | 78 | 102 |
| Advertisement and sales promotion expenses | 145 | 103 |
| Commission paid | - | 6 |
| Bad debts written off | 36 | 29 |
| Provision for doubtful debts | 541 | 193 |
| Provision for doubtful deposit and advances | 35 | 12 |
| Provision for unbilled revenue | 52 | - |
| Donations | 1 | 3 |
| Fair value change of financial asset measured at FVTPL | 59 | - |
| Loss on sale of property, plant and equipment (net) | 10 | 9 |
| Assets written off / discarded | - | 4 |
| Printing and stationery | 85 | 95 |
| Auditors remuneration [Refer note 38(b)] | 42 | 38 |
| Corporate social responsibility [Refer note 58 and note 47] | 65 | 18 |
| Selling and distribution incentive | 249 | 205 |
| Bank charges | 143 | 152 |
| Miscellaneous expenses | 847 | 784 |
| Total | 7,463 | 6,575 |

Note 38(a) - Manufacturing and other expenses

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Consumption of stores, spare parts and scraps | 644 | 605 |
| Power and fuel | 1,107 | 989 |
| Repairs to machinery | 93 | 94 |
| Repairs to building | 43 | 36 |
| Payment to contract labours | 578 | 499 |
| Other manufacturing expenses | 484 | 593 |
| Total | 2,949 | 2,816 |

Note 38(b) - Auditor's remuneration (excluding taxes)**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| Statutory audit fees (including limited review fees) | 24 | 24 |
| Tax audit fees | 7 | 7 |
| Certification and other matters | 9 | 5 |
| Reimbursement of out of pocket expenses | 2 | 2 |
| Total | 42 | 38 |

Note 39 - Tax expense**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Current tax | | |
| Current tax for the year | 1,036 | 1,015 |
| Additional / (Reversal) of provision for earlier years | (127) | 3 |
| | 909 | 1,018 |
| Deferred tax | | |
| Change in deferred tax assets | (105) | (45) |
| Change in deferred tax liabilities | (305) | 120 |
| | (410) | 75 |
| Total | 499 | 1,093 |

Note :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2020 and 31 March 2019:

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| Profit before tax as per books | 3,326 | 3,478 |
| Applicable income tax rate [refer note (a) below] | 25.17% | 34.94% |
| Estimated income tax expenses | 837 | 1,215 |
| Tax effect of the amounts, which are not deductible / (taxable) in calculating taxable income: | | |
| Actuarial gains on defined benefit obligations | 50 | 2 |
| Depreciation | (220) | 29 |
| Assets and deposits written off | 24 | 9 |
| Disallowance u/s 43B | (16) | (18) |
| Deduction u/s 35(2AB) | (109) | (73) |

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Deduction u/s 35DDA | - | (1) |
| Permanent disallowances | 17 | 7 |
| Tax in respect of earlier years | (127) | 3 |
| Financial assets measured at fair value through profit or loss | 9 | (14) |
| Provision for doubtful debts | 7 | 16 |
| Insurance claim received in case of loss of assets due to fire | - | (69) |
| Other items | 27 | (13) |
| Reported income tax expenses | 499 | 1,093 |

Notes :

- (a) Pursuant to the announcement made by the Finance Ministry of the Government of India on 20 September 2019, the Company, basis their current assessment, has opted for corporate tax rate as per section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019, from Financial Year 2019-20 onwards. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31 March 2020 and remeasured the Deferred Tax Liability on the basis of revised lower tax rate from 30% to 22%. The impact of the same has been recognised in the year ended 31 March 2020.
- (b) Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has recognised Provision for Income-tax for the year ended 31 March 2020 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities basis the rate prescribed therein.

Impact analysis on account of change in tax rate is shown below:

| Particulars | Provision for tax | Deferred tax liability |
|-----------------------------------------------|-------------------|------------------------|
| As on 31 March 2020 (Original rates - 34.94%) | 1,204 | 681 |
| As on 31 March 2020 (Revised rates - 25.17%) | 1,036 | 460 |
| Diferrential Impact | 168 | 221 |

Note 40 - Other comprehensive income

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Items that will not be reclassified to profit or loss | | |
| Actuarial (loss) / gains on defined benefit obligations | (197) | 6 |
| Income tax effect on above | 50 | (2) |
| Total | (147) | 4 |

Note 41 - Contingent Liabilities not provided for :

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2020: Rs 392 lakhs; 31 March 2019: Rs 392 lakhs) | 1,077 | 1,077 |
| (b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2020: Rs 91 lakhs; 31 March 2019: Rs 91 lakhs) | 2,385 | 2,385 |
| (c) Disputed income tax as the matters are in appeal (advance paid 31 March 2020: Rs 13 lakhs; 31 March 2019: Rs. 13 lakhs) | 63 | 63 |
| (d) Bank guarantees | 2,105 | 2,369 |
| (e) On account of pending C-forms | 524 | 620 |
| (f) Other matters | 121 | 113 |
| (g) Guarantee given for working capital loan in favour of Ador Welding Academy Private Limited (Wholly-owned subsidiary of the Company) | Nil | Nil |
| (h) Provident fund Based on the Honorable Supreme Court judgment dated 28 February 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. Past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgment to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any. | Amount not determinable | Amount not determinable |

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

Note 42 - Estimated amount of contracts remaining to be executed

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| On Capital account and not provided for (net of advances) | 189 | 298 |

Note 43- Adoption of Ind AS 116 Leases

The Company has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach. Right of use assets at 1 April 2019 for leases previously classified as operating leases were recognized and measured at an amount equal to lease liability (adjusted for any related prepayments / accruals). As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liability.

Accordingly, on transition to Ind AS 116, the Company recognized right-of-use assets and lease liabilities amounting to Rs. 130 lakhs and Rs. 129 lakhs respectively. During the year ended 31 March 2020, the Company has recognized interest expense on lease amounting to Rs. 11 lakhs and depreciation on right-of-use assets amounting to Rs. 20 lakhs.

Right-of-use assets:

Additional information on the right-of-use assets by class of assets is as follows, as at 31 March 2020:

| (Rs. in lakhs) | | | |
|----------------------------|----------------------|-------------------------------------------------|--------------------|
| Particulars | Gross carrying value | Accumulated depreciation [refer note (a) below] | Net carrying value |
| As at 31 March 2020 | | | |
| Office buildings | 130 | 20 | 110 |
| Total | 130 | 20 | 110 |

The following is the movement in Right-of-use assets during the year ended 31 March 2020:

| (Rs. in lakhs) | |
|-------------------------------------------------|---------------------|
| Particulars | As at 31 March 2020 |
| Balance as at 1 April 2019 (Transition date) | 130 |
| Addition / deletion [refer note (b) below] | - |
| Accumulated depreciation [refer note (a) below] | (20) |
| Total | 110 |

Lease liabilities:

Lease liabilities are presented in the balance sheet as follows, as at 31 March 2020:

| (Rs. in lakhs) | |
|-----------------------------------------------|---------------------|
| Particulars | As at 31 March 2020 |
| Non-current lease liabilities [refer note 22] | 113 |
| Current lease liabilities [refer note 28] | 13 |
| Total | 126 |

The following is the movement in lease liabilities during the year ended 31 March 2020:

(Rs. in lakhs)

| Particulars | As at |
|-------------------------------------------------------------|---------------|
| | 31 March 2020 |
| Balance as at 1 April 2019 (Transition date) | 129 |
| Addition / deletion [refer note (b) below] | - |
| Finance cost accrued during the year [refer note (c) below] | 11 |
| Revaluation of lease liability | 10 |
| Payment of lease liabilities | (24) |
| Total | 126 |

Notes:

- The aggregate depreciation expense on ROU assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- There is no addition or deletion during the current year 2019-20 in Right-of-use assets and lease liabilities.
- The accrued finance cost on lease liabilities is included under "Finance cost" in the statement of Profit and Loss.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). The Company has taken short term leases with a lease term of 12 months or less and the aggregate amount of operating lease rent debited to statement of profit and loss during the year is Rs. 31 lakhs.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 March 2020 and 31 March 2019 is as follows:

(Rs. in lakhs)

| Particulars | Minimum lease payment | |
|----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Amount due within one year | 25 | 61 |
| Amount due from one year to five years | 68 | 74 |
| Amount due from five years and above | 102 | 83 |
| Total | 195 | 218 |

Note 44- Lease rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is Rs. 110 lakhs (31 March 2019: Rs. 72 lakhs).

(Rs. in lakhs)

| Particulars | Minimum lease payment | |
|----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Amount due within one year | 101 | 33 |
| Amount due from one year to five years | 226 | 115 |
| Amount due from five years and above | 100 | - |
| Total | 427 | 148 |



Note 45- Due to COVID-19 pandemic and the consequent lock down announced by the Government of India, the operations of the Company have been suspended since the fourth week of March 2020. The primary operations relating to consumable segment of the Company were resumed from 22 April 2020 at plants of the Company located in Raipur and Silvassa, whereas operations relating to equipment segment of the Company were resumed from 18 May 2020 at Chinchwad plant of the Company. The Government has also been announcing phased lifting of lock down and the general expectations are that normalcy could be gradually restored during the financial year ending 31 March 2021.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments, inventories and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company.

The Management believes that the business will rebound as soon as lockdown is fully lifted and does not foresee any incremental risk towards recoverability of its assets, however, it believes that at this point it is difficult to assess the future since lockdown continues to be effective in many parts of the country.

Based on the current assessment, as at the date of approval of financial statements of the Company for the year ending 31 March 2020, Company would have adequate liquidity to honour its liabilities and obligations, as and when due. The Management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Note 46 - Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits, as defined in the Standard are given below:

Brief description of the plans:

The Company has various schemes for employee benefits such as provident fund, superannuation and gratuity. In case of funded schemes, the funds are administered through trustees / appropriate authorities. The Company's defined contribution plans are superannuation, employees state insurance and provident fund as the Company has no further obligation beyond making the contributions. The Company's defined benefit plans consist of gratuity only. The employees of the Company are entitled to compensated absences as per the Company's policy.

I. Defined Contribution Plan:

- (i) Superannuation fund
- (ii) Provident fund
- (iii) Employees State Insurance fund

During the year, the Company has recognised the following amounts in the Statement of profit and loss*:

Contribution to Defined Contribution Plan, recognized as expense for the year, are as under:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Employer's Contribution to Superannuation | 40 | 40 |
| Employer's contribution to provident fund | 244 | 144 |
| Employer's Contribution to Employees state insurance fund | 13 | 15 |
| Total | 297 | 199 |

* included in Note 36- 'Employee benefits expenses'

II. Defined Benefit Plan :**Contribution to Gratuity fund (funded scheme):**

In accordance with the Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity, based on the following assumptions:-

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i) Actuarial assumptions | | |
| Discount rate (per annum) | 6.30% | 7.20% |
| Salary escalation rate (per annum) | 7.00% | 7.50% |
| Attrition rate | | |
| 21 years to 44 years (per annum) | 18.22% | 18.22% |
| 45 years and above (per annum) | 8.00% | 8.00% |
| The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as, supply and demand factors in the employment market. | | |
| (ii) Assets information: | | |
| The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC'), as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations. | | |
| (iii) Changes in the present value of defined benefit obligation | | |
| Present value of obligation at the beginning of the year | 361 | 327 |
| Current service cost | 36 | 35 |
| Interest on defined benefit obligation | 21 | 22 |
| Remeasurements during the period due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 11 | (3) |
| Actuarial loss / (gain) arising on account of experience changes | 186 | (3) |
| Benefits paid | (149) | (17) |
| Present Value of obligation at the end of the year | 466 | 361 |
| (iv) Changes in the Fair value of Plan Assets | | |
| Fair value of plan assets at beginning of the year | 189 | 182 |
| Interest on plan assets | 10 | 13 |
| Remeasurements during the period due to: | | |
| Actual return on plan assets less interest on plan assets | (1) | 0* |
| Contributions by employer | 30 | 10 |
| Benefits paid | (149) | (16) |
| Fair Value of Plan Assets at the end of the year | 79 | 189 |
| (v) Assets and liabilities recognised in the balance sheet * | | |
| Present value of the defined benefit obligation at the end of the year | 466 | 361 |
| Less: Fair value of plan assets at the end of the year | (79) | (189) |
| Net liability recognised | 387 | 172 |
| Recognised under provisions [Refer note 23] | | |
| Long term provisions | 387 | 172 |

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (vi) Expenses recognised in the Statement of Profit and Loss | | |
| Current Service Cost | 36 | 35 |
| Interest on net defined benefit liability | 11 | 9 |
| Net gratuity cost recognised in current year | 47 | 44 |
| Included in note 36 'Employee benefits expenses' | | |
| (vii) Expenses recognised in other comprehensive income | | |
| Remeasurements during the period due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 11 | (3) |
| Actuarial loss / (gain) arising on account of experience changes | 186 | (3) |
| Net cost recognised in other comprehensive income | 197 | (6) |

(viii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Particulars | 31 March 2020 | | 31 March 2019 | |
|-------------------------------------|---------------|------------------------|---------------|------------------------|
| | Discount Rate | Salary escalation rate | Discount Rate | Salary escalation rate |
| Impact of increase in 50 bps on DBO | (2.84%) | 2.96% | (2.10%) | 2.19% |
| Impact of decrease in 50 bps on DBO | 2.96% | (2.83%) | 2.20% | (2.10%) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(ix) Maturity Pattern:

| Maturity Profile | (Rs. in lakhs) | |
|-----------------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Expected benefits for year 1 | 69 | 143 |
| Expected benefits for year 2 | 67 | 36 |
| Expected benefits for year 3 | 64 | 34 |
| Expected benefits for year 4 | 51 | 32 |
| Expected benefits for year 5 | 49 | 33 |
| Expected benefits for year 6 | 72 | 29 |
| Expected benefits for year 7 | 31 | 47 |
| Expected benefits for year 8 | 30 | 15 |
| Expected benefits for year 9 | 46 | 16 |
| Expected benefits for year 10 and above | 238 | 146 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

1. Amounts have been recognised based on the information for the period ended 29 February 2020 and 28 February 2019.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

III. Compensated absences*

- (i) An amount of Rs. 128 lakhs (31 March 2019: Rs 24 lakhs) has been recognised as an expense in the statement of profit and loss account and included under Note 36 "Employee benefits expenses".
- (ii) Balance sheet reconciliation

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------------|---------------------|------------|---------------------|------------|
| | Long term | Short term | Long term | Short term |
| Liability as per actuarial valuation | 144 | 83 | 106 | 93 |

* have been recognised based on the information for the period ended 29 February 2020 and 28 February 2019.

The liabilities are split between different categories of plan participants, as follows:

| Defined Benefit obligations and employer contributions | Gratuity | | Compensated Absences | |
|--------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| Active Members | 558 | 546 | 558 | 546 |

* deferred members - Nil (FY 2018-19 : Nil)

* retired members - Nil (FY 2018-19 : Nil)

(These numbers are as per actuarial valuation report).

Risk Exposure - Asset Volatility

The plan is of a final salary defined benefit in nature, which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.



Note 47 - Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties, as defined in the Accounting Standard, are given below:

(I) List of related parties and relationship:

| Relationship | Name of the Persons / Company |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Holding Company: | J. B. Advani & Company Private Limited |
| (ii) Subsidiary Company and fellow subsidiaries: | Ador Welding Academy Private Limited (Subsidiary of Ador Welding Limited) Ador Powertron Limited (Subsidiary of J. B. Advani & Company Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Fontech Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Multiproducts Limited (Subsidiary of J.B. Advani & Company Private Limited) |
| (iii) Other related party: | 1908 E-Ventures Private Limited (Step down subsidiary of J. B. Advani & Company Private Limited) |
| (iv) Key management personnel: | Ms. A. B. Advani - Past Executive Chairman (refer below note 1) Mrs. N. Malkani Nagpal - Executive Chairman Mr. S. M. Bhat - Managing Director Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Mr. A. T. Malkani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mr. M. K. Maheshwari - Director (Independent & Non-executive) Mr. P. K. Gupta - Director (Independent & Non-executive) Mr. R. N. Sapru - Director (Independent & Non-executive) Mr. K. Digvijay Singh - Director (Independent & Non-executive) Mr. G. M. Lalwani - Director (Independent & Non-executive) Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary Mr. G. A. Patkar - Chief Financial Officer |

(II) Transactions during the year:

(Rs. in lakhs)

| Relationship / name of the related party | Description of the nature of transactions | Value of the transactions | |
|---------------------------------------------------------------------|-------------------------------------------|---------------------------|------------|
| | | FY 2019-20 | FY 2018-19 |
| a) Holding Company | | | |
| J. B. Advani & Company Private Limited | Sale of goods (net) | 6 | 14 |
| | Purchase of goods and services received | 630 | 848 |
| | Rent received (net) | 27 | 25 |
| | Reimbursement of expenses (paid) | 7 | 23 |
| | Recovery of expenses (received) | 9 | 9 |
| b) Subsidiary Company and fellow subsidiaries | | | |
| Ador Welding Academy Private Limited | Sale of goods (net) | 10 | 8 |
| | Purchase of goods and services received | 2 | 7 |
| | Rent received (net) | 7 | 8 |
| | CSR funds | 10 | 9 |
| Ador Powertron Limited | Purchase of goods and services received | - | 1 |
| | Purchase of fixed assets (net) | - | 3 |
| | Sale of goods (net)* | 0 | 0 |
| | Recovery of expenses (received) | 1 | 1 |
| Ador Fontech Limited | Sale of goods (net) | 171 | 149 |
| | Purchase of goods | 6 | 34 |
| | Recovery of expenses (received)* | 0 | - |
| | Rent received (net) | 1 | 2 |
| c) Other related party | | | |
| 1908 E-Ventures Private Limited | Service received* | 0 | 0 |
| d) Key Management Personnel | | | |
| Ms A. B. Advani | Remuneration | 181 | 152 |
| Ms. N. Malkani Nagpal | Remuneration | 126 | 122 |
| Mr. D. A. Lalvani | Remuneration | 51 | - |
| Mr. S. M. Bhat | Remuneration | 156 | 167 |
| Mr. V. M. Bhide | Remuneration | 36 | 34 |
| Mr. G. A. Patkar | Remuneration | 32 | 29 |
| Directors (Non-executive and Independent & Non-executive Directors) | Sitting fees | 6 | 6 |
| Directors (Non-executive and Independent & Non-executive Directors) | Commission | 41 | 41 |

* Amounts below Rs 0.50 lakh have been rounded off.

