

AWL/SEC/SE/2022-23/29

01st July, 2022

BSE LTD.

Phiroze Jeejeebhoy Towers,
1st 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 Symbol: ADORWELD

Dear Sir/Madam,

Sub: 69th Annual Report of Ador Welding Limited for FY 2021-22

Further to our letter dated 20th May, 2022 and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith copy of the 69th Annual Report of the Company for FY 2021-22. The said Annual Report is also uploaded on the website of our Company at <https://www.adorwelding.com/wp-content/uploads/2022/07/ADOR-Annual-Report-2021-22-2.pdf>

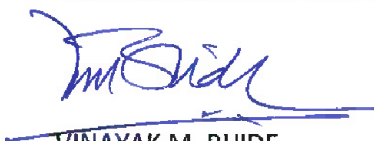
In compliance with the applicable circulars issued by the Ministry of Corporate Affairs (MCA) & SEBI, the 69th Annual Report for FY 2021-22 is being sent only by electronic mode (through email) to those Members whose e-mail addresses are registered with the Company / Depositories / RTA.

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

Thanking you,

Yours Sincerely,

For **ADOR WELDING LIMITED**



VINAYAK M. BHIDE

COMPANY SECRETARY & COMPLIANCE OFFICER



Encl.: As above

ADOR WELDING LIMITED

Regd. & Corporate Office: Ador House, 6, K. Dubash Marg, Fort, Mumbai - 400 001 - 16, Maharashtra, India.

+91 22 6623 9300 | www.adorwelding.com | CIN: L70100MH1951PLC008647

☎ 1800 233 1071 | ✉ care@adorians.com | 📞 +91 20 40706000



69th ANNUAL REPORT
for FY 2021-22.

ADOR WELDING LIMITED

www.adorwelding.com

CREATING THE BEST WELDING EXPERIENCE

Ador is proud to contribute
in the development of the iconic project of the Pamban bridge at
Rameswaram, which is all set to become India's
first vertical lift railway sea bridge.





peace of mind™

ADOR WELDING LIMITED

We are a customer-focused organization.

We have aligned all our people, systems and processes towards our **vision** of **Creating the best welding experience**.

We have identified three core values, to achieve our vision:

“We relentlessly deliver on **Product Performance**”

“We consistently deliver on promises to **build Trust**”

“We deliver the best **Customer Experience** at every touch point”

We believe that your support is critical to achieve this vision and provide **peace of mind** to all our Stakeholders dealing with ADOR.

☎ 1800 233 1071 ✉ care@adorians.com 📞 +91 20 40706000

www.adorwelding.com



INDEX

■ Contact Us	04
■ Corporate Information	05
■ Board of Directors	06
■ Financial Performance (Standalone)	10
■ Welding Education in India	12
■ Our New Product	14
■ Directors' Report and its Annexures	17
■ Auditor's Report (Standalone), Balance Sheet, Statement of Profit & Loss and Cash Flow Statement (Standalone) alongwith Notes	91
■ Auditor's Report (Consolidated), Balance Sheet, Statement of Profit & Loss and Cash Flow Statement (Consolidated) alongwith Notes	181
■ Form AOC - 1	267



CONTACT US

REGISTERED & CORPORATE OFFICE:

Ador House, 6, K. Dubash Marg,
Fort, Mumbai 400 001-16,
Maharashtra, India

Tel : +91 22 6623 9300, 2284 2525 | Email : investorservices@adorians.com

PLANTS - Welding Consumables

SILVASSA

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

RAIPUR

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

Welding Equipment Plant, Flares & Process Equipment Division and Corporate Marketing Office

CHINCHWAD, PUNE

Survey No. 147/2B, Akurdi Chowk,
Near Khandoba Mandir, Chinchwad,
Pune 411 019, Maharashtra, India.
Tel : +91 20 4070 6000

E-mail : chinchwad.plant@adorians.com | cmo@adorians.com

Domestic Regional Offices

NORTHERN

DSM 340, Third Floor, DLF Tower, Shivaji Marg,
New Delhi - 110015, India
Tel : +91 011 4330 4333

EASTERN

C/O AWFIS, Shree Manjari Building,
4th Floor, 8/1A Sir William Jones Sarani,
Kolkata - 700071, West Bengal, India

CENTRAL

Industrial Estate, Bilaspur Road,
Birgaon, Raipur 493 221,
Chhattisgarh, India.
Tel: +91 9109156297 / 8 / 9