(III) Amount outstanding at the year end:

(Rs. in lakhs)

| Relationship / name of the related party | Nature | Balance | |
|------------------------------------------------------|--------------------------------|---------------|---------------|
| | | 31 March 2020 | 31 March 2019 |
| a) Holding Company | | | |
| J. B. Advani & Company Private Limited | Outstanding receivable | 7 | - |
| | Other receivables | 1 | - |
| | Rent deposit | 14 | - |
| | Trade payable | 121 | 138 |
| b) Subsidiary Company and fellow subsidiaries | | | |
| Ador Welding Academy Private Limited | Investment in equity shares | 353 | 353 |
| | Outstanding receivables | 1 | - |
| | Other receivables* | 1 | 0 |
| | Outstanding payable* | 0 | - |
| Ador Powertron Limited | Other receivables | 1 | - |
| | Trade payable* | - | 0 |
| Ador Fontech Limited | Other receivables* | 0 | 0 |
| | Outstanding payable * | - | 0 |
| | Outstanding receivables | 10 | - |
| | Short term loans and advances* | 0 | - |
| c) Other related party | | | |
| 1908 E-Ventures Private Limited | Outstanding payable* | 0 | - |
| d) Key Management Personnel | | | |
| Mr. V. M. Bhide | Loan given | 1 | 4 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

- Ms. Aruna B. Advani, (DIN: 00029256) Executive Chairman, superannuated from the Board of the Company on 18th November, 2019, on attaining the age of 65 years. Pursuant to the succession planning at the Company, the Board, on recommendation of the Nomination and Remuneration Committee, re-designated Mrs. Ninotchka Malkani Nagpal (DIN: 00031985), Whole-Time Director, as the Executive Chairman w.e.f. 19th November, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting, considering her expertise in the area of Financial Management, her business foresight and her rich, long-term association with the Company for over 20 years.
- The Company has shared facilities limits offered by HDFC Bank Limited to the extent of Rs. 100 lakhs (Previous year Rs.100 lakhs) by earmarking working capital funds in favour of Ador Welding Academy Private Limited. However the funds have not been utilised by Ador Welding Academy Private Limited as of now and therefore, no contingent liability has occurred. Also, there are no borrowings in the books of Ador Welding Academy Private Limited as on 31 March 2020.
- The shareholding of J. B. Advani & Company Private Limited in 1908 E-Ventures Private Limited has changed from 57.01% to 33.26%.
- Excludes gratuity and compensated absences provided on the basis of actuarial valuation on an overall company basis.

Note 48 - Segment reporting

The Company's chief operating decision maker - Chief Financial Officer examines the Company's performance and has identified the following two reportable segments of its business.

- (i) Consumables
- (ii) Equipments and Project Engineering Business (PEB)

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the products / process
- (iii) The organisation structure as well as differential risks and returns of these segments.

Types of products and services in each business segment:

| Business Segment | Types of products and services |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Consumables | Electrodes, wires, agency items related to consumables from Silvassa, Raipur, Chennai and Chinchwad plant. |
| b) Equipment and Project Engineering Business (PEB) | Equipments, spares, cutting products and agency items, related to equipments, cutting products, design, engineering, procurement and commissioning of flares, incinerators, furnaces, etc. from Chinchwad plant. |

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities". Inter-segment transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods.

A) Business segment**(Rs. in lakhs)**

| Particulars | Consumables | | Equipments and Project Engineering Business | | Total | |
|-------------------------------------------------------|--------------------------|--------------------------|---------------------------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Segment revenue | | | | | | |
| External revenue | 40,502 | 38,598 | 12,214 | 12,651 | 52,716 | 51,249 |
| Less: Inter segment revenue | (111) | (28) | (31) | (6) | (142) | (34) |
| Total revenue | 40,391 | 38,570 | 12,183 | 12,645 | 52,574 | 51,215 |
| Segment result before interest and tax | 6,444 | 6,317 | (1,437) | (1,010) | 5,007 | 5,307 |
| Add / (less) : | | | | | | |
| Unallocable expenses (net of unallocable income) | | | | | (1,271) | (1,409) |
| Interest and finance charges (net) | | | | | (410) | (420) |
| Excess / (short) provision of taxes for earlier years | | | | | 127 | (3) |

| Particulars | (Rs. in lakhs) | | | | | |
|-----------------------------------------------------------------------|--------------------------|--------------------------|---------------------------------------------|--------------------------|--------------------------|--------------------------|
| | Consumables | | Equipments and Project Engineering Business | | Total | |
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Provision for taxes (net of deferred tax) | | | | | (626) | (1,090) |
| Net profit after tax | | | | | 2,827 | 2,385 |
| Other information | | | | | | |
| Segment assets | 22,115 | 19,750 | 19,641 | 20,745 | 41,756 | 40,495 |
| Unallocated assets | | | | | 2,925 | 2,596 |
| Total assets | | | | | 44,681 | 43,091 |
| Segment liabilities | 5,035 | 4,330 | 5,336 | 8,749 | 10,371 | 13,079 |
| Unallocated liabilities | | | | | 7,422 | 3,672 |
| Total liabilities | | | | | 17,793 | 16,751 |
| Capital employed | | | | | | |
| Segment wise capital employed | 17,080 | 15,420 | 14,305 | 11,996 | 31,385 | 27,416 |
| Unallocable corporate assets net of unallocable corporate liabilities | | | | | (4,497) | (1,076) |
| Total capital employed | | | | | 26,888 | 26,340 |
| Capital expenditure | | | | | | |
| Segment capital expenditure | 1,494 | 1,663 | 349 | 551 | 1,843 | 2,214 |
| Unallocated capital expenditure | | | | | 98 | 25 |
| Total capital expenditure (Tangible and intangible assets) | | | | | 1,941 | 2,239 |
| Depreciation and amortisation | | | | | | |
| Segment depreciation and amortisation | 599 | 531 | 372 | 354 | 971 | 885 |
| Unallocated depreciation and amortisation | | | | | 97 | 75 |
| Total depreciation and amortisation | | | | | 1,068 | 960 |
| Significant non cash expenditure | | | | | | |
| Segment significant non cash expenditure | - | 3 | - | 1 | - | 4 |
| Unallocated significant non cash expenditure* | | | | | - | 0 |
| Total significant non cash expenditure | | | | | - | 4 |

* Amounts below Rs 0.50 lakh have been rounded off.

B) Geographical segment**Revenue from external customers:****(Rs. in lakhs)**

| Particulars | As at | |
|--------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Domestic | 49,015 | 46,451 |
| Overseas | 3,559 | 4,764 |
| Total | 52,574 | 51,215 |

Domestic Segment includes sales to customers located outside of India and service income accrued in India. Overseas Segment includes sales and services rendered to customers located outside of India.

Non-current assets:

The following are the details of the carrying amount of non current assets, which do not include deferred tax assets, income tax assets and financial assets, of the geographical area in which the assets are located:

(Rs. in lakhs)

| Particulars | As at | |
|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Within India | 14,535 | 13,696 |
| Outside India | 23 | 28 |
| Total | 14,558 | 13,724 |

C) Other disclosures

1. The Company has disclosed business segment as its operating segment.
2. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Note 49 - Fair value measurements**Financial assets and liabilities**

The carrying value of financial instruments by categories, is as follows:

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---------------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | Fair value through profit or loss | Amortised cost | Fair value through profit or loss | Amortised cost |
| Financial Assets - Non-current | | | | |
| Loans | - | 183 | - | 160 |
| Other non-current financial assets | - | 687 | - | 531 |
| Financial Assets - Current | | | | |
| Investments | 282 | - | 341 | - |
| Trade receivables | - | 12,977 | - | 8,451 |
| Cash and cash equivalents | - | 502 | - | 2,667 |
| Other bank balances | - | 138 | - | 133 |
| Loans | - | 157 | - | 159 |
| Other current financial assets | - | 6,199 | - | 8,188 |

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|--------------------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | Fair value through profit or loss | Amortised cost | Fair value through profit or loss | Amortised cost |
| Financial Liabilities - Non-current | | | | |
| Other non-current financial liabilities | - | 145 | - | 23 |
| Financial Liabilities - Current | | | | |
| Borrowings | - | 8,191 | - | 6,499 |
| Trade payables | - | 6,082 | - | 6,685 |
| Other financial liabilities | - | 1,734 | - | 1,265 |

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgments and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and,
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for Security deposits, loan to employees and deposits are based on discounted cash flows using a discount rate determined considering the borrowing rate charged by the bank on the loan facility availed.

III. Financial assets and liabilities measured at fair value (Fair value hierarchy- recurring fair value measurement):

| Particulars | 31 March 2020 | | | 31 March 2019 | | |
|----------------------------|---------------|-----------|----------|---------------|-----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Investment in Mutual funds | 232 | - | - | 291 | - | - |
| Investment in Bonds | - | 50 | - | - | 50 | - |
| Total | 232 | 50 | - | 291 | 50 | - |

IV. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|--------------------------------------------|---------------|-----------------|---------------|-----------------|
| | Fair Value | Carrying amount | Fair Value | Carrying amount |
| Financial assets - Non-current | | | | |
| Loans | 183 | 183 | 160 | 160 |
| Other financial assets | 687 | 687 | 531 | 531 |
| Financial liabilities - Non-current | | | | |
| Other financial liabilities | 145 | 145 | 23 | 23 |

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

The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, current borrowings, other current financial liabilities and trade payables are considered to be approximately equal to the fair value.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They have been classified at level 2 in fair value hierarchy due to the use of valuation techniques, which measure the use of observable market data.

Note 50- Financial risk management

The Company is exposed primarily to fluctuations in foreign currency exchange rates, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Company has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Company.

The Company's principal financial assets include loans, investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds and bonds.

A) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis, to whom the credit has been granted, after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables, loans, cash & bank balances and bank deposits.

To manage credit risk, the Company follows a policy of advance payment or credit period upto 30 days to reputed customers. In case of foreign receivables, majority of the sales are made either against advance payments or by way of letter of credit. The credit limit policy is established considering the current economic trends of the industry in which the Company is operating.

Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provides details regarding past dues receivables as at each reporting date:

| Particulars | (Rs. in lakhs) | |
|--------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Upto 1 month | 8,029 | 5,455 |
| 1-2 months | 1,923 | 1,194 |
| 2-3 months | 781 | 357 |
| 3-6 months | 1,241 | 533 |
| 6-12 months | 727 | 102 |
| More than one year | 276 | 810 |
| Total | 12,977 | 8,451 |
| Provision for bad and doubtful debts | 798 | 257 |

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts:

| Particulars | (Rs. in lakhs) | |
|--------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Opening provision | 257 | 196 |
| Add: Additional provision made | 541 | 193 |
| Less: Utilised during the year | - | (92) |
| Less: provision written back | - | (40) |
| Closing provisions | 798 | 257 |

B) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

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

The maturity profile of the Company's financial liabilities, based on contractual undiscounted payment at each reporting date is :

| As at 31 March 2020 | | | | | (Rs. in lakhs) |
|--------------------------------------------|------------------|-------------|-------------|-------------------|----------------|
| Particulars | Less than 1 year | 1 - 2 years | 2 - 5 years | More than 5 years | Total |
| Financial Liabilities - Non-current | | | | | |
| Other non-current financial liabilities | - | 30 | 67 | 106 | 203 |
| Financial Liabilities - Current | | | | | |
| Borrowings | 8,191 | - | - | - | 8,191 |
| Trade payables | 6,082 | - | - | - | 6,082 |
| Other financial liabilities | 1,745 | - | - | - | 1,745 |
| Total | 16,018 | 30 | 67 | 106 | 16,221 |

| As at 31 March 2019 | | (Rs. in lakhs) | | | |
|--------------------------------------------|------------------|----------------|------------|-------------------|---------------|
| Particulars | Less than 1 year | 1 - 2 years | 2 -5 years | More than 5 years | Total |
| Financial Liabilities - Non-current | | | | | |
| Other non-current financial liabilities | - | 10 | 15 | 8 | 33 |
| Financial Liabilities - Current | | | | | |
| Borrowings | 6,499 | - | - | - | 6,499 |
| Trade payables | 6,685 | - | - | - | 6,685 |
| Other financial liabilities | 1,265 | - | - | - | 1,265 |
| Total | 14,449 | 10 | 15 | 8 | 14,482 |

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The Company's exposure to market risk is primarily on account of foreign currency risk and price risk.

(i) Foreign currency risk

The Company is exposed to foreign exchange risk on their receivables, payables and bank balances, which are held in USD, AED, KWD and EUR. The fluctuation in the exchange rate of INR relative to USD, AED, KWD and EUR may have a material impact on the Company's assets and liabilities.

In respect of the foreign currency transactions, the Company manages the exchange rate exposure by entering into forward contracts where the exposure is significant. Further, some of the exposures are kept open since the management believes the same will be offsetted by the corresponding receivables and payables, which will be in the nature of natural hedge.

The Company's exposure to foreign currency risk at the end of reporting period is as under:

| Particulars | 31 March 2020 | | | | 31 March 2019 | | | |
|------------------------------------------------------------|----------------|-----------|--------------|----------|----------------|-----------|--------------|-----------|
| | USD | AED | KWD | EUR | USD | AED | KWD | EUR |
| Financial assets | | | | | | | | |
| Trade receivables | 584 | - | 178 | - | 1,288 | - | - | - |
| Unbilled revenue | - | - | 5,625 | - | - | - | 7,840 | - |
| Bank balances | 84 | 25 | - | - | 44 | 29 | - | - |
| Derivative Contracts | | | | | | | | |
| Foreign exchange forward contracts* | (2,201) | - | - | - | (3,074) | - | - | - |
| Net exposure to foreign currency risk (assets)* | (1,533) | 25 | 5,803 | - | (1,742) | 29 | 7,840 | - |
| Financial liabilities | | | | | | | | |
| Trade payables | 266 | - | 119 | 4 | 520 | - | 1,046 | 55 |
| Net exposure to foreign currency risk (liabilities) | 266 | - | 119 | 4 | 520 | - | 1,046 | 55 |

* The Forward contracts are hedged in terms of USD against underlyings, which include both USD and KWD.

Sensitivity Analysis

The following table demonstrates the sensitivity in USD, EUR, AED and KWD with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

(Rs. in lakhs)

| Currencies | 31 March 2020 | | 31 March 2019 | |
|------------|----------------|----------------|----------------|----------------|
| | Increase by 5% | Decrease by 5% | Increase by 5% | Decrease by 5% |
| USD | (90) | 90 | (113) | 113 |
| AED | 1 | (1) | 1 | (1) |
| KWD | 284 | (284) | 340 | (340) |
| EUR | (0) | 0 | (3) | 3 |

(ii) Price Risk

The Company is exposed to price risk from its investment in mutual fund and bonds classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from the investment, the Company has invested in the mutual funds and bonds after considering the risk and return profile of the said investments i.e. the debt profile of the investments indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

Sensitivity Analysis

(Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|------------------------------------------------------------|---------------|---------------|
| Impact on profit before tax for 5% increase in NAV / Price | 14 | 17 |
| Impact on profit before tax for 5% decrease in NAV / Price | (14) | (17) |

Note 51 - Capital Management

The Company's objectives, when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans. Total equity comprises of Equity share capital, General reserve, Capital redemption reserve and Retained earnings.

A. The capital composition is as follows:

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------|-----------------------------|-----------------------------|
| Net debt (A) | 8,191 | 6,499 |
| Equity (B) | 26,888 | 26,340 |
| Gearing ratio (A / B) | 0.30 | 0.25 |

B. Dividends**(Rs. in lakhs)**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| (a) Final dividend | | |
| Final dividend - Rs. 6.50 per share for each fully paid up share for 31 March 2019 (31 March 2018- Rs. 5/- per share for each fully paid share) | 884 | 680 |
| Dividend distribution tax on final dividend | 182 | 140 |
| (b) Dividends not recognised at the end of the reporting year | | |
| In addition to the above dividend, since year end the Directors have not recommended the payment of a final dividend - Nil (31 March 2019 - Rs. 6.50) per fully paid equity share. The proposed dividend was approved by shareholders in AGM held on 26 July 2019 and was paid in current financial year. | - | 884 |
| Dividend distribution tax on proposed dividend | - | 182 |
| (c) Interim dividends recognised at the end of the reporting year | | |
| In addition to the above dividend, the Directors had declared the payment of an interim dividend of Rs. 6.50 (31 March 2019 - Nil) per fully paid equity share. This interim dividend is declared after approval of Directors present in the board meeting held on 14 February 2020 | 884 | - |
| Dividend distribution tax on interim dividend | 182 | - |

Note 52 - Earnings per share

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
| Net Profit after tax for the year (Rs. in lakhs) | 2,827 | 2,385 |
| Profit attributable to equity share holders (Rs. in lakhs) | 2,827 | 2,385 |
| Weighted Average Number of equity shares outstanding during the year | 13,598,467 | 13,598,467 |
| Basic and Diluted Earnings Per Share (Rs.) | 20.79 | 17.54 |
| Face Value per Share (Rs.) | 10.00 | 10.00 |

Note 53 - Details of dividend remitted to non-resident shareholders in foreign currency:

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 |
|-----------------------------------------------------|--------------------------|----------------|-----------------------------|
| | 2018-19 | 2019-20 | 2017-18 |
| Financial year ended for which dividend is remitted | 2018-19 | 2019-20 | 2017-18 |
| Dividend Type | Final | Interim | Final |
| Number of non-resident shareholders | 61 | 59 | 62 |
| Number of equity shares held | 8,341 | 7,941 | 8,391 |
| Amount of dividend remitted (Rs. in lakh) | 0.54 | 0.52 | 0.42 |

Note 54 - Assets Pledged as security:

The carrying amounts of assets Pledged as security for current borrowings are:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Current Assets | | |
| Financial Assets | | |
| Investments | 282 | 341 |
| Trade Receivables | 12,977 | 8,451 |
| Cash and cash equivalents | 502 | 2,667 |
| Other bank balances | 138 | 133 |
| Loans | 157 | 159 |
| Other financial assets | 6,199 | 8,188 |
| Non Financial Assets | | |
| Inventories | 6,221 | 5,159 |
| Current tax assets, net | 439 | - |
| Other current assets | 1,944 | 2,893 |
| Total Current assets Pledged as security | 28,859 | 27,991 |
| Non Current Assets | | |
| Plant and Machinery | 4,461 | 3,630 |
| Land and building at Silvassa plant | 1,836 | 1,877 |
| Land and building at Chennai plant | 413 | 433 |
| Other moveable fixed assets | 1,110 | 1,108 |
| Total non-current assets Pledged as security | 7,820 | 7,048 |
| Total assets Pledged as security | 36,679 | 35,039 |

Note 55 - Revenue expenditure incurred during the year on Research and Development amounts to Rs. 308 lakhs (31 March 2019: Rs. 356 lakhs) including depreciation Rs. 29 lakhs (31 March 2019: Rs. 31 lakhs) and capital expenditure thereof amounts to Rs. 13 lakhs (31 March 2019: Rs. 20 lakhs).