WESTERN

Survey No. 147/2B, Akurdi Chowk,
Near Khandoba Mandir, Chinchwad,
Pune 411 019, Maharashtra, India.
Tel: +91 20 4070 6000

Ador International

DUBAI

South Zone 3, warehouse, B2SR07, JAFZA, Dubai, UAE.
Tel : +9715 0538 5041 | E-mail : mustafa@adorians.com



CORPORATE INFORMATION

BOARD OF DIRECTORS	
Mrs. Ninotchka Malkani Nagpal	- Executive Chairman
Mr. A. T. Malkani	- Managing Director
Dr. D. A. Lalvani	- Whole Time Director (Non – Executive Director w.e.f. 01 st April, 2022)
Mr. R. A. Mirchandani	- Non – Executive Director
Ms. Tanya H. Advani	- Non – Executive 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
Mrs. Nita Dempo Mirchandani	- Non – Executive & Independent Director
Mr. N. S. Marshall	- Non – Executive & Independent Director (w.e.f. 21 st May, 2022)
SENIOR MANAGEMENT TEAM	Mr. S. K. Palit
	Mr. V. M. Bhide
	Mr. V. H. Bansal
	Mr. S. V. Sethia
	Mr. Mustafa Faizullahbhoj
	Mr. V. M. Bhide
COMPANY SECRETARY & COMPLIANCE OFFICER	Mr. V. M. Bhide
STATUTORY AUDITORS	Walker Chandiook & Co. LLP, Chartered Accountants, Mumbai
SECRETARIAL AUDITORS	N. L. Bhatia & Associates, Company Secretaries, Mumbai
INTERNAL AUDITORS	Kirtane & Pandit LLP, Chartered Accountants, Pune
COST AUDITORS	Kishore Bhatia & Associates, Cost Accountants, Mumbai
SOLICITORS	Nanu Hormasjee & Co., Mumbai
BANKERS	HDFC Bank IDFC First Bank Kotak Mahindra Bank Bank of Baroda
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 Email: investorservices@adorians.com, cmo@adorians.com Web: www.adorwelding.com
CORPORATE IDENTIFICATION NUMBER (CIN)	L70100MH1951PLC008647
REGISTRAR & SHARE TRANSFER AGENT (RTA)	Link Intime India Pvt. Ltd. C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India. Tel: +91 22 4918 6000 Fax: +91 22 4098 6060 E-mail: rnt.helpdesk@linkintime.co.in Web: www.linkintime.co.in

BOARD OF DIRECTORS

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



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

- 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, USA
- Over 25 years of experience in Financial Management of Ador Welding Limited and Ador Group of Companies
- Previously Chairman of 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 w.e.f. 19th November, 2019
- Member of Young Presidents' Organisation (YPO) & Entrepreneurs Organisation (EO)



Mr. Aditya T. Malkani
Managing 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



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 the year 2019
- 19 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 level Currently Chairman of the Group's holding company, M/s. J. B. Advani & Co Pvt. Ltd. as well as leading the Group's skincare businesses and start-up, Sublime Life



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

- Has a Masters Degree in Business Administration (MBA) from the Queensland University of Technology, Brisbane, Australia
- Has worked directly in over 7 countries in Industries including industrial gas, telecom, defence, energy and decarbonized mobility (electric & hydrogen mobility)
- Has previously led the SE Asia operations of Origin Energy Australia, as well as been the Managing Director of Cryolor Asia Pacific
- Presently, he is the Chairperson of Ador Powertron Ltd., Ador Digatron Pvt Ltd & Acusensus Australia and is a part of the leadership team of these Companies

- 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, Ms. Tanya returned to London as a Senior Technology Strategy Consultant at Accenture where she led innovation projects for both Accenture internally as well as for its external clients



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



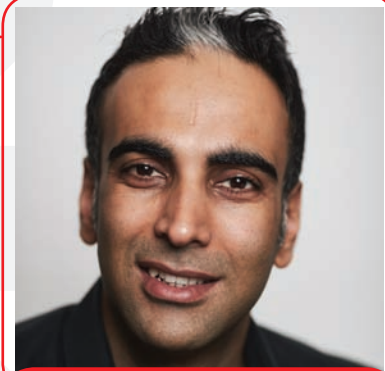
Mr. Piyush K. Gupta
 Non-Executive &
 Independent Director
 (DIN: 00963094)

- 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 managing 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 and Law from Delhi University and Harvard Law School, USA.