Note 56- Investments in subsidiaries, associates and joint ventures:

| Sr. No | Subsidiary / associate / joint venture | Name of the Subsidiary / associate / joint venture | Principal place of business and country of incorporation | Proportion of ownership interest 31 March 2020 | Proportion of ownership interest 31 March 2019 | Method of accounting |
|--------|----------------------------------------|----------------------------------------------------|----------------------------------------------------------|------------------------------------------------|------------------------------------------------|----------------------|
| 1 | Subsidiary | Ador Welding Academy Private Limited | India | 100% | 100% | Cost |

Note 57- Revenue from contracts with customers

The Company is engaged in providing welding Products Technologies and Services, customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregated revenue information

The Company has two reportable segments of its business :

- (i) Consumables
- (ii) Equipment and Project Engineering Business

The Company's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2020 and 31 March 2019 are as follows:

| | | (Rs. in lakhs) | | | | | |
|--------|--------------------------------------|----------------|--------------------------------------------|---------------|---------------|--------------------------------------------|---------------|
| Sr. No | Particulars | 31 March 2020 | | | 31 March 2019 | | |
| | | Consumables | Equipment and Project Engineering Business | Total revenue | Consumables | Equipment and Project Engineering Business | Total revenue |
| 1 | Goods transferred at a point in time | 40,391 | 7,354 | 47,745 | 38,570 | 8,497 | 47,067 |
| 2 | Goods transferred over time | - | 4,829 | 4,829 | - | 4,148 | 4,148 |
| | Total | 40,391 | 12,183 | 52,574 | 38,570 | 12,645 | 51,215 |

b)(i) Contract balances information

| | | (Rs. in lakhs) | |
|----------------------------------------------|---------------------|---------------------|--|
| Particulars | As at 31 March 2020 | As at 31 March 2019 | |
| Trade receivables | 12,977 | 8,451 | |
| Contract Assets (Refer note (ii) below) | 6,087 | 7,840 | |
| Contract Liabilities (Refer note (ii) below) | 396 | 573 | |

(ii) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

* The significant changes in contract Assets include contracts billed during the year for an amount of Rs. 4,444 lakhs (31 March 2019: Rs. 1,335 lakhs).

** The significant changes in contract liabilities include customer and distributors advance during the year decreased by Rs. 177 lakhs (31 March 2019: Rs. 54 lakhs).

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2020 and 31 March 2019 as follows:

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Revenue as per contracted price | 52,760 | 51,413 |
| <u>Adjustments:</u> | | |
| Extended warranties | - | - |
| Significant financing component | - | - |
| Sales return | (186) | (198) |
| Discount | - | - |
| Revenue from contract with customers | 52,574 | 51,215 |

c) Performance obligations

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as on 31 March 2020 and 31 March 2019 as follows:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Revenue expected to be recognised | 3,284 | 4,531 |

Note 58- Corporate Social Responsibility :

The Company had formed a Corporate Social Responsibility (CSR) Committee, as required under Section 135 of the Companies Act, 2013. The Company was required to spend Rs. 68.68 lakhs as per Section 135(5). However, the Company has spent Rs. 65.07 lakhs on the activities mentioned in Schedule VII to the Companies Act, 2013.

Details of CSR spent for financial year 2019-20:

Total amount spent: Rs. 65.07 lakhs

Amount unspent: Rs. 3.61 lakhs

Manner in which the amount spent during financial year 2019-20 is detailed below:-

| CSR project or activity identified | Sector in which project is covered | Projects or programs | (Rs. in lakhs) |
|------------------------------------|---------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| | | | Amount spent: direct or through implementing agency (Direct) |
| Promoting Education | Facilities for Education | Renovated a Higher Secondary School at Birgam, Raipur, CG State | 50.98 |
| Drinking Water Facility | Making available clean drinking water | Supported Safe Drinking Water Project at Begampur, a remote area in Hooghly District of West Bengal | 0.25 |

(Rs. in lakhs)

| CSR project or activity identified | Sector in which project is covered | Projects or programs | Amount spent: direct or through implementing agency (Direct) |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
| Promoting Education | Promoting education for poor & needy | Distributed school kits to the needy & poor students | 0.30 |
| Promoting Health care | Promoting Health care including Mental Health | Sponsored Mental Health (Schizophrenia / Epilepsy) support group | 0.75 |
| Promoting Education | Promoting education for poor & needy | Provided Educational & Medical Facilities in slum areas of Kandivali | 0.21 |
| Promoting Education | Providing training for poor & needy | Provided desktop computers to Vanvasi Kalyan Aashram, Khanvel, Silvassa | 0.15 |
| Water Facility | Hot Water facility to the underprivileged | Provided solar water heater in the hostel for Adivasis | 0.63 |
| Setting up homes and hostels | Setting up homes and hostels for women and orphans | Provided various indoor facilities in the orphanage | 0.50 |
| Vocational Training | Vocational Training for poor & needy | Vocational training to the underprivileged youth by sponsoring courses on Welding Skill development | 10.30 |
| Contribution to relief funds | Contribution to relief funds for socio economic development, relief and welfare of the socially backward class / unprivileged | Sponsored food packets for the underprivileged / socially backward classes during lockdown due to COVID-19 | 1.00 |
| Total | | | 65.07 |

Note 59 - Amounts below Rs 0.50 lakh have been rounded off.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

V.M. Bhide
**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar
**Chief Financial
Officer**

S.M. Bhat
Managing Director
DIN : 05168265

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 23 June 2020

Place : Mumbai
Date : 23 June 2020

For and on behalf of the Board of Directors

Independent Auditor's Report

To the Members of Ador Welding Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Ador Welding Limited** ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – COVID-19

4. We draw attention to Note 45 of the accompanying consolidated financial statements which describes the uncertainties relating to COVID-19 pandemic outbreak and management's evaluation of its impact on the operations and consolidated financial statements of the Group as at the balance sheet date. The impact of these uncertainties on the Group's operations is significantly dependent on future developments.

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiary, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Key audit matter | How our audit addressed the key audit matter |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue recognition | Our response: |
| Refer Note 1(II) (I), 31 and 56 to the consolidated financial statements | |
| <p>The Group generates revenue mainly from two sources: i) Sale of consumables; and ii) Sale of equipment and rendering of services under project engineering business (PEB).</p> <p>Revenue of the Group is recognized in accordance with Indian Accounting Standard 115, 'Revenue from contracts with customers' ('Ind AS 115).</p> <p>Owing to the multiplicity of the Holding Company's products, volume of sales transactions, size of distribution network and varied terms of contracts with customers, in line with the requirements of the Standards on Auditing, revenue is determined to be an area involving significant risk and hence requiring significant auditor attention.</p> <p>Further, Ind AS 115 requires management to make certain key judgements, such as, identification of distinct performance obligations, in contract with customers (such as after sales maintenance services and product warranties), determination of transaction price for the contract factoring in the consideration payable to customers (such as rebates and discounts) and selection of a method to allocate the transaction price to the performance obligations.</p> <p>The revenue from sale of consumables and equipment is recognised when control over the goods is transferred to the customer according to the contract terms, which is generally upon delivery of goods as mentioned in Note 1(II)(I) while the performance obligations, in case of PEB, are satisfied over the time.</p> <p>The timing of revenue recognition is important to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk that revenue could be recognized in the incorrect period for sales transactions occurring on and around the year-end.</p> <p>Accordingly, due to the significant risk associated with revenue recognition, it has been determined to be a key audit matter in our audit of the consolidated financial statements.</p> | <p>Our audit procedures, related to revenue recognition, included, but were not limited, to the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with Ind AS 115. • Tested the design and operating effectiveness of Group's controls (including the automated controls) around revenue recognition, including controls around rebates / discounts and cut off assertion. • Selected a sample of continuing and new contracts and performed the following procedures; <ul style="list-style-type: none"> – Analysed and identified the performance obligations in these contracts; – Compared these performance obligations with that identified and recorded by the Group; – Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; and – Tested the allocation of transaction price to identified performance obligations in the contract. • Performed substantive testing for samples of revenue transactions recorded during the year, and revenue transactions recorded before and after year-end to test cut off assertion, by verifying the underlying documents for such selected samples, which included shipping documents, lorry receipt, sales order, approved price list. • Verified the samples of sales return and checked the appropriateness of sales return accounted in the books by verifying its approval from authorized person and goods inward note. |



| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Performed analytical procedures on current year revenue based on overall revenue recognized, customer wise analysis, product wise analysis and where appropriate, conducting further enquiries and testing. • Obtained balance confirmations for samples of customers selected and reviewed the reconciling items, if any; • Assessed that the disclosures made by the management in consolidated financial statements are in accordance with applicable accounting standards. |
| Unbilled revenue - EPC Contract | Our response: |
| Refer Note 17 to the consolidated financial statements | |
| <p>During the financial year 2016-17, the Holding Company entered into a contract for providing Engineering Procurement and Constructions (EPC) service in relation to a gas line project, with a customer in Kuwait for a contract of value KWD 4,929,550.</p> <p>The Holding Company's performance obligations under the said contract were completed in financial year 2018-19 and the Holding Company has recognized the entire revenue from this contract by the end of such financial year in accordance with the accounting principles of Ind AS 115, Revenue from contracts with customers.</p> <p>As per the terms of the contract, the Holding Company can invoice the customer only after the other vendors involved in the project complete their portion of the work and a quality inspection is done by the customer. Consequently, while the Holding Company has completed its performance obligations and has recognized revenue, as aforesaid, aggregating to Rs. 10,959 lakhs, the unbilled revenue as at 31 March 2020 amounts to Rs 5,625 lakhs (Previous Year - Rs. 7,840 lakhs).</p> <p>Considering the materiality of the amounts involved and significant efforts required in assessing the appropriateness of the carrying value of the unbilled revenues, we have considered this matter to be a key audit matter for the current year audit.</p> | <p>Our audit procedures in relation to revenue recognition, included, but were not limited to, the following:</p> <ul style="list-style-type: none"> - Obtained an understanding of management's process and evaluated the design and tested the operating effectiveness of controls around revenue recognition and accounting treatment of unbilled revenue as per Ind AS 115; - Obtained and inspected the agreement, with respect to the key contractual terms including those related to invoicing, entered into by the Holding Company with the customer and evaluated the appropriateness of the accounting treatment assessed by the management; - Evaluated whether the performance obligations and service delivery obligations as per the terms of the contract appear to be satisfied by the Holding Company to the extent of revenue recognized, by performing enquiry with the management and inspecting supporting documents evidencing completion of such work; - Tested all the invoices raised in relation to the project from its commencement until 31 March 2020 and traced the receipt of money in respect of such invoices to the bank statements; - Obtained an independent confirmation from the contractor to the project certifying that the balance invoicing under the project would be done subsequent to the testing phase, to corroborate the reasons of delay in invoicing as explained by the management; and - Evaluated the appropriateness of the disclosures made in the financial statements with respect to revenue and related balances. |

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

7. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of ₹ 217.87 lakhs and net assets of ₹ 202.57 lakhs as at 31 March 2020, total revenues of ₹ 102.35 lakhs and net cash inflows amounting to ₹ 2.87 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiary, we report that the Holding Company has paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to subsidiary companies under section 2(71) of the Act.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the



report of the other auditors on separate financial statements as also the other financial information of the subsidiary.

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 41 to the consolidated financial statements;
- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company during the year ended 31 March 2020; and
- iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No.: 042423
UDIN : 20042423AAAADK2356

Place: Mumbai
Date: 23 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of Ador Welding Limited on the consolidated financial statements for the year ended 31 March 2020

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Ador Welding Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Opinion

8. In our opinion and based on the consideration of the report of the other auditor on internal financial controls with reference to financial statements of the subsidiary company and the Holding Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to the subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of ₹ 217.87 lacs and net assets of ₹ 202.57 lakhs as at 31 March 2020, total revenues of ₹ 102.35 lakhs and net cash inflows amounting to ₹ 2.87 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, have been audited by other auditor whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the report of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN : 20042423AAAADK2356

Place: Mumbai

Date: 23 June 2020

CONSOLIDATED BALANCE SHEET

(Rs. in lakhs)

| Particulars | Notes | As at | As at |
|-----------------------------------------------------------------------------------------|-------|---------------|---------------|
| | | 31 March 2020 | 31 March 2019 |
| Assets | | | |
| (1) Non-current assets | | | |
| (a) Property, plant and equipment | 2A | 11,608 | 10,634 |
| (b) Right-of-use asset | 2B | 110 | - |
| (c) Capital work-in-progress | 3 | 28 | 102 |
| (d) Investment property | 4 | 741 | 816 |
| (e) Intangible assets | 5 | 88 | 121 |
| (f) Intangible assets under development | | 5 | 5 |
| (g) Financial assets | | | |
| (i) Investments | 6 | - | - |
| (ii) Loans | 7 | 184 | 161 |
| (iii) Other financial assets | 8 | 687 | 531 |
| (h) Non-current tax assets, net | 9 | 52 | 345 |
| (i) Other non-current assets | 10 | 2,072 | 2,149 |
| | | <u>15,575</u> | <u>14,864</u> |
| (2) Current assets | | | |
| (a) Inventories | 11 | 6,221 | 5,159 |
| (b) Financial assets | | | |
| (i) Investments | 12 | 375 | 371 |
| (ii) Trade receivables | 13 | 12,978 | 8,460 |
| (iii) Cash and cash equivalents | 14 | 518 | 2,681 |
| (iv) Other bank balances | 15 | 138 | 133 |
| (v) Loans | 16 | 157 | 160 |
| (vi) Other financial assets | 17 | 6,198 | 8,188 |
| (c) Current tax assets, net | 18 | 439 | - |
| (d) Other current assets | 19 | 1,944 | 2,893 |
| | | <u>28,968</u> | <u>28,045</u> |
| Total Assets | | 44,543 | 42,909 |
| Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 20 | 1,360 | 1,360 |
| (b) Other equity | 21 | 25,378 | 24,780 |
| | | <u>26,738</u> | <u>26,140</u> |
| (1) Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Other financial liabilities | 22 | 145 | 23 |
| (b) Provisions | 23 | 531 | 278 |
| (c) Deferred tax liabilities, net | 24 | 428 | 886 |
| (d) Other non-current liabilities | 25 | 7 | 7 |
| | | <u>1,111</u> | <u>1,194</u> |
| (2) Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 26 | 8,191 | 6,499 |
| (ii) Trade payables | 27 | | |
| Total outstanding dues to micro and small enterprises | | 316 | 60 |
| Total outstanding dues to creditors other than micro and small enterprises | | 5,766 | 6,629 |
| (iii) Other financial liabilities | 28 | 1,733 | 1,269 |
| (b) Other current liabilities | 29 | 360 | 755 |
| (c) Provisions | 30 | 328 | 363 |
| | | <u>16,694</u> | <u>15,575</u> |
| Total equity and liabilities | | 44,543 | 42,909 |
| Summary of significant accounting policies | | | |
| 1 | | | |
| The accompanying notes 1 to 58 are an integral part of the financial statements. | | | |

This is the balance sheet referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

Managing Director

DIN : 05168265

N.Malkani Nagpal

Executive Chairman

DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

Place : Mumbai

Date : 23 June 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Rs. in lakhs)

| Particulars | Notes | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------------------------------------------------------------------------|-------|-----------------------------|-----------------------------|
| Income | | | |
| Revenue from operations | 31 | 52,654 | 51,328 |
| Other income | 32 | 1,011 | 1,035 |
| Total revenue | | 53,665 | 52,363 |
| Expenses | | | |
| Cost of raw materials and components consumed | 33 | 36,026 | 35,083 |
| Purchase of stock-in-trade | 34 | 653 | 972 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 35 | (58) | 167 |
| Employee benefits expenses | 36 | 4,264 | 4,120 |
| Finance costs | 37 | 861 | 905 |
| Depreciation and amortisation expense | 2,4,5 | 1,075 | 968 |
| Other expenses | 38 | 7,472 | 6,596 |
| Total expenses | | 50,293 | 48,811 |
| Profit before tax | | 3,372 | 3,552 |
| Tax expense | 39 | | |
| Current tax | | 915 | 1,023 |
| Deferred tax (credit) / charge | | (420) | 75 |
| Profit for the year | | 2,877 | 2,454 |
| Other comprehensive income | 40 | | |
| (i) Items that will not be reclassified to statement of profit and loss | | (197) | 6 |
| (ii) Income tax relating to above items | | 50 | (2) |
| Net other comprehensive (loss) / income | | (147) | 4 |
| Total comprehensive income for the year | | 2,730 | 2,458 |
| Earnings per equity share | 52 | | |
| Basic and diluted earnings per share (Rs. 10 per share) | | 21.15 | 18.04 |
| Summary of significant accounting policies | 1 | | |
| The accompanying notes 1 to 58 are an integral part of the financial statements. | | | |

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandlok & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

Managing Director
DIN : 05168265

N.Malkani Nagpal

Executive Chairman
DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

Place : Mumbai

Date : 23 June 2020

CONSOLIDATED CASH FLOW STATEMENT

| | | (Rs. in lakhs) | | | |
|-------------|--------------------------------------------------------------------------------------------------------|-----------------------------|----------------|-----------------------------|---------|
| Particulars | | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
| A) | Cash flow from operating activities | | | | |
| | Profit before tax | | 3,372 | | 3,552 |
| | Adjustment for: | | | | |
| | Fair value adjustments relating to | | | | |
| | Financial assets at FVTPL | 58 | | (18) | |
| | Financial assets at amortised cost | (1) | | (6) | |
| | Financial liabilities at amortised cost* | - | | 0 | |
| | Interest expense on lease liability | 11 | | - | |
| | Depreciation and amortisation expense | 1,075 | | 968 | |
| | Bad debts written off | 36 | | 29 | |
| | Provision for doubtful debts | 541 | | 193 | |
| | Provision for doubtful deposit and advances | 35 | | 12 | |
| | Provision for unbilled revenue | 52 | | - | |
| | Assets and Inventory written off / discarded | - | | 19 | |
| | Items considered separately: | | | | |
| | Finance costs | 850 | | 905 | |
| | Loss on sale of property, plant & equipment | 10 | | 9 | |
| | Surplus on sale of investments | (2) | | - | |
| | Interest income | (99) | | (161) | |
| | Rental income | (103) | | (64) | |
| | Exchange gain on revaluation of foreign currency monetary item | (88) | 2,375 | (123) | 1,763 |
| | Operating profit before working capital changes | | 5,747 | | 5,315 |
| | Adjustments for changes in working capital | | | | |
| | Inventories | (1,062) | | 253 | |
| | Trade receivables | (5,076) | | 514 | |
| | Loans and Other receivables | 3,130 | | 1,609 | |
| | Trade payables | (618) | | (872) | |
| | Liabilities and Provisions | 307 | (3,319) | 557 | 2,061 |
| | Cash generated from operating activities | | 2,428 | | 7,376 |
| | Income tax paid | | (1,062) | | (1,017) |
| | Net cash generated from operating activities | | 1,366 | | 6,359 |
| B) | Cash flow from investing activities | | | | |
| | Acquisition of property, plant and equipment (including capital work-in-progress and capital advances) | (2,198) | | (1,915) | |
| | Purchase of investments | (1,661) | | (110) | |
| | Proceeds from sale of property, plant and equipment | 10 | | 21 | |
| | Proceeds from sale of investments | 1,602 | | - | |
| | Interest income | 99 | | 164 | |
| | Rental received | 98 | | 75 | |
| | Investment in fixed deposits | (156) | | (183) | |
| | Net cash used in investing activities | | (2,206) | | (1,948) |

(Rs. in lakhs)

| Particulars | Year ended | | Year ended | |
|-------------------------------------------------------------------------|---------------|----------------|---------------|----------------|
| | 31 March 2020 | | 31 March 2019 | |
| C. Cash flow from financing activities | | | | |
| Finance costs | (859) | | (893) | |
| Repayment of lease liability | (24) | | - | |
| Proceeds from current borrowings | 54,284 | | 29,400 | |
| Repayment of current borrowings | (52,592) | | (31,033) | |
| Dividend paid | (1,768) | | (680) | |
| Dividend distribution tax | (364) | | (140) | |
| Net cash used in financing activities | | (1,323) | | (3,346) |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | | (2,163) | | 1,065 |
| Cash and cash equivalents at the beginning of the year | | 2,681 | | 1,616 |
| Cash and cash equivalents at the end of the year [Refer note 14] | | 518 | | 2,681 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes to the cash flow statement

a) Components of cash and cash equivalents:

(Rs. in lakhs)

| Particulars | As at | |
|-----------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Cash on hand | 5 | 5 |
| Cheques on hand | - | 2,061 |
| Balances with banks in current accounts | 513 | 615 |
| Total | 518 | 2,681 |

The accompanying notes 1 to 58 are an integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai

Date : 23 June 2020

V.M. Bhide

Head - Corp. Admin,

Legal and Company

Secretary

G.A. Patkar

Chief Financial

Officer

S.M. Bhat

Managing Director

DIN : 05168265

N.Malkani Nagpal

Executive Chairman

DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A) Equity share capital (Refer note 20)

| Particulars | Number of shares | Rs. in lakhs |
|----------------------------------------|-------------------|--------------|
| Issued, subscribed and paid up: | | |
| As at 1 April 2018 | 13,598,467 | 1,360 |
| As at 31 March 2019 | 13,598,467 | 1,360 |
| As at 31 March 2020 | 13,598,467 | 1,360 |

B) Other equity (Refer note 21)

| Particulars | Reserves and surplus | | | Total |
|----------------------------------------------------|----------------------|----------------------------|-------------------|---------------|
| | General reserve | Capital redemption reserve | Retained earnings | |
| Balance as at 1 April 2018 | 13,961 | 223 | 8,958 | 23,142 |
| Net profit for the year | - | - | 2,454 | 2,454 |
| Net other comprehensive income for the year | - | - | 4 | 4 |
| Transfer from retained earnings to general reserve | 186 | - | (186) | - |
| Equity dividend including taxes thereon as above | - | - | (820) | (820) |
| Balance as at 31 March 2019 | 14,147 | 223 | 10,410 | 24,780 |
| Net profit for the year | - | - | 2,877 | 2,877 |
| Net other comprehensive loss for the year | - | - | (147) | (147) |
| Transfer from retained earnings to general reserve | 239 | - | (239) | - |
| Equity dividend including taxes thereon as above | - | - | (2,132) | (2,132) |
| Balance as at 31 March 2020 | 14,386 | 223 | 10,769 | 25,378 |

The accompanying notes 1 to 58 are an integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

V.M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

G.A. Patkar
Chief Financial
Officer

For and on behalf of the Board of Directors

S.M. Bhat
Managing Director
DIN : 05168265

N.Malkani Nagpal
Executive Chairman
DIN : 00031985

Place : Mumbai
Date : 23 June 2020

Place : Mumbai
Date : 23 June 2020

Note 1 - Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2020

I. Background of the Company

Ador Welding Limited ('the Company') was incorporated in 1951 and is one of India's leading player in the field of Welding Products, Technologies and Services. The Company is also engaged in providing customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries. The Company is a public limited company and domiciled in India and its shares are listed on two recognised stock exchanges in India - the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The registered and corporate office of the Company is situated at Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400001.

The financial statements comprise the financial statements of the Company and its subsidiary (the Company and its subsidiary referred to as "the Group"). These consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 23 June 2020.

II. Significant Accounting Policies followed by the Company

The significant accounting policies applied by the Group in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

(a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

(b) Basis of Preparation

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities that are measured at fair value & defined benefit plan assets measured at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Current and non-current classification

All assets and liabilities have been classified as current or non-current based on the Group's normal operating cycle for each of its businesses, as per the criteria set out in Schedule III to the Act.

(c) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction



provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(d) Critical estimates and judgements

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

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

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

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. Depreciation is provided as per the Straight Line Method over the estimated useful lives of assets. The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act. Management believes that useful life of assets are same as those prescribed in Schedule II to the Act. - Refer note 1(II)(e),(f),(g)

Valuation of deferred tax assets / liabilities

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. Significant judgment is involved in arriving at the deferred tax assets and liabilities, which is based on the Group's current operations and projections for the future. - Refer note 1(II)(o)

Defined benefit obligation

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans such estimates are subject to significant uncertainty. The assumptions used are disclosed in Note 46.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. - Refer note 1(II)(i)

Other areas involving critical estimates or judgments are :

- i) Revenue from Project Engineering Business projects - Refer note 1(II)(l)
- ii) Estimation of tax expenses and tax payable - Refer note 39
- iii) Probable outcomes of matters included under Contingent Liabilities - Refer note 41
- iv) Leases - Estimating the incremental borrowing rate - Refer note 1(II)(p)

(e) Property plant and equipment (including Capital Work-in-Progress)

Freehold Land is carried at historical cost. All other items of Property, plant and equipment are stated at cost / deemed cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction are capitalised, as part of cost of qualifying asset.

Items of property, plant and equipment that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss. Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets, which are carried at cost, are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the straight-line method based on useful life as estimated by the management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets. Depreciation on assets acquired under finance lease is spread over the lease period or useful life.

Assets not yet ready for use are recognised as capital work-in-progress.

(f) Intangible Assets (including intangibles under development)

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.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Software and implementation costs including users license fees of the Enterprise Resource Planning (ERP) system and other application software costs are amortised over a period of three years.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.

(g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entity, is classified as Investment Property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed, when incurred. When part of an Investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation is provided on a pro-rata basis on the straight-line method, based on useful life as estimated by the management and aligned to Schedule II to the Companies Act, 2013 in order to reflect the actual usage of assets.

(h) Impairment of non-financial assets

The carrying amount of the non-financial assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised, whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Impairment loss is recognised in the statement of profit and loss. (fair value less disposal cost)



After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

(i) Investments and financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- (ii) those measured at amortised cost.

The classification depends on the entity's business model, for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The entity reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the entity's business model for managing the asset and the cash flow characteristics of the asset.

There are three measurement categories into which the Group classifies its debt instruments:

- (i) **Amortised cost** : Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in statement of profit and loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- (ii) **Fair value through other comprehensive income (FVTOCI)** : Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and

recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- (iii) Fair value through profit or loss :** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit or loss and presented net in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach, permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised only when

- (i) The Group has transferred the rights to receive cash flows from the financial asset or,
- (ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand and at bank and current investments with an original maturity of three months or less. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

(j) Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial is recognised as an asset / liability based on the underlying reason for the difference. Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

(k) Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined using the 'average cost' method. The cost of finished goods and work in progress comprises raw material, packing materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(l) Revenue Recognition

Revenue from contracts with customers is recognised when the entity satisfies a performance obligation by transferring a promised good or service to customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates and discounts, value added taxes, goods and service tax and applicable taxes, which are collected on behalf of the government or on behalf of third parties.



i) Sale of consumables

Revenue from sale of consumables is recognised at point in time when the control of the asset is transferred to the customer, generally on delivery of the consumables.

ii) Project Engineering Business

Project engineering contracts are generally takes 1 to 2 years. A contract's transaction price is allocated to each distinct performance obligation within that contract and recognized as revenue when, or as, the performance obligation is satisfied. The majority of Group's contracts have a single performance obligation as the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts and is, therefore, not distinct. For contracts with distinct performance obligations, Group allocates the contract's transaction price to each performance obligation using the best estimate of the standalone selling price (i.e. fair value based on market approach) of each distinct good or service in the contract. Generally, most of the revenue in project engineering segments is recognized over time, because control of the asset is transferred as & when the asset is created or enhanced to customers. The Group monitors estimates of total contract revenue and costs on a regular basis throughout the contract period. The cumulative impact of any change in estimates of the contract value or cost is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

iii) Contract Assets

Contract assets represents revenue recognized in excess of revenue billed. These amounts are billed after milestones specified in the agreement are achieved. Contract assets are disclosed under Other Current Financial Assets in the balance sheet.

iv) Benefit on account of entitlement to Import duty

Free materials under Duty Entitlement Passbook (DEPB) Scheme or duty drawback or merchant export from India (MEIS) scheme are accounted in the year of export as export incentives.

(m) Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(n) Employee Benefits

Provident fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes" as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity fund: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial gains / losses arising on the measurement of defined benefit obligation are credited / charged to other comprehensive income.

Superannuation fund: Contribution towards superannuation fund for certain employees is made to Ador Welding Employees Superannuation Fund Trust administered by the Company. The benefit is classified as a "Defined Contribution Scheme" as the Company does not carry any further obligation, apart from the contribution made on a monthly basis.

Employees state insurance scheme: The Company makes contribution to state plans namely Employees State Insurance Scheme and has no further obligation beyond making the payment to them.

Compensated absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the statement of profit & loss in the year in which they arise

Termination benefits: Termination benefits in the nature of voluntary retirement benefits are recognised in the statement of profit & loss, as & when incurred.

(o) Income taxes

Income tax expense comprises current tax expenses and net change in the deferred tax assets or liabilities during the year. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

(i) Current Income taxes

The current income tax includes income taxes payable by the Group, computed in accordance with the respective tax laws applicable in the jurisdiction in which each of the entity of the Group operates. Advance taxes and provision for current income tax are presented in the Balance sheet after offsetting the advance tax paid and income tax provision arising in the same jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

(ii) Deferred income tax

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of recognition.

Deferred tax assets are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.



(p) Leases

The Group has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straightline basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a Lessor:

Lease income from operating leases where the Company is a lessor is recognised in other income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(q) Foreign Currency Transactions

The functional and presentation currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

(r) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Group.

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

(s) Earnings per share

Basic earning per share is computed by dividing net profit after tax (excluding other comprehensive income) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing net profit after tax (excluding other comprehensive income) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

(t) Provision for warranty

Warranty costs are provided based on a technical estimate of the costs required to be incurred for repairs, replacement, material cost, servicing on the basis of the past experience of the Group. It is expected that this expenditure will be incurred over the contractual warranty period.

(u) Research & Development

Revenue expenditure on research & development (including overheads) are charged out as expense through the natural heads of account in the year in which they are incurred. Expenditure of a capital nature on research & development is debited to respective fixed assets and depreciation is provided on such assets, as are depreciable.

(v) Standards issued but not effective

There is no standard that is issued but not yet effective on 31 March 2020.

Note 2A - Property, plant and equipment

| Description | (Rs. in lakhs) | | | | | | | | | | | | | | | |
|------------------------------------|----------------|----------------|----------------------------------|--------------------|---------------------------------------------|--------------------------|------------------------|-------------------|------------|----------------|---------------|------------|---------------------------------------------|------------------------|------------------|---------------|
| | Freehold land | Leasehold land | Buildings [Refer note (a) below] | Ownership premises | Plant and equip-ments (including computers) | Electrical installations | Furniture and fixtures | Office equipments | Vehicles | Temporary shed | Freehold land | Buildings | Plant and equip-ments (including computers) | Furniture and fixtures | Air conditioners | Total |
| Gross carrying value | | | | | | | | | | | | | | | | |
| As at 1 April 2018 | 144 | 4 | 7,171 | 259 | 13,503 | 1,129 | 796 | 207 | 356 | 3 | 34 | 127 | 746 | 4 | 7 | 24,490 |
| Additions | 198 | - | 416 | 15 | 1,147 | 52 | 174 | 55 | 54 | - | - | - | 20 | - | - | 2,131 |
| Deductions | - | - | - | - | 213 | 10 | 2 | 8 | 42 | - | - | - | 4 | - | - | 279 |
| As at 31 March 2019 | 342 | 4 | 7,587 | 274 | 14,437 | 1,171 | 968 | 254 | 368 | 3 | 34 | 127 | 762 | 4 | 7 | 26,342 |
| Additions | - | - | 313 | - | 1,353 | 74 | 52 | 21 | 87 | - | - | - | 13 | - | - | 1,913 |
| Adjustments [Refer note (b) below] | - | 23 | 53 | - | - | - | - | - | - | - | - | - | - | - | - | 76 |
| Deductions | - | - | - | - | 123 | 17 | 14 | 6 | 18 | - | - | - | - | - | - | 178 |
| As at 31 March 2020 | 342 | 27 | 7,953 | 274 | 15,667 | 1,228 | 1,006 | 269 | 437 | 3 | 34 | 127 | 775 | 4 | 7 | 28,153 |
| Accumulated depreciation | | | | | | | | | | | | | | | | |
| As at 1 April 2018 | - | - | 2,088 | 70 | 10,774 | 766 | 505 | 167 | 127 | 3 | - | 90 | 464 | - | 5 | 15,059 |
| Depreciation charge | - | - | 233 | 5 | 451 | 64 | 56 | 14 | 42 | - | - | 1 | 29 | - | 1 | 896 |
| Adjustments [Refer note (b) below] | - | - | - | - | - | 2 | - | - | - | - | - | - | - | - | - | 2 |
| Deductions | - | - | - | - | 190 | 10 | 2 | 7 | 37 | - | - | - | 3 | - | - | 249 |
| As at 31 March 2019 | - | - | 2,321 | 75 | 11,035 | 822 | 559 | 174 | 132 | 3 | - | 91 | 490 | - | 6 | 15,708 |
| Depreciation charge | - | - | 249 | 5 | 500 | 58 | 65 | 21 | 48 | - | - | 1 | 27 | - | 1 | 975 |
| Adjustments [Refer note (b) below] | - | - | 20 | - | - | - | - | - | - | - | - | - | - | - | - | 20 |
| Deductions | - | - | - | - | 111 | 16 | 14 | 5 | 12 | - | - | - | - | - | - | 158 |
| As at 31 March 2020 | - | - | 2,590 | 80 | 11,424 | 864 | 610 | 190 | 168 | 3 | - | 92 | 517 | - | 7 | 16,545 |
| Net carrying value | | | | | | | | | | | | | | | | |
| As at 31 March 2019 | 342 | 4 | 5,266 | 199 | 3,402 | 349 | 409 | 80 | 236 | - | 34 | 36 | 272 | 4 | 1 | 10,634 |
| As at 31 March 2020 | 342 | 27 | 5,363 | 194 | 4,243 | 364 | 396 | 79 | 269 | - | 34 | 35 | 258 | 4 | - | 11,608 |

Notes:-

(a) Includes:

- Rs. 0.01 lakh (31 March 2019: Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
- Rs. 4.17 lakhs (31 March 2019: Rs. 4.17 lakhs) for tenements in an association of apartment owners.

(b) During the current financial year 2019-20, Leasehold land and building situated at Delhi (Naraina) have been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation on building of Rs. 18 lakhs till 31 March 2020) and Leasehold land situated at Ahmednagar plant of Rs. 1.40 lakh has been reclassified from "Investment property" to "Property, plant and equipment"

(c) Certain assets have been pledged with the bankers as security, for details refer note 54.

Note 2B - Right-of-use asset

(Rs. in lakhs)

| Description | Right-of-use asset [Refer note 43, note (a) and (b) as below] | Total |
|-----------------------------|---------------------------------------------------------------------|------------|
| Gross carrying value | | |
| As at 1 April 2018 | - | - |
| Additions | - | - |
| Deductions | - | - |
| As at 31 March 2019 | - | - |
| Additions | 130 | 130 |
| Deductions | - | - |
| As at 31 March 2020 | 130 | 130 |
| Accumulated amortisation | | |
| As at 1 April 2018 | - | - |
| Amortisation charge | - | - |
| Deductions | - | - |
| As at 31 March 2019 | - | - |
| Amortisation charge | 20 | 20 |
| Deductions | - | - |
| As at 31 March 2020 | 20 | 20 |
| Net carrying value | | |
| As at 31 March 2019 | - | - |
| As at 31 March 2020 | 110 | 110 |

Notes:-

(a) The Group has adopted Ind AS 116 effective 1st April, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated. This has resulted in recognising a right-of-use asset of Rs. 130 lakhs and a corresponding lease liability of Rs. 129 lakhs.

In the statement of profit and loss for the current year, operating lease expenses, which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard does not have any significant impact on the profit for the year and earnings per share. The weighted average incremental borrowing rate of 9.50% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

(b) The Group's Right-of-use assets comprises of only buildings, whose net carrying amount as at 31 March 2020 is Rs. 110 lakhs after adjusting accumulated depreciation of Rs. 20 lakhs.

(c) The Group incurred Rs. 31 lakhs for the year ended 31 March 2020 towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 55 lakhs for the year ended 31 March 2020, including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 11 lakhs for the year. [Refer note 38]

Note 3 - Capital work in progress

| Particulars | (Rs. in lakhs) | |
|------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Opening balance | 102 | 75 |
| Add : Addition during the year | 16 | 84 |
| Less : Capitalised during the year | (90) | (57) |
| As at 31 March 2020 | 28 | 102 |

Note 4 - Investment Property

| Description | (Rs. in lakhs) | | | | |
|----------------------------------------------|------------------|------------------------------------------------|------------|-----------------------|------------|
| | Freehold land | Leasehold land [Refer note (d) below] | Buildings | Ownership premises | Total |
| Gross carrying value (at deemed cost) | | | | | |
| As at 1 April 2018 | 49 | 41 | 844 | 82 | 1,016 |
| Additions | - | - | - | - | - |
| Adjustments | - | (1) | - | - | (1) |
| Deductions | - | - | - | - | - |
| As at 31 March 2019 | 49 | 40 | 844 | 82 | 1,015 |
| Additions | - | - | - | - | - |
| Adjustments [Refer note (d) below] | - | (23) | (53) | - | (76) |
| Deductions | - | - | - | - | - |
| As at 31 March 2020 | 49 | 17 | 791 | 82 | 939 |
| Accumulated depreciation | | | | | |
| As at 1 April 2018 | - | - | 154 | 28 | 182 |
| Depreciation charge | - | - | 17 | 1 | 18 |
| Adjustments | - | - | (1) | - | (1) |
| Deductions | - | - | - | - | - |
| As at 31 March 2019 | - | - | 170 | 29 | 199 |
| Depreciation charge | - | - | 16 | 1 | 17 |
| Adjustments [Refer note (d) below] | - | - | (18) | - | (18) |
| Deductions | - | - | - | - | - |
| As at 31 March 2020 | - | - | 168 | 30 | 198 |
| Net carrying value | | | | | |
| As at 31 March 2019 | 49 | 40 | 674 | 53 | 816 |
| As at 31 March 2020 | 49 | 17 | 623 | 52 | 741 |

Notes :

(a) Fair Value of Investment properties*

| Description | (Rs. in lakhs) | | | | |
|----------------------------|------------------|-------------------|------------|-----------------------|--------------|
| | Freehold land | Leasehold land | Buildings | Ownership premises | Total |
| As at 31 March 2019 | 427 | 1,047 | 1,117 | 889 | 3,480 |
| As at 31 March 2020 | 427 | 1,047 | 814 | 889 | 3,177 |

*Estimation of fair value

The fair valuation is based on current prices in the active market of similar properties. The main inputs used for valuation are quantum, area, location, demand, quality of construction, age of building and trend of fair market etc.