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

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

- Responsible for leading global content marketing for GSK
- He is expert in setting up and running global teams across geographies and capabilities including; strategy, creative, media data and technology
- Partnered 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. Mr. Gaurav also sits on the board of two public listed companies in India



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

- 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
- After IPPL, she worked as an Equity Analyst in JM Financial and HDFC Securities
- An Active Angel Investor in fast growing start-ups like In Mobi, 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. K. Digvijay Singh
 Non-Executive &
 Independent Director
 (DIN: 00004607)

- 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 2013-2019
- Director at Nimbus Sport (2009-12); Advisory Board at Euromax (2007-14); Non-Executive Independent Director at Mercury Travels Ltd (2014-2018);
- Member of Board of Governors of Spirit of Enterprise, Singapore 2017-2019
- Served as an Independent Non-Executive Director on the Board of Thomas Cook India Ltd. (1999-2006) and Ador Welding Ltd. (2009- till date)

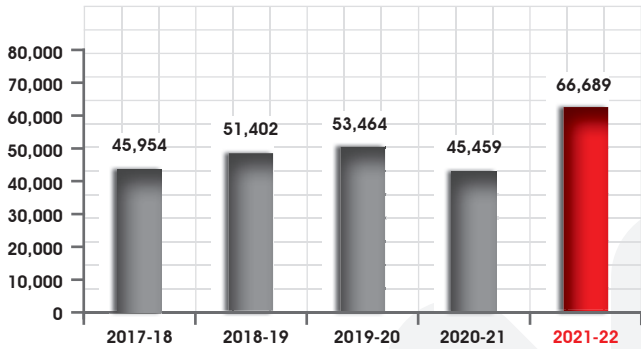
- Navroze Shiamak Marshall is a British national of Indian origin and has been Managing Director of Simmonds-Marshall Ltd. since January 2003
- Mr. Marshall has got an experience of over 15 years to his credit
- He has vast experience with multinationals in the United States of America
- Mr. Marshall was educated at Cathedral & John Connon School, Mumbai, United World College (South East Asia), Singapore and holds a Bachelors of Science degree in Chemical Engineering & Economics from Carnegie Mellon University in Pittsburgh, USA
- Mr. Marshall also has a MBA in Management from IMD, Switzerland



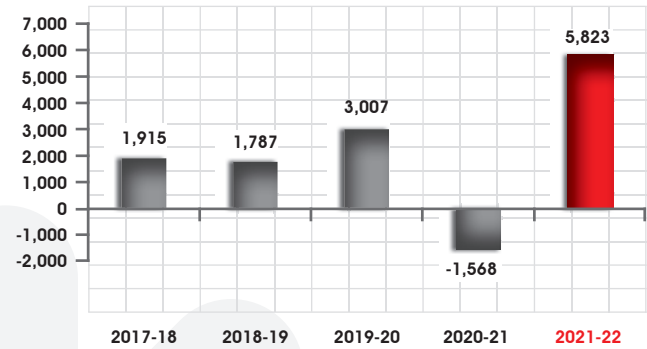
Mr. Navroze S. Marshall
 Non-Executive &
 Independent Director
 (DIN: 00085754)

FIVE YEAR FINANCIAL STATISTICS

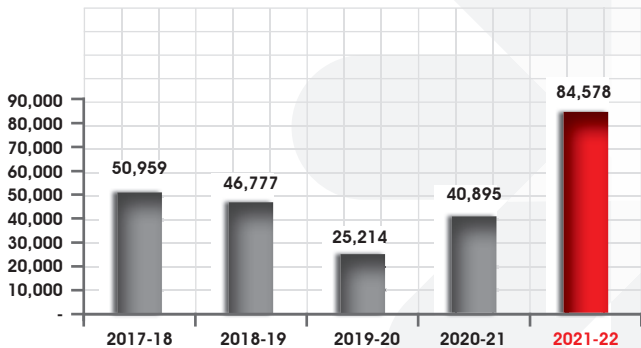
(STANDALONE)