This fair value is based on valuations performed by an accredited independent valuer. The fair value measurement is based on comparable sales approach. The fair value measurement is categorised in level 2 of fair value hierarchy.

(b) Information regarding income and expenditure of Investment property

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Rental income derived from investment properties | 103 | 64 |
| Direct operating expenses (including repairs and maintenance) for properties generating rental income | 7 | 9 |
| Direct operating expenses (including repairs and maintenance) for properties that did not generate rental income | 4 | 10 |
| Profit arising from investment properties before depreciation | 92 | 45 |
| Less: Depreciation | (17) | (18) |
| Profit arising from investment properties | 75 | 27 |

(c) The Group has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

(d) During the current financial year 2019-20, Land and building situated at Delhi (Naraina) partially is being used for business purpose hence proportionate value has been reclassified from "Investment property" to "Property, plant and equipment" (Land gross carrying amount Rs. 22 lakhs and building gross carrying amount Rs. 53 lakhs and Accumulated depreciation Rs 18 lakhs there on till 31 March 2020) and Leasehold land situated at Ahmednagar plant has been reclassified from "Investment property" to "Property, plant and equipment" Rs. 1.40 lakhs.

Note 5 - Intangible assets

| Description | (Rs in lakhs) | |
|---------------------------------|-------------------|------------|
| | Computer Software | Total |
| Gross carrying value | | |
| As at 1 April 2018 | 555 | 555 |
| Additions | 108 | 108 |
| Deductions | - | - |
| As at 31 March 2019 | 663 | 663 |
| Additions | 28 | 28 |
| Adjustments | 2 | 2 |
| Deductions | - | - |
| As at 31 March 2020 | 693 | 693 |
| Accumulated amortisation | | |
| As at 1 April 2018 | 488 | 488 |
| Amortisation charge | 54 | 54 |
| Deductions | - | - |
| As at 31 March 2019 | 542 | 542 |
| Amortisation charge | 63 | 63 |
| Deductions | - | - |
| As at 31 March 2020 | 605 | 605 |
| Net carrying value | | |
| As at 31 March 2019 | 121 | 121 |
| As at 31 March 2020 | 88 | 88 |

Note 6 - Non-current investments

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (A) Investment in unquoted equity shares measured at fair value through profit and loss | | |
| Plasma Laser Technologies Limited | | |
| 261,105 (31 March 2019: 261,105) Series A Preferred shares of NIS 1 each | - | 927 |
| Less: Provision for diminution in the value of investments [Refer note (a) below] | - | 927 |
| | - | - |
| Total | - | - |
| Aggregate amount of unquoted investments before impairment | - | 927 |
| Aggregate amount of impairment in the value of investments | - | 927 |

Note:

(a) Investment in Plasma Laser Technologies Limited (PLT)-

During the current year, the Company has written off the investment of Rs. 927 lakhs (Previous year Rs. 927 lakhs) in Plasma Laser Technologies Limited (PLT) against the provision created for diminution in the value of investment in PLT amounting to Rs. 927 lakhs.

Note 7 - Non-current loans

Unsecured, considered good (unless otherwise stated)

| Particulars | (Rs. in lakhs) | |
|---------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposit | 190 | 165 |
| Less : Provision for doubtful deposit | (20) | (12) |
| Loan to employees | 14 | 8 |
| Total | 184 | 161 |

Break-up:

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 184 | 161 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total | 184 | 161 |

Note 8 - Other non-current financial assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------|------------------------|------------------------|
| Fixed deposits for bank guarantees | 687 | 531 |
| Total | 687 | 531 |

Note 9 - Non-current tax assets, net**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------------|------------------------|------------------------|
| Advance income tax [Refer note (a) below] | 41 | 340 |
| MAT credit availment | 11 | 5 |
| Total | 52 | 345 |

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2014-15, A.Y. 2016-17, A.Y. 2019-20 and A.Y. 2020-21. Total amount of advance taxes paid for these assessment years is Rs. 3,077 lakhs and provision for taxes made is Rs. 3,036 lakhs.

Note 10 - Other non-current assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------|------------------------|------------------------|
| Capital advances [Refer note (a) below] | 82 | 46 |
| Less : Provision for capital advances | (27) | - |
| Prepaid Expenses | 27 | 20 |
| Balances with sales tax authorities | 1,990 | 2,083 |
| Total | 2,072 | 2,149 |

Note:

(a) Capital Advances includes:

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Land at Silvassa | 27 | 27 |
| Less : Provision for capital advances | (27) | - |
| Building | 37 | - |
| Plant and equipments | 18 | 19 |
| Total | 55 | 46 |

Note 11 - Inventories

(Valued at lower of cost and net realisable value)

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Raw materials and components and packing material | 3,190 | 2,185 |
| Work-in-Progress | 902 | 600 |
| Finished Goods | 1,552 | 1,817 |
| Stock-in-trade | 113 | 108 |
| Stores, spares, parts, scrap etc. | 267 | 268 |
| Right to receive inventory | 197 | 181 |
| Total | 6,221 | 5,159 |

Note 12 - Current Investments

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Financial assets classified and measured at fair value through profit or loss | | |
| (A) Investment in mutual funds (Quoted) | | |
| Birla Sunlife Balanced 95 fund - growth - direct plan (31 March 2020: 7,709.91 units, 31 March 2019: 7,709.91 units of Rs. 100 each) | 48 | 63 |
| Birla Sunlife Balanced 95 fund - growth - regular plan (31 March 2020: 3,680.059 units, 31 March 2019: 3,680.059 units of Rs. 100 each) | 21 | 28 |
| DSP blackrock balanced fund - direct plan - growth (31 March 2020: 12,209.416 units, 31 March 2019: 12,209.416 units of Rs. 100 each) | 17 | 20 |
| DSP Blackrock Balanced fund - regular plan - growth (31 March 2020: 28,696.993 units, 31 March 2019: 28,696.993 units of Rs. 100 each) | 38 | 43 |
| Franklin India balanced fund - growth (31 March 2020: 5,430.881 units, 31 March 2019: 5,430.881 units of Rs. 10 each) | 5 | 7 |
| HDFC Hybrid Equity Balanced fund - regular plan - growth (31 March 2020: 107,912.58, 31 March 2019: 107,912.58 units of Rs. 100 each) | 46 | 58 |
| ICICI Prudential Balanced fund - growth (31 March 2020: 53,322.947 units, 31 March 2019: 53,322.947 units of Rs. 10 each) | 57 | 72 |
| Aditya Birla Sunlife Liquid fund - growth - regular plan (31 March 2020: 10162.774 units; 31 March 2019: 10162.774 units of Rs. 100 each) | 32 | 30 |

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Aditya Birla sunlife floating rate fund - growth - direct plan (31 March 2020: 4048.083 units of Rs. 100 each) | 10 | - |
| Aditya Birla sunlife arbitrage fund - growth - direct plan (31 March 2020: 25184.984 units of Rs. 100 each) | 5 | - |
| SBI Magnum low duration fund - growth plan (31 March 2020: 606.083 units of Rs. 100 each) | 16 | - |
| Aditya Birla sunlife arbitrage fund - growth - regular plan (31 March 2020: 30761.186 units of Rs. 100 each) | 6 | - |
| IDFC Banking and PSU Debt fund - growth - regular plan (31 March 2020: 35493.508 units of Rs. 100 each) | 6 | - |
| Aditya Birla sunlife equity hybrid 95 fund - growth - direct plan (31 March 2020: 1245.128 units of Rs. 100 each) | 8 | - |
| HDFC Corporate bond fund - growth - regular plan (31 March 2020: 43871.772 units of Rs. 100 each) | 10 | - |
| Investment in mutual funds | 325 | 321 |
| (B) Investment in bonds (Quoted) | | |
| 9.60% Tourism Finance Corporation Limited Bonds_2028 (31 March 2020: 2 units, 31 March 2019: 2 units of Rs. 10 lakhs each) | 20 | 20 |
| 9.65% Tourism Finance Corporation Limited Bonds_2033 (31 March 2020: 1 units, 31 March 2019: 1 units of Rs. 10 lakhs each) | 10 | 10 |
| 9.05% Oriental Bank of Commerce Bond (Perpetual) (31 March 2020: 2 units, 31 March 2019: 2 units of Rs. 10 lakhs each) | 20 | 20 |
| Investment in bonds | 50 | 50 |
| Total (A+B) | 375 | 371 |

Note 13 - Trade receivables

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------------------------------------|------------------------|------------------------|
| Trade receivables | 13,759 | 8,717 |
| Receivables from related parties (Refer Note 47) | 17 | - |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| Less : Provision for doubtful trade receivables | (798) | (257) |
| Total | 12,978 | 8,460 |

Break-up:

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Secured, considered good [Refer note (a) below] | 250 | 589 |
| Unsecured, considered good [Refer note (b) below] | 12,728 | 7,871 |
| Unsecured, considered doubtful | 798 | 257 |
| Less : Provision for doubtful trade receivables | (798) | (257) |
| Total | 12,978 | 8,460 |
| Includes amount due by Private Company in which Director / officer is a Director (Refer Note 47) | 7 | - |

Notes :

(a) Secured by letter of credit

(b) Includes an amount of Rs. Nil (31 March 2019: Rs. 169 lakhs) on account of retention money of Project engineering business.

Note 14 - Cash and cash equivalents

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Cash on hand | 5 | 5 |
| Cheques on hand | - | 2,061 |
| Balances with banks in current accounts | 513 | 615 |
| Total | 518 | 2,681 |

Note 15 - Other bank balances

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Earmarked balances with banks [Refer note (a) below] | 132 | 127 |
| Deposits with maturity of more than three months but less than twelve months | 6 | 6 |
| Total | 138 | 133 |

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2020.

Note 16 - Current loans

Unsecured, considered good (unless otherwise stated)

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Security deposits | 110 | 117 |
| Loan to related parties (Refer Note 47) | 1 | 4 |
| Loans and advances to employees | 37 | 29 |
| Others | 9 | 10 |
| Total | 157 | 160 |

Break-up:**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|------------------------------------------------------|------------------------|------------------------|
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 157 | 160 |
| Loans which have significant increase in credit risk | - | - |
| Loans - credit impaired | - | - |
| Total | 157 | 160 |

Note 17 - Other current financial assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--------------------------------------------------------|------------------------|------------------------|
| Unbilled revenue | 6,139 | 7,840 |
| Less: Provision for unbilled revenue | (52) | - |
| Interest accrued but not due on fixed deposits | 2 | 2 |
| Measurement of derivative contract at marked to market | - | 148 |
| Other receivables | | |
| (a) from related parties | 2 | - |
| (b) from others | 107 | 198 |
| Total | 6,198 | 8,188 |

Note 18 - Current tax assets, net**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------------|------------------------|------------------------|
| Advance income tax [Refer note (a) below] | 439 | - |
| Total | 439 | - |

Note:

(a) Advance income tax includes advance taxes paid after set-off of provisions for taxes for A.Y. 2017-18 and A.Y. 2018-19. Total amount of advance taxes paid for these assessment years is Rs. 2,062 lakhs and provision for taxes made is Rs. 1,623 lakhs.

Note 19 - Other current assets**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| Contract assets | 485 | 2,115 |
| Advance to suppliers | 1,217 | 418 |
| Prepaid expenses | 129 | 184 |
| Duty entitlement on hand | 4 | 14 |
| Duty drawback and MEIS receivable | 68 | 162 |
| Input tax credit receivable | 41 | - |
| Total | 1,944 | 2,893 |

Note 20 - Equity share capital

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Authorised shares 30,000,000 (31 March 2019: 30,000,000) equity shares of Rs. 10 each | 3,000 | 3,000 |
| Issued, subscribed and fully paid-up shares 13,598,467 (31 March 2019: 13,598,467) equity shares of Rs. 10 each fully paid up | 1,360 | 1,360 |
| Total | 1,360 | 1,360 |

Note 20 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of shares | Rs. in lakhs | No. of shares | Rs. in lakhs |
| Equity shares | | | | |
| Shares outstanding at the beginning of the year | 13,598,467 | 1,360 | 13,598,467 | 1,360 |
| Add: Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 13,598,467 | 1,360 | 13,598,467 | 1,360 |

Note 20 b- Rights, preferences and restrictions

The Company has only one class of shares referred to as equity shares having a par (face) value of Rs. 10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all the preferential amounts, in proportion to their shareholding.

Note 20 c- Shares held by holding company

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-------------------------------------|------------------------|------------------------|
| | No. of shares | No. of shares |
| Equity shares of Rs. 10 each | | |
| J.B.Advani & Co. Private Limited | 68,00,531 | 68,00,531 |

Note 20 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the company

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------------|---------------------|---------------|---------------------|---------------|
| | No. of shares held | % of holding | No. of shares held | % of holding |
| Equity shares of Rs. 10 each | | | | |
| J.B.Advani & Co. Private Limited | 68,00,531 | 50.01% | 68,00,531 | 50.01% |
| Reliance Capital Trustee Co. Limited | 877,875 | 6.46% | 878,890 | 6.46% |
| Total | 76,78,406 | 56.47% | 76,79,421 | 56.47% |

Note 20 e- The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2020.

Note 21 - Other equity**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------------------------|------------------------|------------------------|
| General reserve [Refer note (a) below] | 14,386 | 14,147 |
| Capital redemption reserve account [Refer note (b) below] | 223 | 223 |
| Retained earnings [Refer note (c) below] | 10,769 | 10,410 |
| Total | 25,378 | 24,780 |

Notes :**(a) General reserve*****(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 14,147 | 13,961 |
| Add: Transfer from retained earnings | 239 | 186 |
| Balance at the end of the year | 14,386 | 14,147 |

*The general reserve is a distributable reserve maintained by the Company to be utilised in accordance with the Act.

(b) Capital redemption reserve account****(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 223 | 223 |
| Transaction during the year | - | - |
| Balance at the end of the year | 223 | 223 |

**The reserve has been created on / during buy back of equity shares and it is a non- distributable reserve.

(c) Retained earnings*****(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------------------------|------------------------|------------------------|
| Balance at the beginning of the year | 10,410 | 8,958 |
| Transaction during the year | | |
| Add: Net profit for the year | 2,877 | 2,454 |
| Add: Net other comprehensive (loss) / income for the year | (147) | 4 |
| Less: Transfer to general reserve | (239) | (186) |
| Less: Equity dividend [Refer note (c)(i) below] | (1,768) | (680) |
| Less: Tax on equity dividend | (364) | (140) |
| Balance at the end of the year | 10,769 | 10,410 |

***Retained earnings pertain to the accumulated earnings made by the Company over the years.

Note (c)(i):**Distributions made and proposed**

The Board of directors of the Holding Company at its meeting held on 16 May 2019 had recommended a final dividend of 65% (Rs. 6.50 per equity share of par value Rs. 10 each). The proposal was approved by shareholders at the Annual General Meeting held on 26 July 2019, this had resulted in a cash outflow of Rs 1,066 lakhs, inclusive of dividend distribution tax. Further, the Board of Directors at its meeting held on 14 February 2020 have declared an interim dividend of 65% (Rs. 6.50 per equity share of par value Rs. 10 each) this had further resulted in a cash outflow of Rs. 1,066 lakhs, inclusive of dividend distribution tax. [Refer note 51]

Note 22 - Other non-current financial liabilities

| Particulars | (Rs. in lakhs) | |
|---------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Rent deposit | 22 | 10 |
| Deposit from engineer trainees | 10 | 13 |
| Lease liability [Refer note 43] | 113 | - |
| Total | 145 | 23 |

Note 23 - Non-current provisions

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefits | | |
| Gratuity [Refer note 46 (II)] | 387 | 172 |
| Compensated absences [Refer note 46 (III)] | 144 | 106 |
| Total | 531 | 278 |

Note 24 - Deferred tax liabilities, net

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Deferred tax liabilities on account of: | | |
| On timing difference between book depreciation and depreciation as per Income Tax Act, 1961 | 829 | 1,017 |
| Capital expenditure for scientific research | - | 109 |
| Financial asset measured at FVTPL | 0 | 5 |
| | 829 | 1,131 |
| Deferred tax assets on account of: | | |
| Employee benefits | 157 | 130 |
| Provision for doubtful debts | 218 | 89 |
| Deferment of revenue | 26 | 26 |
| | 401 | 245 |
| Net deferred tax liabilities | 428 | 886 |

* Amounts below Rs 0.50 lakh have been rounded off.

Note 25 - Other non-current liabilities

| Particulars | (Rs. in lakhs) | |
|----------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advance income | 7 | 7 |
| Total | 7 | 7 |

Note 26 - Borrowings**(Rs. in lakhs)**

| Particulars | As at | As at |
|------------------------------------------------------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| A. Secured Borrowings | | |
| From banks | | |
| Working capital loan repayable on demand [Refer note (a) and (b) below and also refer note 54] | 4,300 | 6,150 |
| B. Unsecured Borrowings | | |
| From banks | | |
| Working capital loan repayable on demand | 800 | - |
| Cash credit facility availed from bank | 2,699 | - |
| Other loans | | |
| Liability on account of bills discounting | 392 | 349 |
| Total | 8,191 | 6,499 |

Notes:**(i) Nature of Security and terms of repayment for short term secured borrowings of Holding Company:**

- (a) Working capital loan from a bank, balance outstanding amounting to Rs 4,000 lakhs (31 March 2019: Rs 4,000 lakhs) are secured first pari passu charge by way of hypothecation of Company's entire stocks and book debts, both present and future, exclusive charge on the entire plant and machinery and other movable fixed assets of the Company and on the land & building of the Company located at survey no. 59/11/1, 59/11/2, 59/11/3, 59/12 and 59/13 situated at village Masat, Silvassa UT of Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 8.10% p.a. (31 March 2019: 9.10% p.a.).
- (b) Working capital loan from another bank, balance outstanding amounting to Rs 300 lakhs (31 March 2019: Rs 2,150 lakhs) are secured by way of first pari passu charge on current assets of the Company and, exclusive charge on Chennai plant (land & building and both present and future movable fixed assets including plant & machinery) situated at Survey Nos. 166/1A2 and 1661b, Patta No. 10, situated in the Kanchipuram District, chengalpattu Taluk, Melakottaiyur Village Chennai 600 048. Working capital loan repayable on demand, Rate of interest 11.25% p.a. (31 March 2019: 10.65% p.a.)

(ii) Terms of repayment for short term unsecured borrowings:

- (c) Working capital loan from another bank, balance outstanding amounting to Rs 500 lakhs (31 March 2019: Nil), repayable on demand, Rate of interest 8.98% p.a. (31 March 2019: Nil.)
- (d) Working capital loan from another bank, balance outstanding amounting to Rs 300 lakhs (31 March 2019: Nil), repayable on demand, Rate of interest 9.25% p.a. (31 March 2019: Nil.)
- (iii) Guarantees given by banks to third parties amounting to Rs. 2,105 lakhs (31 March 2019: Rs. 2,369 lakhs) on behalf of the Company are secured against securities mentioned in (i) above.