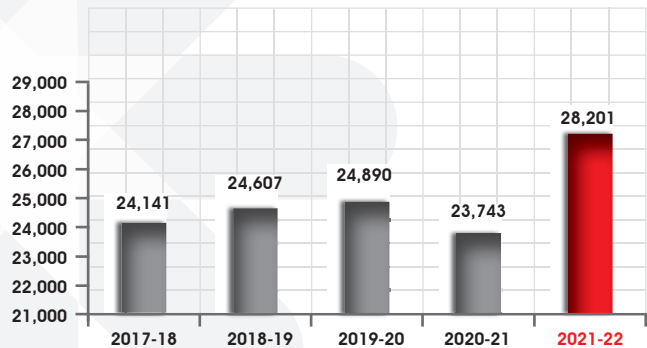
Turnover (Rs. in Lakhs)



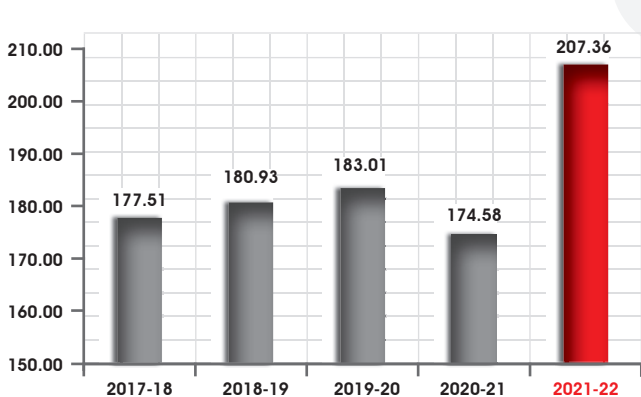
Profit Before Tax (PBT) (Rs. in Lakhs)



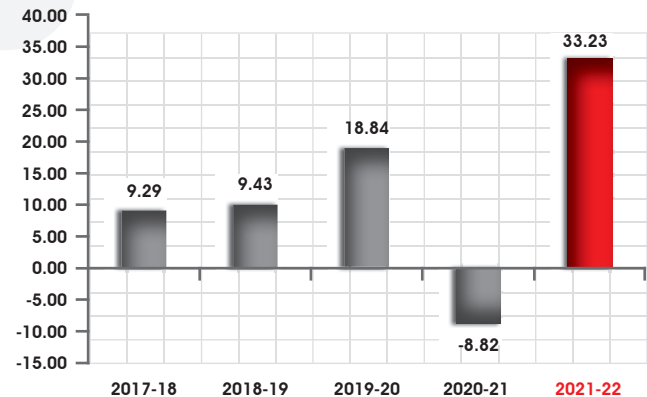
Market Capitalization (Rs. in Lakhs)



Net Worth (Rs. in Lakhs)



Book Value Per share (BVPS) (Rs.)



Earning Per Share (EPS) (Rs.)

FIVE YEAR FINANCIAL HIGHLIGHTS

(STANDALONE)

(Rupees in lakhs)

PROFIT & LOSS ACCOUNT	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Sales & Other Income (net of excise duty)	66,689	45,459	53,464	51,402	45,954
Manufacturing & Other Expenses	60,309	42,739	48,528	47,750	42,501
Operating Profit / EBITDA	6,380	2,720	4,936	3,652	3,453
Depreciation	1,083	1,110	1,068	960	1,008
EBIT	5,297	1,610	3,868	2,692	2,445
Interest	372	641	861	905	530
Profit before exceptional items and tax (PBT)	4,925	969	3,007	1,787	1,915
Exceptional Items (Net)	898	(2,537)	-	-	-
Profit before tax (PBT)	5,823	(1,568)	3,007	1,787	1,915
Taxation	1,304	(369)	445	505	651
Profit after Tax (PAT)	4,519	(1,199)	2,562	1,282	1,264
Comprehensive Income/loss	(61)	52	(147)	4	(7)
Total Comprehensive income/ (loss)	4,458	(1,147)	2,415	1,286	1,257
Dividend (incl. DDT)	-	-	1066	1066	818

BALANCE SHEET	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
Net Fixed Assets (incl. CWIP and Investment in properties)	12,378	11,969	12,486	11,575	10,299
Investments	2,091	1,178	635	694	597
Current Assets	20,985	20,209	26,739	25,941	28,268
Current Liabilities	10,395	13,265	18,032	16,616	17,327
Net Current Assets	10,590	6,944	8,707	9,325	10,941
Other Non-Current Assets	3,819	4,152	4,024	4,098	3,372
Capital Employed	28,878	24,243	25,852	25,692	25,209
Equity Share Capital	1,360	1,360	1,360	1,360	1,360
Reserves & Surplus	26,841	22,383	23,530	23,247	22,781
Net Worth	28,201	23,743	24,890	24,607	24,141
Long term loan Funds	60	-	-	-	-
Deferred Tax Liabilities	-	-	423	883	806
Long-term provisions	469	359	387	172	240
Other long term liabilities	148	141	152	30	22
Capital Employed	28,878	24,243	25,852	25,692	25,209