Note 27 - Trade payables**(Rs. in lakhs)**

| Particulars | As at | As at |
|--------------------------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Amounts due to related parties [Refer Note 47] | 122 | 139 |
| Dues to micro, small and medium enterprises [Refer note (a) below] | 316 | 60 |
| Others | 5,644 | 6,490 |
| Total | 6,082 | 6,689 |

Note:

(a) The Group has amount due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act). The disclosure pursuant to the said Act is as under:

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Principal amount due remaining unpaid to supplier as at the end of accounting year | 316 | 60 |
| Interest due remaining unpaid to supplier as at the end of accounting year | 3 | 0* |
| Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| Amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid) | 3 | 0* |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | 3 | 0* |
| Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 | - | - |

This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the company.

* Amounts below Rs 0.50 lakh have been rounded off.

Note 28 - Other current financial liabilities

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Deposits: | | |
| (a) Rent deposit | 9 | 15 |
| (b) From distributors | 164 | 154 |
| (c) From others | 21 | 15 |
| Employee benefits payable | 159 | 145 |
| Unclaimed dividend | 132 | 127 |
| Creditors for capital goods | 22 | 297 |
| Lease liability [Refer note 43 below] | 13 | - |
| Provision for expenses [Refer note (a) below] | 1,041 | 419 |
| Measurement of derivative contract at marked to market | 93 | - |
| Others | 79 | 97 |
| Total | 1,733 | 1,269 |

Note:**(a) Movement in provision for expenses are as follows :**

| Particulars | (Rs. in lakhs) | | | |
|------------------------------------------------------------|-----------------------|----------------------------------------------|---------------------------|---------------------------|
| | As at 1 April 2019 | Utilised / reversal during the year | Provision for the year | As at 31 March 2020 |
| Expenditures towards Project Engineering Business Projects | 40 | 40 | 574 | 574 |
| Variable incentive pay | 125 | 125 | 50 | 50 |
| Bonus and commission payable to directors | 94 | 94 | 76 | 76 |
| Electricity expenses | 3 | 3 | 10 | 10 |
| Freight expenses | 69 | 69 | 106 | 106 |
| Legal and professional fees | 15 | 15 | 5 | 5 |
| Other expenses | 73 | 73 | 220 | 220 |
| Total | 419 | 419 | 1,041 | 1,041 |

Note 29 - Other current liabilities

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Advances received from distributors on behalf of customers | 12 | 12 |
| Advances received from customers* | 220 | 407 |
| Statutory dues | 95 | 107 |
| Liability for Goods and Service Tax | 28 | 226 |
| Advance Income | 4 | 3 |
| Others | 1 | - |
| Total | 360 | 755 |

* Includes an amount of Rs. 65 lakhs (31 March 2019: Rs. 313 lakhs) on account of Project Engineering Business.

Note 30 - Current provisions

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Provision for employee benefits | | |
| Provision for Compensated Absences [Refer note 46 (III)] | 83 | 93 |
| Other provisions [Refer note (a) below] | | |
| Provision for warranties | 55 | 67 |
| Provision for income tax | 4 | 5 |
| Provision for sales return | 186 | 198 |
| Total | 328 | 363 |

Note:

(a) Movement in provision:

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------------------|--------------------------|----------------------------|
| | Provision for warranties | Provision for sales return |
| As at 31 March 2019 | 67 | 198 |
| Additional provision recognised | 55 | 186 |
| Amount used (charged against provisions) during the year | (67) | (198) |
| As at 31 March 2020 | 55 | 186 |

Note 31 - Revenue from operations

| Particulars | (Rs. in lakhs) | |
|---------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Sale of goods | | |
| Domestic | 48,746 | 46,145 |
| Export | 3,532 | 4,688 |
| Sale of services | 154 | 268 |
| Other operating revenue : | | |
| Sale of scraps and others | 222 | 227 |
| Total | 52,654 | 51,328 |

Also refer note 56

Note 32 - Other income

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Interest income on financial asset measured at amortised cost | | |
| (i) Fixed deposits with banks | 32 | 21 |
| (ii) Overdue amount from customers | 51 | 66 |
| (iii) Others | 16 | 74 |
| Realised gain on financial assets measured at fair value through profit or loss | 2 | - |
| Rent received (Refer note 44) | 103 | 64 |
| Duty drawback and export incentive | 139 | 181 |
| Insurance recovered (net of expense) | 53 | 59 |
| Foreign currency fluctuation gain (net) | 438 | 163 |
| Provisions / liabilities no longer required now written back | 56 | 8 |
| Fair value change of financial asset measured at fair value through profit or loss | 1 | 17 |
| Fire insurance claims received | 20 | 245 |
| Miscellaneous income | 100 | 137 |
| Total | 1,011 | 1,035 |

* Amounts below Rs 0.50 lakh have been rounded off.

Note 33 - Cost of raw materials and components consumed

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------|-----------------------------|-----------------------------|
| Opening stock | 2,185 | 2,241 |
| Add: Purchases | 37,031 | 35,027 |
| Less: Closing stock | 3,190 | 2,185 |
| Total | 36,026 | 35,083 |

Note 34 - Purchase of stock-in-trade

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|------------------------|-----------------------------|-----------------------------|
| Welding products | 203 | 241 |
| Welding accessories | 325 | 333 |
| Chemicals and minerals | 125 | 398 |
| Total | 653 | 972 |

Note 35 - Changes in inventories of finished goods, stock-in-trade and work-in-progress

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 | |
|-------------------------------------|-----------------------------|-------------|-----------------------------|------------|
| At the beginning of the Year | | | | |
| Finished goods | 1,998 | | 1,961 | |
| Stock-in-trade | 108 | | 113 | |
| Work-in-progress | 600 | 2,706 | 799 | 2,873 |
| At the end of the Year | | | | |
| Finished goods | 1,749 | | 1,998 | |
| Stock-in-trade | 113 | | 108 | |
| Work-in-progress | 902 | 2,764 | 600 | 2,706 |
| Total | | (58) | | 167 |

Note 36 - Employee benefits expense

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
| Salaries, wages and bonus | 3,496 | 3,448 |
| Contribution to provident and other funds [Refer note 46 (I)] | 297 | 199 |
| Contribution to gratuity [Refer note 46 (II)] | 47 | 44 |
| Staff welfare expenses | 424 | 429 |
| Total | 4,264 | 4,120 |

Note 37 - Finance costs

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Interest expense on borrowings | 683 | 741 |
| Bill discounting charges | 37 | 50 |
| Interest on lease liability [Refer note 43] | 11 | - |
| Interest on supplies | 115 | 110 |
| Interest on others | 15 | 4 |
| Total | 861 | 905 |

Note 38 - Other expenses

| Particulars | (Rs. in lakhs) | |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Manufacturing and other expenses [Refer note 38(a)] | 2,949 | 2,816 |
| Electricity expenses | 26 | 23 |
| Rent [Refer note 43] | 31 | 117 |
| Freight | 825 | 628 |
| Legal and professional fees | 220 | 222 |
| Insurance | 50 | 46 |
| Repairs and maintenance - others | 133 | 133 |
| Travelling, conveyance and vehicle expenses | 704 | 678 |
| Directors fees | 6 | 6 |
| Telephone, postage and telegram | 140 | 167 |
| Rates and taxes | 78 | 102 |
| Advertisement and sales promotion expenses | 145 | 103 |
| Commission paid | - | 6 |
| Bad debts written off | 36 | 29 |
| Provision for doubtful debts | 541 | 193 |
| Provision for doubtful deposit and advances | 35 | 12 |
| Provision for unbilled revenue | 52 | - |
| Donations | 1 | 3 |
| Fair value change of financial asset measured at FVTPL | 59 | - |
| Loss on sale of property, plant and equipment (net) | 10 | 9 |
| Assets and Inventory written off / discarded | - | 4 |
| Printing and stationery | 86 | 97 |
| Auditors remuneration [Refer note 38(b)] | 43 | 39 |
| Corporate social responsibility [Refer note 47] | 55 | 9 |
| Selling and distribution incentive | 249 | 205 |
| Bank charges | 143 | 152 |
| Miscellaneous expenses | 855 | 797 |
| Total | 7,472 | 6,596 |

Note 38(a) - Manufacturing and other expenses

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| Consumption of stores, spare parts and scraps | 644 | 605 |
| Power and fuel | 1,107 | 989 |
| Repairs to machinery | 93 | 94 |
| Repairs to building | 43 | 36 |
| Payment to contract labours | 578 | 499 |
| Other manufacturing expenses | 484 | 593 |
| Total | 2,949 | 2816 |

Note 38(b) - Auditors' remuneration (excluding taxes)

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|------------------------------------------------------|-----------------------------|-----------------------------|
| Statutory audit fees (including limited review fees) | 25 | 25 |
| Tax audit fees | 7 | 7 |
| Certification and other matters | 9 | 5 |
| Reimbursement of out of pocket expenses | 2 | 2 |
| Total | 43 | 39 |

Note 39 - Tax expense

(Rs. in lakhs)

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Current tax | | |
| Current tax for the year | 1,043 | 1,020 |
| Additional / (Reversal) of provision for earlier years | (128) | 3 |
| | 915 | 1,023 |
| Deferred tax | | |
| Change in deferred tax assets | (116) | (45) |
| Change in deferred tax liabilities | (304) | 120 |
| | (420) | 75 |
| Total | 495 | 1,098 |

Note :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2020 and 31 March 2019:

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Profit before tax as per books | 3,372 | 3,552 |
| Estimated income tax expenses | 844 | 1,230 |
| Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income: | | |
| Actuarial gains on defined benefit obligations | 50 | 2 |
| Depreciation | (219) | 19 |
| Assets and deposits written off | 24 | 9 |
| Disallowance u/s 43B | (16) | (18) |
| Deduction u/s 35(2AB) | (109) | (73) |
| Deduction u/s 35DDA | - | (1) |
| Permanent disallowances | 17 | 7 |
| Tax in respect of earlier years | (128) | 3 |
| Financial assets measured at fair value through profit and loss | 9 | (14) |
| Provision for doubtful debts | 7 | 16 |
| Insurance claim received in case of loss of assets due to fire | - | (69) |
| Other items | 16 | (13) |
| Reported income tax expenses | 495 | 1,098 |

Note:-

- Tax is calculated for AWAPL under MAT @ 15.60% on book profit which amount for Rs. 7.42 Lakhs (31 March 2019 : Rs. 4.87 Lakhs).
- Pursuant to the announcement made by the Finance Ministry of the Government of India on 20 September 2019, the Company, basis their current assessment, has opted for corporate tax rate as per section 115BAA of the Income Tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 from Financial Year 2019-20 onwards. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31 March 2020 and remeasured the Deferred Tax Liability on the basis of revised lower tax rate from 30% to 22%. The impact of the same has been recognised in the year ended 31 March 2020.
- Holding Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The Company has recognised Provision for Income-tax for the year ended 31 March 2020 at the new rate prescribed in the said section and re-measured its Deferred tax liabilities basis the rate prescribed therein.

Impact analysis on account of change in tax rate is shown below:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------|-------------------|------------------------|
| | Provision for tax | Deferred tax liability |
| As on 31 March 2020 (Original rates - 34.94%) | 1,204 | 681 |
| As on 31 March 2020 (Revised rates - 25.17%) | 1,036 | 460 |
| Diferrential Impact | 168 | 221 |

Note 40 - Other comprehensive income**(Rs. in lakhs)**

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
| (i) Items that will not be reclassified to profit or loss | | |
| Actuarial gains on defined benefit obligations | (197) | 6 |
| Deferred taxes on above | 50 | (2) |
| Total | (147) | 4 |

Note 41 - Contingent Liabilities not provided for :**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------|
| (a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2020: Rs 392 lakhs; 31 March 2019: Rs 392 lakhs)* | 1,077 | 1,077 |
| (b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2020: Rs 91 lakhs; 31 March 2019: Rs 91 lakhs) | 2,385 | 2,385 |
| (c) Disputed income tax as the matters are in appeal (advance paid 31 March 2020: Rs 13 lakhs; 31 March 2019: Rs. 13 lakhs) | 63 | 63 |
| (d) Bank guarantees | 2,105 | 2,369 |
| (e) On account of pending C-forms | 524 | 620 |
| (f) Other matters | 121 | 113 |
| (g) Provident fund Based on the Honorable Supreme Court judgment dated 28 February 2019, relating to components of salary structure that needs to be taken into account while computing the contribution to provident fund under the Employee Provident Fund Act. Past provident fund liability is not determinable at present in view of uncertainty on the applicability of the judgment to the Company with respect to timing and the components of its compensation structure. In absence of further clarification, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any. | Amount not determinable | Amount not determinable |

Future cash outflows in respect of above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

*Disclosed to the extent information is available.

Note 42 - Estimated amount of contracts remaining to be executed**(Rs. in lakhs)**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------------------------------|------------------------|------------------------|
| On Capital account and not provided for (net of advances) | 189 | 298 |

Note 43- Lease arrangements - Operating lease:

The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 'Leases' and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective approach. Right of use assets at 1 April 2019 for leases previously classified as operating leases were recognized and measured at an amount equal to lease liability (adjusted for any related prepayments/accruals). As a result, the comparative information has not been restated. The Group has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liability.

Accordingly, on transition to Ind AS 116, the Group recognized right-of-use assets and lease liabilities amounting to Rs. 130 lakhs and Rs. 129 lakhs respectively. During the year ended 31 March 2020, the Group has recognized interest expense on lease amounting to Rs. 11 lakhs and depreciation on right-of-use assets amounting to Rs. 20 lakhs.

Right-of-use assets:

Additional information on the right-of-use assets by class of assets is as follows, as at 31 March 2020:

| (Rs. in lakhs) | | | |
|----------------------------|----------------------|-------------------------------------------------|--------------------|
| Particulars | Gross carrying value | Accumulated depreciation [refer note (a) below] | Net carrying value |
| As at 31 March 2020 | | | |
| Office buildings | 130 | 20 | 110 |
| Total | 130 | 20 | 110 |

The following is the movement in Right-of-use assets during the year ended 31 March 2020:

| (Rs. in lakhs) | |
|-------------------------------------------------|---------------------|
| Particulars | As at 31 March 2020 |
| Balance as at 1 April 2019 (Transition date) | 130 |
| Addition /deletion [refer note (b) below] | - |
| Accumulated depreciation [refer note (a) below] | (20) |
| Total | 110 |

Lease liabilities:

Lease liabilities are presented in the balance sheet as follows as at 31 March 2020:

| (Rs. in lakhs) | |
|-----------------------------------------------|---------------------|
| Particulars | As at 31 March 2020 |
| Non-current lease liabilities [refer note 22] | 113 |
| Current lease liabilities [refer note 28] | 13 |
| Total | 126 |

The following is the movement in lease liabilities during the year ended 31 March 2020:

(Rs. in lakhs)

| Particulars | As at |
|-------------------------------------------------------------|---------------|
| | 31 March 2020 |
| Balance as at 1 April 2019 (Transition date) | 129 |
| Addition / deletion [refer note (b) below] | - |
| Finance cost accrued during the year [refer note (c) below] | 11 |
| Revaluation of lease liability | 10 |
| Payment of lease liabilities | (24) |
| Total | 126 |

Notes:

- The aggregate depreciation expense on ROU assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- There is no addition or deletion during the current year 2019-20 in Right-of-use assets and lease liabilities.
- The accrued finance cost on lease liabilities is included under "Finance cost" in the statement of Profit and Loss.

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). The Company has taken short term leases with a lease term of 12 month or less and the aggregate amount of operating lease rent debited to statement of profit and loss during the year is Rs. 31 lakhs.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at 31 March 2020 and 31 March 2019 is as follows:

(Rs. in lakhs)

| Particulars | Minimum lease payment | |
|----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Amount due within one year | 25 | 61 |
| Amount due from one year to five years | 68 | 74 |
| Amount due from five years and above | 102 | 83 |
| Total | 195 | 218 |

Note 44- Lease rental

The Company has significant lease arrangement in respect of office premises given on lease. The aggregate amount of rent credited to statement of profit and loss account during the year is Rs. 103 lakhs (31 March 2019: Rs. 64 lakhs).

(Rs. in lakhs)

| Particulars | Minimum lease payment | |
|----------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Amount due within one year | 101 | 33 |
| Amount due from one year to five years | 226 | 115 |
| Amount due from five years and above | 100 | - |
| Total | 427 | 148 |



Note 45- Due to COVID-19 pandemic and the consequent lock down announced by the Government of India, the operations of the Company have been suspended since the fourth week of March 2020. The primary operations of the Company relating to consumable segment of the Company were resumed from 22 April 2020 at plants of the Company located in Raipur and Silvassa, whereas operations relating to equipment segment of the Company were resumed from 18 May 2020 at Chinchwad plant of the Company. The Government has also been announcing phased lifting of lock down and the general expectations are that normalcy could be gradually restored during the financial year ending 31 March 2021.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments, inventories and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company.

The Management believes that the business will rebound as soon as lockdown is fully lifted and does not foresee any incremental risk towards recoverability of its assets, however, it believes that at this point it is difficult to assess the future since lockdown continues to be effective in many parts of the country.

Based on the current assessment, as at the date of approval of financial statements of the Company for the year ending 31 March 2020, Company would have adequate liquidity to honour its liabilities and obligations, as and when due. The Management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Note 46 - Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits, as defined in the Standard, are given below:

Brief description of the plans:

The Company has various schemes for employee benefits such as provident fund, superannuation and gratuity. In case of funded schemes, the funds are administered through trustees / appropriate authorities. The Company's defined contribution plans are superannuation, employees state insurance and provident fund as the Company has no further obligation beyond making the contributions. The Company's defined benefit plans consist of gratuity only. The employees of the Company are entitled to compensated absences as per the Company's policy.