RATIOS	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
EBITDA Margin (%)	9.57%	6.12%	9.41%	7.25%	7.68%
Net Margin (%)	6.78%	(2.70%)	4.88%	2.55%	2.81%
Interest Cover (EBITDA / Gross Interest)	17	4	6	4	7
ROCE (EBIT / Capital Employed) (%)	18.34%	6.64%	14.96%	10.48%	9.70%
Current Ratio (times)	2.02	1.52	1.48	1.56	1.63
Debt Equity Ratio (times)	0.00	0.00	0.00	0.00	0.00
Dividend Per Share (DPS) (Rs.)	0.00	0.00	6.50	6.50	5.00
Earning Per Share (EPS) (Rs.)	33.23	(8.82)	18.84	9.43	9.29
Book Value per share (Rs.)	207.36	174.58	183.01	180.93	177.51



WELDING

EDUCATION IN INDIA

Synopsis

The Indian Welding Industry has done well as a contributor to National Economy and Industrial progress. In doing so, technological advancement has been a key factor, which has prepared the Industry to face the turbulent times, with requisite confidence. The Welding Fraternity & Professional Bodies have ensured forward movements through regular technical seminars, which also helped researchers, young and not so young. These efforts have sustained industrial growth.

Ador's role in training

For Ador, since our inception we, have touched the lives of more than 60,000 welding professionals. We kept deliberating on welding skills training and education from time to time, through various platforms such as the Welding School (1960 -1990), the Ador Institute of Welding Technology - AIWT (1991 - 2011), Ador Welding Academy Pvt. Ltd. (2012 –2020). From India to the Middle East and many other parts of the World, these welders and engineers are a testimony to the quality of theory and practical training, they have acquired at our training division.

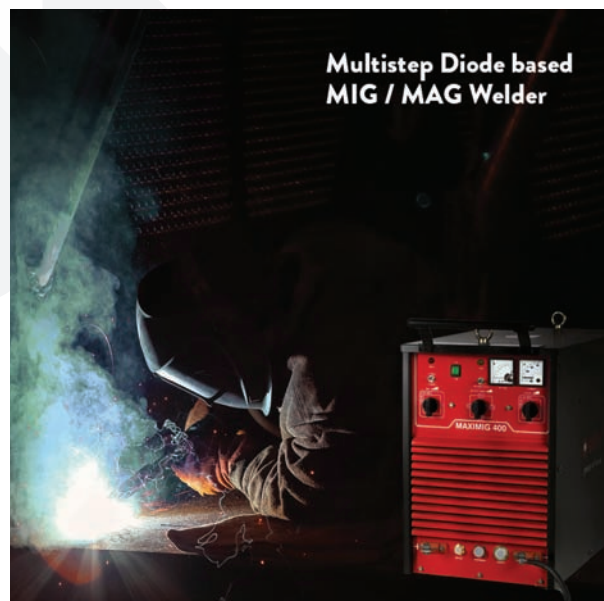
Ador Welding Training Division plays a significant role in filling the gap between welding industry- academia and reduce the shortage of competent people in welding trade at all levels through its well-designed training programs, which focuses on preparing students to become welders.

Ador Welding Training Division offers its knowledge partnership for institutes, vocational training enterprises and industries to create skilled manpower for welding manufacture of global quality. Our Knowledge Partnership will deliver:

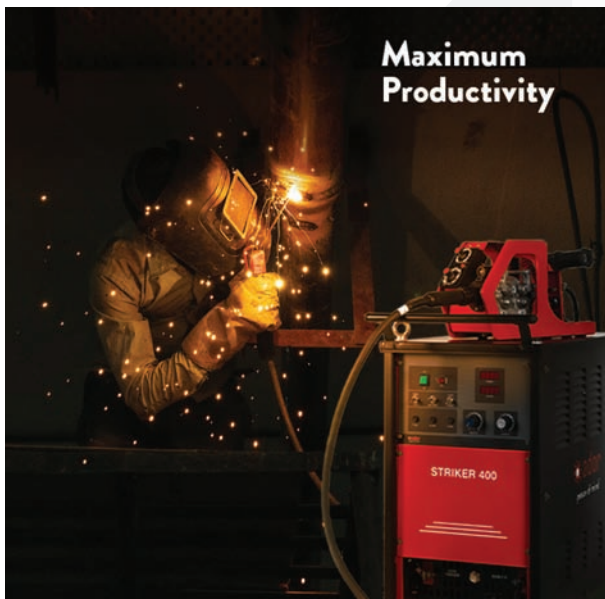
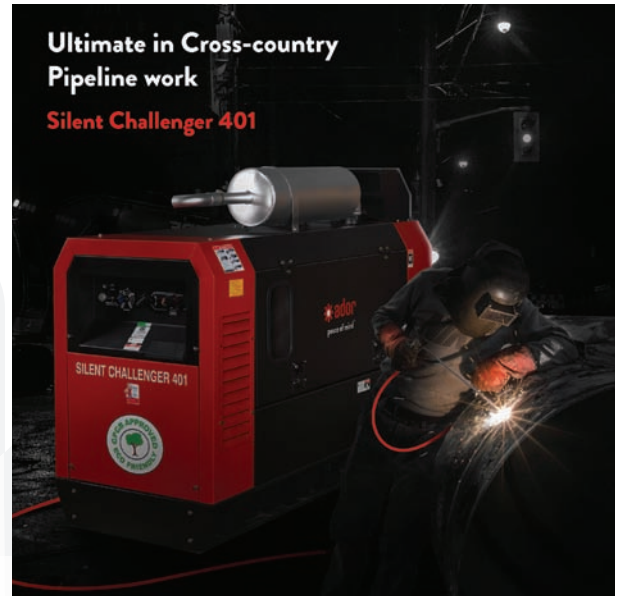
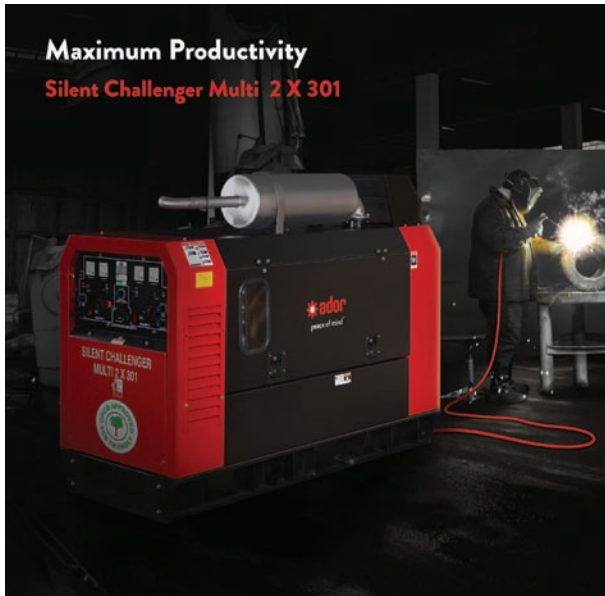
- The best-in-class welding practice shop - fully compliant with health, safety and environment norms.
- Supplies include all types of welding equipment, ergonomic and fully equipped welding booths with protective curtains, fume extraction facility at each booth, Workbench with fitted vices, and all necessary accessories and tools.
- A wide range of field-tested, employability-based training modules, across the skill spectrum; from entry level to pipe welders to supervisors to welding inspectors.
- Comprehensive training content and delivery material, which the faculty can use for the effective learning of the candidates. It includes digital as well as hard documentation.
- Training of Trainers.
- Assessment & certification.
- Assistance to eligible candidates, for gainful employment.