I. Defined Contribution Plan:

- (i) Superannuation fund
- (ii) Provident fund
- (iii) Employees State Insurance fund

During the year, the Company has recognised the following amounts in the Statement of profit and loss*:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Employer's Contribution to Superannuation | 40 | 40 |
| Employer's contribution to provident fund* | 244 | 144 |
| Employer's Contribution to Employees state insurance fund | 13 | 15 |
| Total | 297 | 199 |

* included in Note 36- 'Employee benefits expenses'

II. Defined Benefit Plan :**(a) Contribution to Gratuity fund (funded scheme):**

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity, based on the following assumptions:-

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| (i) Actuarial assumptions | | |
| Discount rate (per annum) | 6.30% | 7.20% |
| Salary escalation rate (per annum) | 7.00% | 7.50% |
| Attrition rate | | |
| 21 years to 44 years (per annum) | 18.22% | 18.22% |
| 45 years and above (per annum) | 8.00% | 8.00% |
| The estimates of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as, supply and demand factors in the employment market. | | |
| (ii) Assets information: | | |
| The plan assets for the funded gratuity plan is administered by Life Insurance Corporation of India ('LIC'), as per the investment pattern stipulated for pension and Group Schemes fund by Insurance Regulatory and Development Authority (IRDA) Regulations. | | |
| (iii) Changes in the present value of defined benefit obligation | | |
| Present value of obligation at the beginning of the year | 361 | 327 |
| Current service cost | 36 | 35 |
| Interest on defined benefit obligation | 21 | 22 |
| Remeasurements during the period due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 11 | (3) |
| Actuarial loss / (gain) arising on account of experience changes | 186 | (3) |
| Benefits paid | (149) | (17) |
| Present Value of obligation at the end of the year | 466 | 361 |
| (iv) Changes in the Fair value of Plan Assets | | |
| Fair value of plan assets at beginning of the year | 189 | 182 |
| Interest on plan assets | 10 | 13 |
| Remeasurements during the period due to: | | |
| Actual return on plan assets less interest on plan assets | (1) | 0* |
| Contributions by employer | 30 | 10 |
| Benefits paid | (149) | (16) |
| Fair Value of Plan Assets at the end of the year | 79 | 189 |
| (v) Assets and liabilities recognised in the balance sheet ** | | |
| Present value of the defined benefit obligation at the end of the year | 466 | 361 |
| Less: Fair value of plan assets at the end of the year | (79) | (189) |
| Net liability recognised | 387 | 172 |
| Recognised under provisions (Refer note 23) | | |
| Long term provisions | 387 | 172 |

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| (vi) Expenses recognised in the Statement of Profit and Loss | | |
| Current Service Cost | 36 | 35 |
| Interest on net defined benefit liability / (asset) | 11 | 9 |
| Net gratuity cost recognised in current year | 47 | 44 |
| Included in note 36 'Employee benefits expense' | | |
| (vii) Expenses recognised in other comprehensive income | | |
| Remeasurements during the period due to: | | |
| Actuarial loss / (gain) arising from change in financial assumptions | 11 | (3) |
| Actuarial loss / (gain) arising on account of experience changes | 186 | (3) |
| Net cost recognised in other comprehensive income | 197 | (6) |

(viii) Sensitivity Analysis:

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to discount rate and future salary escalation rate. The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

| Particulars | 31 March 2020 | | 31 March 2019 | |
|-------------------------------------|---------------|------------------------|---------------|------------------------|
| | Discount Rate | Salary escalation rate | Discount Rate | Salary escalation rate |
| Impact of increase in 50 bps on DBO | (2.84%) | 2.96% | (2.10%) | 2.19% |
| Impact of decrease in 50 bps on DBO | 2.96% | (2.83%) | 2.20% | (2.10%) |

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

(ix) Maturity Pattern:

| Maturity Profile | (Rs. in lakhs) | |
|-----------------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Expected benefits for year 1 | 69 | 143 |
| Expected benefits for year 2 | 67 | 36 |
| Expected benefits for year 3 | 64 | 34 |
| Expected benefits for year 4 | 51 | 32 |
| Expected benefits for year 5 | 49 | 33 |
| Expected benefits for year 6 | 72 | 29 |
| Expected benefits for year 7 | 31 | 47 |
| Expected benefits for year 8 | 30 | 15 |
| Expected benefits for year 9 | 46 | 16 |
| Expected benefits for year 10 and above | 238 | 146 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

1. Amounts have been recognised based on the information for the period ended 29 February 2020 and 28 February 2019.
2. The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

III. Compensated absences*

- (i) An amount of Rs. 128 lakhs (31 March 2019: Rs 24 lakhs) has been recognised as an expense in the statement of profit and loss account and included under Note 36 "Employee benefits expenses".
- (ii) Balance sheet reconciliation

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|--------------------------------------|---------------------|------------|---------------------|------------|
| | Long term | Short term | Long term | Short term |
| Liability as per actuarial valuation | 144 | 83 | 106 | 93 |

* have been recognised based on the information for the period ended 29 February 2020 and 28 February 2019.

The liabilities are split between different categories of plan participants as follows:

| Defined Benefit obligations and employer contributions | Gratuity | | Compensated Absences | |
|--------------------------------------------------------|---------------------|---------------------|----------------------|---------------------|
| | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2020 | As at 31 March 2019 |
| Active members | 558 | 546 | 558 | 546 |

* deferred members - Nil (FY 2018-19 : Nil)

* retired members - Nil (FY 2018-19 : Nil)

(These numbers are as per actuarial valuation report).

Risk Exposure - Asset Volatility

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.



Note 47 - Related Party Disclosure:

As per Ind AS 24 "Related party Disclosures", disclosure of transactions with the related parties as defined in the Accounting Standard are given below:

(I) List of related parties and relationship:

| Relationship | Name of the Persons / Company |
|---------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Holding Company: | J. B. Advani & Company Private Limited |
| (ii) Subsidiary Company and fellow subsidiaries: | Ador Powertron Limited (Subsidiary of J. B. Advani & Company Private Limited) Ador Green Energy Private Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Fontech Limited (Subsidiary of J.B. Advani & Company Private Limited) Ador Multiproducts Limited (Subsidiary of J.B. Advani & Company Private Limited) |
| (iii) Other related party: | 1908 E-Ventures Private Limited (Step down subsidiary of J. B. Advani & Company Private Limited) |
| (iv) Key management personnel: | Ms. A. B. Advani - Past Executive Chairman (refer below note 1) Mrs. N. Malkani Nagpal - Executive Chairman Mr. S. M. Bhat - Managing Director Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Mr. A. T. Malkani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mr. M. K. Maheshwari - Director (Independent & Non-executive) Mr. P. K. Gupta - Director (Independent & Non-executive) Mr. R. N. Sapru - Director (Independent & Non-executive) Mr. K. Digvijay Singh - Director (Independent & Non-executive) Mr. G. M. Lalwani - Director (Independent & Non-executive) Mr. V. M. Bhide - Head - Corp. Admin, IA, KM, Legal & Company Secretary Mr. G. A. Patkar - Chief Financial Officer |

(II) Transactions during the year:**(Rs. in lakhs)**

| Relationship / name of the related party | Description of the nature of transactions | Value of the transactions | |
|---------------------------------------------------------------------------------|-------------------------------------------|---------------------------|------------|
| | | FY 2019-20 | FY 2018-19 |
| a) Holding Company | | | |
| J. B. Advani & Company Private Limited | Sale of goods (net) | 6 | 14 |
| | Purchase of goods and services received | 630 | 848 |
| | Rent received (net) | 27 | 25 |
| | Rent paid (net) | - | 7 |
| | Reimbursement of expenses (paid) | 7 | 23 |
| | Recovery of expenses (received) | 9 | 9 |
| b) Subsidiary Company and fellow subsidiaries | | | |
| Ador Powertron Limited | Purchase of goods | - | 1 |
| | Purchase of fixed assets (net) | - | 3 |
| | Recovery of expenses (received) | 1 | 1 |
| | Sale of goods (net)* | 0 | 0 |
| Ador Fontech Limited | Sale of goods (net) | 171 | 149 |
| | Purchase of goods | 6 | 34 |
| | Recovery of expenses (received)* | 0 | - |
| | Rent received (net) | 1 | 2 |
| c) Other related party | | | |
| 1908 E-Ventures Private Limited | Service received* | 0 | 0 |
| d) Key Management Personnel | | | |
| Ms. A. B. Advani | Remuneration | 181 | 152 |
| Mrs. N. Malkani Nagpal | Remuneration | 126 | 122 |
| Mr. D. A. Lalvani | Remuneration | 51 | - |
| Mr. S. M. Bhat | Remuneration | 156 | 167 |
| Mr. V.M. Bhide | Remuneration | 36 | 34 |
| Mr. G.A. Patkar | Remuneration | 32 | 29 |
| Directors (Non-executive and Independent & Non-executive Directors) | Sitting fees | 6 | 6 |
| Independent Directors (Non-executive and Independent & Non-executive Directors) | Commission | 41 | 41 |

* Amounts below Rs 0.50 lakh have been rounded off.



(III) Amount outstanding at the year end:

(Rs. in lakhs)

| Relationship / name of the related party | Nature | Balance | |
|------------------------------------------------------|--------------------------------|---------------|---------------|
| | | 31 March 2020 | 31 March 2019 |
| a) Holding Company | | | |
| J. B. Advani & Company Private Limited | Outstanding receivable | 7 | - |
| | Other receivables | 1 | - |
| | Rent deposit | 14 | - |
| | Trade payable | 121 | 138 |
| b) Subsidiary Company and fellow subsidiaries | | | |
| Ador Powertron Limited | Other receivable | 1 | - |
| | Trade payable* | - | 0 |
| Ador Fontech Limited | Other receivables* | 0 | 0 |
| | Outstanding payable * | - | 0 |
| | Outstanding receivables | 10 | - |
| | Short term loans and advances* | 0 | - |
| c) Other related party | | | |
| 1908 E-Ventures Private Limited | Outstanding payable* | 0 | - |
| d) Key Management Personnel | | | |
| Mr. V. M. Bhide | Loan given | 1 | 4 |

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

- Ms. Aruna B. Advani, (DIN: 00029256) Executive Chairman, superannuated from the Board of the Company on 18th November, 2019, on attaining the age of 65 years. Pursuant to the succession planning at the Company, the Board, on recommendation of the Nomination and Remuneration Committee, re-designated Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) , Whole-Time Director, as the Executive Chairman w.e.f. 19th November, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting, considering her expertise in the area of Financial Management, her business foresight and her rich, long-term association with the Company for over 20 years.
- The shareholding of J. B. Advani & Company Private Limited in 1908 E-Ventures Private Limited has changed from 57.01% to 33.26%.
- Excludes gratuity and compensated absences provided on the basis of actuarial valuation on an overall company basis.

Note 48 - Segment reporting

The Company's chief operating decision maker - Chief Financial Officer examines the Company's performance and has identified the following two reportable segments of its business:

- (i) Consumables
- (ii) Equipments and Project Engineering Business (PEB)

The above operating segments have been identified considering:

- (i) The internal financial reporting systems
- (ii) The nature of the products / process
- (iii) The organisation structure as well as differential risks and returns of these segments.

Types of products and services in each business segment:

| Business Segment | Types of products and services |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Consumables | Electrodes, wires, agency items related to consumables from Silvassa, Raipur, Chennai and Chinchwad plant. |
| b) Equipment and Project Engineering Business | Equipments, spares, cutting products and agency items related to equipments, cutting products, design, engineering, procurement and commissioning of flares, incinerators, furnaces, etc. from Chinchwad plant. |

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Income" and "Unallocable Expenses" respectively. Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities". Inter-segment transfers are accounted for at competitive market prices charged to unaffiliated customers for similar goods.

A) Business segment

(Rs. in lakhs)

| Particulars | Consumables | | Equipments and Project Engineering Business | | Total | |
|------------------------------------------------------|--------------------------|--------------------------|---------------------------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| External revenue | 40,502 | 38,598 | 12,294 | 12,764 | 52,796 | 51,362 |
| Less: Inter segment revenue | (111) | (28) | (31) | (6) | (142) | (34) |
| Total revenue | 40,391 | 38,570 | 12,263 | 12,758 | 52,654 | 51,328 |
| Segment result before interest and tax | 6,444 | 6,317 | (1,391) | (928) | 5,053 | 5,389 |
| Add / (less) : | | | | | | |
| Unallocable expenses (net of unallocable income) | | | | | (1,271) | (1,417) |
| Interest and finance charges (net) | | | | | (410) | (420) |
| Excess/ (short) provision of taxes for earlier years | | | | | 128 | (3) |

| Particulars | (Rs. in lakhs) | | | | | |
|-----------------------------------------------------------------------|--------------------------------|--------------------------------|---------------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Consumables | | Equipments and Project Engineering Business | | Total | |
| | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Provision for taxes (net of deferred tax) | | | | | (623) | (1,095) |
| Net profit after tax | | | | | 2,877 | 2,454 |
| Other information | | | | | | |
| Segment assets | 22,115 | 19,750 | 19,856 | 20,840 | 41,971 | 40,590 |
| Unallocated assets | | | | | 2,572 | 2,319 |
| Total assets | | | | | 44,543 | 42,909 |
| Segment liabilities | 5,035 | 4,330 | 5,348 | 8,761 | 10,383 | 13,091 |
| Unallocated liabilities | | | | | 7,422 | 3,678 |
| Total liabilities | | | | | 17,805 | 16,769 |
| Capital employed | | | | | | |
| Segment wise capital employed | 17,080 | 15,420 | 14,508 | 12,079 | 31,588 | 27,499 |
| Unallocable corporate assets net of unallocable corporate liabilities | | | | | (4,850) | (1,359) |
| Total capital employed | | | | | 26,738 | 26,140 |
| Capital expenditure | | | | | | |
| Segment capital expenditure | 1,494 | 1,663 | 349 | 551 | 1,843 | 2,214 |
| Unallocated capital expenditure | | | | | 98 | 25 |
| Total capital expenditure (Tangible and intangible assets) | | | | | 1,941 | 2,239 |
| Depreciation and amortisation | | | | | | |
| Segment depreciation and amortisation | 599 | 531 | 379 | 362 | 978 | 893 |
| Unallocated depreciation and amortisation | | | | | 97 | 75 |
| Total depreciation and amortisation | | | | | 1,075 | 968 |
| Significant non cash expenditure | | | | | | |
| Segment significant non cash expenditure | - | 3 | - | 1 | - | 4 |
| Unallocated significant non cash expenditure | | | | | - | - |
| Total significant non cash expenditure | | | | | - | 4 |

* Amounts below Rs 0.50 lakh have been rounded off.

B) Geographical segment**Revenue from external customers:****(Rs. in lakhs)**

| Particulars | As at | |
|--------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Domestic | 49,095 | 46,564 |
| Overseas | 3,559 | 4,764 |
| Total | 52,654 | 51,328 |

Domestic Segment includes sales to customers located in India and service income accrued in India.

Overseas Segment includes sales and services rendered to customers located outside of India.

Non-current assets:

The following are the details of the carrying amount of non current assets, which do not include deferred tax assets, income tax assets and financial assets, by the geographical area in which the assets are located:

(Rs. in lakhs)

| Particulars | As at | |
|---------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Within India | 14,629 | 13,799 |
| Outside India | 23 | 28 |
| Total | 14,652 | 13,827 |

C) Other disclosures

1. The Company has disclosed business segment as its operating segment
2. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

Note 49 - Fair value measurements**Financial assets and liabilities**

The carrying value of financial instruments by categories is as follows:

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---------------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | Fair value through profit or loss | Amortised cost | Fair value through profit or loss | Amortised cost |
| Financial Assets - Non-current | | | | |
| Loans | - | 184 | - | 161 |
| Other non-current financial assets | - | 687 | - | 531 |
| Financial Assets - Current | | | | |
| Investments | 375 | - | 371 | - |
| Trade receivables | - | 12,978 | - | 8,460 |
| Cash and cash equivalents | - | 518 | - | 2,681 |
| Other bank balances | - | 138 | - | 133 |

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|--------------------------------------------|-----------------------------------|----------------|-----------------------------------|----------------|
| | Fair value through profit or loss | Amortised cost | Fair value through profit or loss | Amortised cost |
| Loans | - | 157 | - | 160 |
| Other current financial assets | - | 6,198 | - | 8,188 |
| Financial Liabilities - Non-current | | | | |
| Other non-current financial liabilities | - | 145 | - | 23 |
| Financial Liabilities - Current | | | | |
| Borrowings | - | 8,191 | - | 6,499 |
| Trade payables | - | 6,082 | - | 6,689 |
| Other financial liabilities | - | 1,733 | - | 1,269 |

I. Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

- (a) recognised and measured at fair value and,
- (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value of an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

II. Valuation techniques used to determine fair value

Significant valuation techniques used to value financial instruments include:

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

The fair values for Security deposits, loan to employees and deposits are based on discounted cash flows using a discount rate determined considering the borrowing rate charged by the bank on the loan facility availed.

III. Financial assets and liabilities measured at fair value (Fair value hierarchy- recurring fair value measurement):

(Rs. in lakhs)

| Particulars | 31 March 2020 | | | 31 March 2019 | | |
|----------------------------|---------------|-----------|----------|---------------|-----------|----------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Investment in Mutual funds | 325 | - | - | 321 | - | - |
| Investment in Bonds | - | 50 | - | - | 50 | - |
| Total | 325 | 50 | - | 321 | 50 | - |

IV. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed:

(Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|--------------------------------------------|---------------|-----------------|---------------|-----------------|
| | Fair Value | Carrying amount | Fair Value | Carrying amount |
| Financial assets - Non-current | | | | |
| Loans | 184 | 184 | 161 | 161 |
| Other financial assets | 687 | 687 | 531 | 531 |
| Financial Liabilities - Non-current | | | | |
| Other financial liabilities | 145 | 145 | 23 | 23 |

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

The carrying amounts of trade receivables, cash and bank balances, current loans, other current financial assets, current borrowings, other current financial liabilities and trade payables are considered to be approximately equal to the fair value.

The fair values computed above for assets measured at amortised cost are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy due to the use of unobservable inputs.

Note 50- Financial risk management

The Group is exposed primarily to fluctuations in foreign currency exchange rates, credit quality and liquidity management which may adversely impact the fair value of its financial assets and liabilities. The Group has a risk management policy which covers risk associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the company.

The Group principal financial assets include loans, investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations. The Group also holds investments in mutual funds and bonds.

A) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms and obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and credit worthiness of the customer on continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. The financial instruments that are subject to concentration of credit risk principally consist of trade receivables, loans, cash & bank balances and bank deposits.



To manage credit risk, the Group follows a policy of advance payment or credit period upto 30 days to reputed customers. In case of foreign receivables, majority of the sales are made either against advance payments or by way of letter of credit. The credit limit policy is established considering the current economic trends of the industry in which the group is operating.

Also, the trade receivables are monitored on a periodic basis for assessing any significant risk of non-recoverability of dues and provision is created accordingly.

Bank balances are held with only high rated banks and majority of other security deposits are placed majorly with government agencies.

The table below provides details regarding past dues receivables as at each reporting date:

| Particulars | (Rs. in lakhs) | |
|--------------------------------------|-----------------------------|-----------------------------|
| | Year ended 31 March 2020 | Year ended 31 March 2019 |
| Upto 1 month | 8,030 | 5,464 |
| 1-2 months | 1,923 | 1,194 |
| 2-3 months | 781 | 357 |
| 3-6 months | 1,241 | 533 |
| 6-12 months | 727 | 102 |
| More than one year | 276 | 810 |
| Total | 12,978 | 8,460 |
| Provision for bad and doubtful debts | 798 | 257 |

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Movement in provisions of doubtful debts

| Particulars | (Rs. in lakhs) | |
|--------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Opening provision | 257 | 196 |
| Add: Additional provision made | 541 | 193 |
| Less: Utilised during the year | - | (92) |
| Less: provision written back | - | (40) |
| Closing provisions | 798 | 257 |

B. Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group objective is to maintain optimum levels of liquidity and to ensure that funds are available for use as per requirement.

The liquidity risk principally arises from obligations on account of following financial liabilities viz. borrowings, trade payables and other financial liabilities.