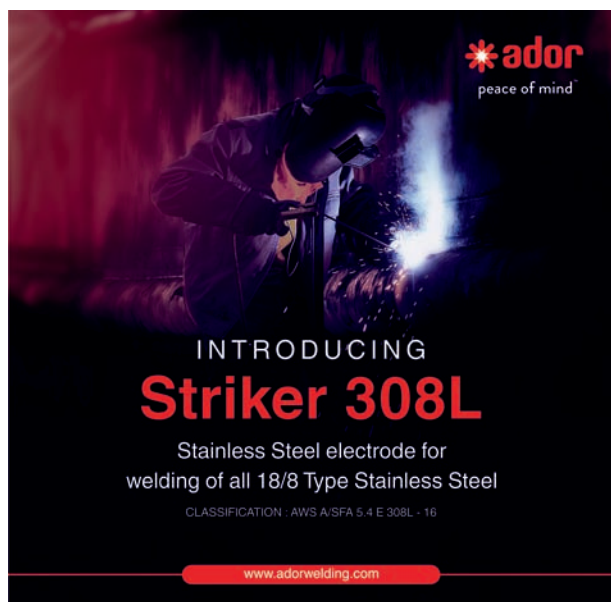
CREATING THE BEST WELDING EXPERIENCE



CREATING THE BEST WELDING EXPERIENCE



CREATING THE BEST WELDING EXPERIENCE



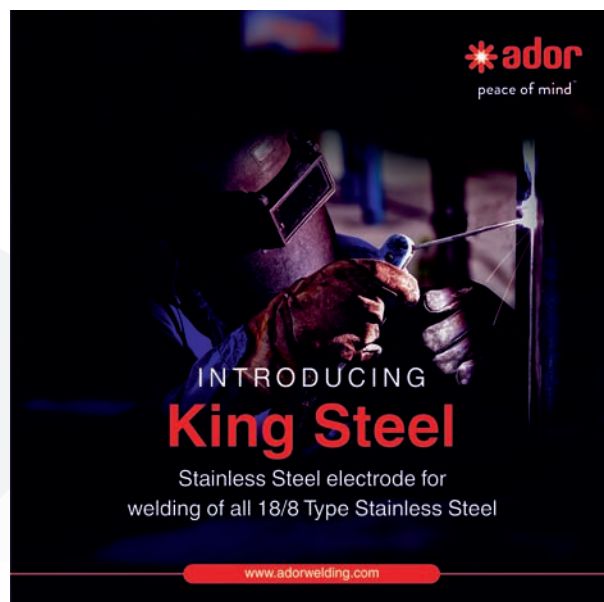
ador
peace of mind™

INTRODUCING
Striker 308L

Stainless Steel electrode for
welding of all 18/8 Type Stainless Steel

CLASSIFICATION : AWS A/SFA 5.4 E 308L - 16

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peace of mind™

Reliable & Precise
CHAMPTIG 400 P

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DIRECTORS' REPORT

To,

The Members,

The Directors take immense pleasure in presenting the Sixty Ninth (69th) Annual Report of the Company and the Audited Statements of Accounts for the financial year ended 31st March, 2022.

1. CORPORATE OVERVIEW

Your Company, 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 welding industry. Your Company's Vision is "Creating the Best Welding Experience".

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) odd countries and our corporate headquarter is based in Mumbai.

2. FINANCIAL PERFORMANCE

(Rs. in Lakhs)

Sr. No.	Key Financial Indicators	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
		Standalone		Consolidated	
2.1	Sales & Other Income (Net of GST, Discount & Incentives)	66,689	45,459	66,696	45,507
2.2	Profit before exceptional items Interest, Depreciation, Tax & Other Comprehensive Income	6,380	2,720	6,385	2,749
2.3	Exceptional items	898	(2,537)	898	(2,397)
2.4	Profit before Tax (PBT)	5,823	(1,568)	5,821	(1,406)
2.5	Provision for Tax (Including Deferred Tax)	1,304	(369)	1,305	(368)
2.6	Profit / (Loss) after Tax (PAT)	4,519	(1,199)	4,516	(1,038)
2.7	Total Comprehensive Income (Loss)	4,458	(1,147)	4,455	(986)

3. DIVIDEND & RESERVE

The Board of Directors is pleased to recommend a Dividend of 125 % (i.e. @ Rs.12.50 per Equity Share) for the Financial Year (FY) 2021-22, subject to the approval of the Members.

The total amount of Dividend, to be disbursed for FY 2021-22, is Rs. 1,700 Lakhs, subject to applicable TDS. Further, the Dividend amount will be paid out of the profits of the Company.

The Dividend for FY 2021-22 shall be paid to those Shareholders and Beneficial Owners, whose

names appear in the Register of Members (RoM) as on the cut-off date for dividend payment.

The Board recommends transfer of 10 % of the Net Profit to General Reserve.

The dividend recommendation is in accordance with the Dividend Distribution Policy ("Policy") of the Company. The said policy is available on the website of your Company at <https://www.adorwelding.com/wp-content/uploads/2021/07/Dividend-Distribution-Policy.pdf>

4. SHARE CAPITAL

The paid-up Equity Share Capital as at 31st March, 2022 stood at Rs. 1,359.85 Lakhs. During the financial 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, 2022, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

5. FINANCE & ACCOUNTS

During the year under review, there was no revision in the Credit Rating of the Company. The Rating Agency CARE maintained "A+" (Single A Plus; Outlook: Stable) rating for the Company's long term borrowings and "A1+" (A One Plus) rating for the Company's short term borrowings.