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

The maturity profile of the Group financial liabilities, based on contractual undiscounted payment at each reporting date is :

| As at 31 March 2020 | | | | | (Rs. in lakhs) |
|--------------------------------------------|------------------|-------------|------------|-------------------|----------------|
| Particulars | Less than 1 year | 1 - 2 years | 2 -5 years | More than 5 years | Total |
| Financial Liabilities - Non-current | | | | | |
| Other non-current financial liabilities | - | 30 | 67 | 106 | 203 |
| Financial Liabilities - Current | | | | | |
| Borrowings | 8,191 | - | - | - | 8,191 |
| Trade payables | 6,082 | - | - | - | 6,082 |
| Other financial liabilities | 1,744 | - | - | - | 1,744 |
| Total | 16,017 | 30 | 67 | 106 | 16,220 |

| As at 31 March 2019 | | | | | (Rs. in lakhs) |
|--------------------------------------------|------------------|-------------|------------|-------------------|----------------|
| Particulars | Less than 1 year | 1 - 2 years | 2 -5 years | More than 5 years | Total |
| Financial Liabilities - Non-current | | | | | |
| Other non-current financial liabilities | - | 10 | 15 | 8 | 33 |
| Financial Liabilities - Current | | | | | |
| Borrowings | 6,499 | - | - | - | 6,499 |
| Trade payables | 6,689 | - | - | - | 6,689 |
| Other financial liabilities | 1,269 | - | - | - | 1,269 |
| Total | 14,457 | 10 | 15 | 8 | 14,490 |

C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk. The company's exposure to market risk is primarily on account of foreign currency risk and price risk.

(i) Foreign currency risk

The Group is exposed to foreign exchange risk on their receivables, payables and bank balances which are held in USD, AED, KWD and EUR. The fluctuation in the exchange rate of INR relative to USD, AED, KWD and EUR may have a material impact on the Group assets and liabilities.

In respect of the foreign currency transactions, the Group manages the exchange rate exposure by entering into forward contracts where the exposure is significant. Further, some of the exposures are kept open since the management believes the same will be offsetted by the corresponding receivables and payables which will be in the nature of natural hedge.

The Group exposure to foreign currency risk at the end of reporting period is as under:

| Particulars | 31 March 2020 | | | | 31 March 2019 | | | |
|------------------------------------------------------------|----------------|-----------|--------------|----------|----------------|-----------|--------------|-----------|
| | USD | AED | KWD | EUR | USD | AED | KWD | EUR |
| Financial assets | | | | | | | | |
| Trade receivables | 584 | - | 178 | - | 1,288 | - | - | - |
| Unbilled revenue | - | - | 5,625 | - | - | - | 7,840 | - |
| Bank balances | 84 | 25 | - | - | 44 | 29 | - | - |
| Derivative Contracts | | | | | | | | |
| Foreign exchange forward contracts | (2,201) | - | - | - | (3,074) | - | - | - |
| Net exposure to foreign currency risk (assets) | (1,533) | 25 | 5,803 | - | (1,742) | 29 | 7,840 | - |
| Financial liabilities | | | | | | | | |
| Trade payables | 266 | - | 119 | 4 | 520 | - | 1,046 | 55 |
| Net exposure to foreign currency risk (liabilities) | 266 | - | 119 | 4 | 520 | - | 1,046 | 55 |

* The Forward contracts are hedged in terms of USD against underlyings which include both USD and KWD.

Sensitivity Analysis

The following table demonstrates the sensitivity in USD, EUR, AED and KWD with all other variables held constant. The below impact on the Group's profit before tax is based on changes in the fair value of unhedged foreign currency monetary assets and liabilities at balance sheet date:

| Currencies | 31 March 2020 | | 31 March 2019 | |
|------------|----------------|----------------|----------------|----------------|
| | Increase by 5% | Decrease by 5% | Increase by 5% | Decrease by 5% |
| USD | (90) | 90 | (113) | 113 |
| AED | 1 | (1) | 1 | (1) |
| KWD | 284 | (284) | 340 | (340) |
| EUR | (0) | 0 | (3) | 3 |

(ii) Price Risk

The Group is exposed to price risk from its investment in mutual fund and bonds classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from the investment, the Group has invested in the mutual funds and bonds after considering the risk and return profile of the said investments i.e. the debt profile of the investments indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

Sensitivity Analysis

| Particulars | (Rs. in lakhs) | |
|------------------------------------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Impact on profit before tax for 5% increase in NAV / Price | 19 | 19 |
| Impact on profit before tax for 5% decrease in NAV / Price | (19) | (19) |

Note 51 - Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company monitors its capital by using gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans. Total equity comprises of Equity share capital, General reserve, Capital redemption reserve and Retained earnings.

A. The capital composition is as follows:

(Rs. in lakhs)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------|------------------------|------------------------|
| Net debt (A) | 8,191 | 6,499 |
| Equity (B) | 26,738 | 26,140 |
| Gearing ratio (A / B) | 0.31 | 0.25 |

B. Dividends

(Rs. in lakhs)

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| (a) Final dividend | | |
| Final dividend - Rs. 6.50 per share for each fully paid up share for 31 March 2019 (31 March 2018- Rs. 5/- per share for each fully paid share) | 884 | 680 |
| Dividend distribution tax on final dividend | 182 | 140 |
| (b) Dividends not recognised at the end of the reporting year | | |
| In addition to the above dividend, since year end the Directors have not recommended the payment of a final dividend - Nil (31 March 2019 - Rs. 6.50) per fully paid equity share. The proposed dividend was approved by shareholders in AGM held on 26 July 2019 and was paid in current financial year. | - | 884 |
| Dividend distribution tax on proposed dividend | - | 182 |
| (c) Interim dividends recognised at the end of the reporting year | | |
| In addition to the above dividend, the Directors had declared the payment of an interim dividend of Rs. 6.50 (31 March 2019 - Nil) per fully paid equity share. This interim dividend is declared after approval of Directors present in the board meeting held on 14 February 2020 | 884 | - |
| Dividend distribution tax on interim dividend | 182 | - |

Note 52 - Earnings per share

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|----------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Net Profit after tax for the year (Rs. in lakhs) | 2,877 | 2,454 |
| Profit attributable to equity share holders (Rs. in lakhs) | 2,877 | 2,454 |
| Weighted Average Number of equity shares outstanding during the year | 1,35,98,467 | 1,35,98,467 |
| Basic and Diluted Earnings Per Share (Rs.) | 21.15 | 18.04 |
| Face Value per Share (Rs.) | 10.00 | 10.00 |

Note 53 - Details of dividend remitted to non-resident shareholders in foreign currency:

| Particulars | Year ended 31 March 2020 | | Year ended 31 March 2019 |
|-----------------------------------------------------|--------------------------|---------|-----------------------------|
| Financial year ended for which dividend is remitted | 2018-19 | 2019-20 | 2017-18 |
| Dividend Type | Final | Interim | Final |
| Number of non-resident shareholders | 61 | 59 | 62 |
| Number of equity shares held | 8,341 | 7,941 | 8,391 |
| Amount of dividend remitted (Rs. in lakh) | 0.54 | 0.52 | 0.42 |

Note 54 - Assets Pledged as security:

The carrying amounts of assets Pledged as security for current borrowings are:

| Particulars | Year ended 31 March 2020 | Year ended 31 March 2019 |
|-------------------------------------------------|-----------------------------|-----------------------------|
| | (Rs. in lakhs) | |
| Current Assets | | |
| Financial Assets | | |
| Investments | 282 | 341 |
| Trade Receivables | 12,977 | 8,451 |
| Cash and cash equivalents | 502 | 2,667 |
| Other bank balances | 138 | 133 |
| Loans | 157 | 159 |
| Other financial assets | 6,199 | 8,188 |
| Non Financial Assets | | |
| Inventories | 6,221 | 5,159 |
| Current tax assets, net | 439 | - |
| Other current assets | 1,944 | 2,893 |
| Total Current assets Pledged as security | 28,859 | 27,991 |

(Rs. in lakhs)

| Particulars | Year ended | Year ended |
|-----------------------------------------------------|---------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Non Current Assets | | |
| Plant and Machinery | 4,461 | 3,630 |
| Land and building at Silvassa plant | 1,836 | 1,877 |
| Land and building at Chennai plant | 413 | 433 |
| Other moveable fixed assets | 1,110 | 1,108 |
| Total non-current assets Pledged as security | 7,820 | 7,048 |
| Total assets Pledged as security | 36,679 | 35,039 |

Note 55 - Revenue expenditure incurred during the year on Research and Development amounts to Rs. 308 lakhs (31 March 2019: Rs. 356 lakhs) including depreciation Rs. 29 lakhs (31 March 2019: Rs. 31 lakhs) and capital expenditure thereof amounts to Rs. 13 lakhs (31 March 2019: Rs. 20 lakhs).

Note 56- Revenue from contracts with customers

The Company is engaged in providing welding Products Technologies and Services, customized solutions for multi-disciplinary projects and contracts related to refineries, oil and gas, petrochemicals, fertilizers, steel plants, pharma, water and other chemical process industries.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Disaggregated revenue information

The Company has two reportable segments of its business :

- (i) Consumables
- (ii) Equipments and Project Engineering Business

The Company's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2020 and 31 March 2019 are as follows:

(Rs. in lakhs)

| Sr. No | Particulars | 31 March 2020 | | | 31 March 2019 | | |
|--------|--------------------------------------|---------------|---------------------------------------------|---------------|---------------|---------------------------------------------|---------------|
| | | Consumables | Equipments and Project Engineering Business | Total revenue | Consumables | Equipments and Project Engineering Business | Total revenue |
| 1 | Goods transferred at a point in time | 40,391 | 7,434 | 47,825 | 38,570 | 8,610 | 47,180 |
| 2 | Goods transferred over time | - | 4,829 | 4,829 | - | 4,148 | 4,148 |
| | Total | 40,391 | 12,263 | 52,654 | 38,570 | 12,758 | 51,328 |

b)(i) Contract balances information

| Particulars | (Rs. in lakhs) | |
|----------------------------------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Trade receivables | 12,978 | 8,460 |
| Contract Assets (Refer note (ii) below) | 6,087 | 7,840 |
| Contract Liabilities (Refer note (ii) below) | 396 | 573 |

(ii) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

* The significant changes in contract Assets includes contracts billed during the year for an amount of Rs. 4,444 lakhs (31 March 2019: Rs. 1,335 lakhs).

** The significant changes in contract liabilities includes customer and distributors advance during the year decreased by Rs. 177 lakhs (31 March 2019: Rs. 54 lakhs).

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2020 and 31 March 2019 as follows:

| Particulars | (Rs. in lakhs) | |
|---------------------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Revenue as per contracted price | 52,840 | 51,526 |
| <u>Adjustments:</u> | | |
| Extended warranties | - | - |
| Significant financing component | - | - |
| Sales return | (186) | (198) |
| Discount | - | - |
| Revenue from contract with customers | 52,654 | 51,328 |

c) Performance obligations

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as on 31 March 2020 and 31 March 2019 as follows:

| Particulars | (Rs. in lakhs) | |
|-----------------------------------|----------------|---------------|
| | 31 March 2020 | 31 March 2019 |
| Revenue expected to be recognised | 3,284 | 4,531 |

Note 57- Interest in other entities**(a) Subsidiaries**

The following details pertain to the components of the group:

(Rs. in lakhs)

| Name of entities | % of effective holding as at | | Net Assets, i.e, total assets minus total liabilities | | Share in profit /(loss) | | Share in other comprehensive income / (loss) | |
|---------------------------------------------------------------|------------------------------|---------------|-------------------------------------------------------|--------|--------------------------|--------|----------------------------------------------|--------|
| | 31 March 2020 | 31 March 2019 | % of consolidated net assets | Amount | % of consolidated profit | Amount | % of consolidated OCI | Amount |
| Parent: | | | | | | | | |
| Ador Welding Limited | | | | | | | | |
| 31 March 2020 | - | - | 100.56% | 26,888 | 98.26% | 2,827 | 100.00% | (147) |
| 31 March 2019 | - | - | 100.77% | 26,340 | 97.19% | 2,385 | 100.00% | 4 |
| Subsidiary: | | | | | | | | |
| Ador Welding Academy Private Limited | | | | | | | | |
| 31 March 2020 | 100% | - | 0.76% | 203 | 1.74% | 50 | - | - |
| 31 March 2019 | - | 100% | 0.59% | 153 | 2.81% | 69 | - | - |
| Intercompany Elimination and Consolidation Adjustments | | | | | | | | |
| 31 March 2020 | - | - | -1.32% | (353) | 0.00% | - | - | - |
| 31 March 2019 | - | - | -1.35% | (353) | 0.00% | - | - | - |
| Total | | | | | | | | |
| 31 March 2020 | - | - | 100.00% | 26,738 | 100.00% | 2,877 | 100.00% | (147) |
| 31 March 2019 | - | - | 100.00% | 26,140 | 100.00% | 2,454 | 100.00% | 4 |

Note 58 - Amounts below Rs 0.50 lakh have been rounded off.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai

Date : 23 June 2020

V.M. Bhide

**Head - Corp. Admin,
Legal and Company
Secretary**

G.A. Patkar

**Chief Financial
Officer**

S.M. Bhat

**Managing
Director**

DIN : 05168265

N.Malkani Nagpal

Executive Chairman

DIN : 00031985

Place : Mumbai

Date : 23 June 2020

For and on behalf of the Board of Directors

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rupees)

| Sr. No. | Particulars | Details |
|---------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1. | Sr. No. | 1 |
| 2. | Name of the subsidiary | Ador Welding Academy Private Limited |
| 3. | The date since when subsidiary was acquired | Not Applicable |
| 4. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Not Applicable |
| 5. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable |
| 6. | Share Capital | Rs. 3,00,00,000/- |
| 7. | Reserves & Surplus | Rs. (1,50,89,888/-) |
| 8. | Total Assets | Rs. 2,17,87,106/- |
| 9. | Total Liabilities | Rs. 15,30,013/- |
| 10. | Investments | Rs. 93,75,652/- |
| 11. | Turnover (excluding other income) | Rs. 1,02,34,641/- |
| 12. | Profit before taxation | Rs. 45,47,723/- |
| 13. | Provision for taxation | Rs. (3,95,410/-) |
| 14. | Profit after taxation | Rs. 49,43,133/- |
| 15. | Proposed Dividend | Nil |
| 16. | % of shareholding | 100 |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries, which are yet to commence operations- **NA**
- Names of subsidiaries, which have been liquidated or sold during the year- **NA**

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors

Ninotchka Malkani Nagpal
Executive Chairman
 DIN: 0031985

Place: Mumbai
Date: 23 June, 2020

V. M. Bhide
**Head- Corp. Admin, Legal
 and Company Secretary**

Girish A. Patkar
Chief Financial Officer

S. M. Bhat
Managing Director
 DIN: 051868265



You see a welder. We see a nation builder.



ADOR WELDING ACADEMY (AWA)

Registered Office: A-108, H Block, MIDC, Pimpri, Pune 411 018. Maharashtra, INDIA. Telefax: +91 20 4070 6300

The overall operating environment for AWA continued to be favourable during FY 2019-20.

AWA undertook placement linked welding training programs, Upskilling of Welders and Engineers, through its industry accepted courses. During this year, AWA trained 628 candidates, majorly funded by Corporates. The trade test of 192 candidates showed remarkable achievement during FY 2019-20.

AWA, in keeping with its objective of creating livelihood by promoting welding as career option, has trained 80 candidates including 14 girl candidates from economically weaker sections and middle income groups, under CSR initiatives of ADOR and other Corporates. The participants were gainfully employed, after the training.

AWA continues to conduct "Train the Trainers" Program in association with Capital Goods Skill Council (CGSC) to support "Pradhan Mantri Kaushal Vikas Yojana" (PMKVY).

One of the trainers made us proud by achieving runner-up position at the National Skill Competition for the 'Best of the Best Welders 2019' award during International Congress 2020, organized by IIW, India.

We participated, for the first time in International Welding Exhibition - 'WELD INDIA 2020' and 'BOILER INDIA 2020' to target at business and people concerned about welding industry and welcomed a diverse range of professionals thereat.



Batch Under CSR Initiative



Training of Girls



Batch Under Capital Goods Skill Council (CGSC)



Competition of the Best of the Best Welders 2019



Batch Under CSR Initiative

Our Market Reach

Domestic Sales Offices

Ahmedabad

804-805, Sakar IV,
Opp. Town hall,
Near Ellisbridge, Ashram Road,
Ahmedabad 380 006,
Gujarat, India.
Tel : +91 79 2657 9928

Bengaluru

N-406, 4th Floor, Manipal Center,
North block, Rear Wing,
Dickenson Road,
Bengaluru 560 042,
Karnataka, India.
Tel : +91 80 2558 5125, 2532 1477

Chennai

Melakottiyur,
Via Vandalur,
Kelambakkam Road,
Chennai 600 127,
Tamil Nadu, India.
Tel : + 91 44 2747 7116

Coimbatore

Ramkrishna Bagh,
1289, Trichy Road,
Coimbatore 641 018,
Tamil Nadu,
India.
Tel : +91 422 439 3013

Delhi

C-116,
Naraina Industrial Area,
Phase 1,
New Delhi 110 028,
India.
Tel : +91 11 4330 4333

Hyderabad

9-1-93/1,
Lane Adjacent to Sangeet
Cinema, Sarojini Devi Road,
Secunderabad 500 003,
Telangana, India
Tel : +91 40 2771 2090,
6649 2090

Indore

402, Apollo Trade Center,
Ambedkar Square, Geeta Bhavan
Chouraha, A.B. Road,
Indore 452 001,
Madhya Pradesh, India.
Tel : +91 731 2494 220, 4066 840
Fax : +91 731 4066 840

Jaipur

309, Aishwarya Tower,
Near Hotel Hawa Mahal,
Ajmer Road,
Jaipur 302 001,
Rajasthan, India.
Tel : +91 141 2220 833 / 34

Kolkata

P-5, C.I.T. Road, 7th Floor,
Scheme LV,
Moulali,
Kolkata 700 014,
West Bengal, India.
Tel : +91 33 4008 4862 / 63

Mumbai

Ador House,
6, K. Dubash Marg, Fort,
Mumbai 400 001 - 16,
Maharashtra, India.
Tel : +91 22 6623 9300, 2284 2525
Fax : +91 22 2287 3083

Pune

Survey No. 147/2B, Akurdi Chowk,
Near Khandoba Mandir,
Chinchwad, Pune 411 019,
Maharashtra, India.
Tel : +91 20 4070 6000
Fax : +91 20 4070 6001

Raipur

Industrial Area,
Bilaspur Road,
Birgoan,
Raipur 493 221,
Chhatisgarh, India.
Tel : +91 9109156297 / 98

OVERSEAS SALES OFFICE

Sharjah

Sharjah Airport International, Free Zone (SAIF): Q3 216, P. O. Box No.: 120025, Sharjah, U.A.E.
Tel : 00971 6557 8601 | Fax : 00971 6657 8602 | E-mail : exports@adorians.com



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Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India.

Tel: +91 22 6623 9300, 2284 2525 | Fax: +91 22 2287 3083,

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