As mandated by the Ministry of Corporate Affairs (MCA), the financial statements for the financial year ended 31st March, 2022 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 and substance of transactions and reasonably present the Company's state of affairs, profits & cash flows for the financial year ended 31st March, 2022.

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

6. OPERATIONS

In FY 2021-22, the total Sales & Other Income increased by 47 % as compared to last FY 2020-21. The year ended with Sales & Other Income of Rs. 66,689 Lakhs. (Rs. 45,459 Lakhs)*.

The Company's Net Sales and Other Income during FY 2021-22 comprised the following:

6.1 Welding Consumables at Rs. 53,540 Lakhs (Rs. 35,220 Lakhs)*

6.2 Equipment and Welding Automation at Rs. 9,854 Lakhs (Rs. 7,049 Lakhs)*

6.3 Project Engineering Business at Rs. 2,754 Lakhs (Rs. 2,459 Lakhs)*

6.4 Other Income of Rs. 541 Lakhs mainly comprised of forex gain, interest, rent & export incentives etc. (Rs. 731 Lakhs)*

(*Figures in brackets indicate previous year)

7. CAPEX

The Company incurred CAPEX of Rs. 1,315 Lakhs during FY 2021-22. The Capital work-in-progress as at 31st March, 2022 was Rs. 710 Lakhs. CAPEX planned for FY 2022-23 is Rs. 3,800 Lakhs, mainly for the following:-

- Automation/modernization at Consumables and Equipment Plants.
- Plant & Machinery for capacity expansion of certain products, and also for improvement of "productivity & in-process quality".
- Replacement of Old Machineries.
- Upgradation of R&D Infrastructure.
- Information Technology (IT) upgradation, digitalization and Compliances.
- Replacement of Vehicles.

8. PERFORMANCE OF THE SUBSIDIARY COMPANY

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 SEBI (LODR) Regulations 2015, as amended from time to time. The said Policy has been uploaded on the Company's website at the following weblink:

<https://www.adorwelding.com/wp-content/uploads/2021/07/Policy-for-determining-Material-Subsidiary.pdf>

Ador Welding Academy Private Limited (AWAPL)

The Board of Directors of AWAPL, at its meeting held on 28th May, 2021, considered and approved the scheme of amalgamation (merger by absorption) pursuant to Sections 230 to 232 read with Section 234 and other relevant provisions of the Companies Act, 2013, providing

for the merger of its wholly owned subsidiary, AWAPL (Transferor Company) with Ador Welding Limited (Transferee Company).

During the financial year under review, your Company has filed an application on 01st September, 2021 involving Composite Scheme of Arrangement of AWAPL with AWL before the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT'). The scheme of amalgamation is subject to necessary statutory and regulatory approvals under applicable laws, including approval of the Hon'ble NCLT. Your Company has taken all the necessary statutory and regulatory approvals under applicable laws and is awaiting approval (final order) from Hon'ble NCLT. The scheme is at its final stage as on the date of this report.

During FY 2021-22, AWAPL registered a total revenue & other income of Rs. 6.87 Lakhs (Rs. 61.95 Lakhs), majority because there was no operation undertaken directly by AWAPL, but all the activities were diverted / routed through the 'Welding Training Division' of AWL, considering the ongoing process of amalgamation (merger by absorption). The loss (before exceptional items & tax) of Rs. 2.00 Lakhs (Profit before Tax of Rs. 20.37 Lakhs)*.

(*Figures in brackets indicate previous year)

9. CONSOLIDATED FINANCIAL STATEMENT

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 2021-22 are prepared in compliance with the applicable provisions of the Act and as stipulated under Regulation 33 of SEBI (LODR) Regulations, 2015 and in accordance with Section 136 of the Companies Act, 2013 read with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The standalone financial statements of AWAPL are posted onto the website of the Company, which can be viewed at the following web link: <https://www.adorwelding.com/wp-content/uploads/2022/05/AWAPL-Financial-Statements-31.03.2022.pdf> - and hence, the same are not annexed to this 69th 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 annual 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 the Subsidiaries / Associate Companies / Joint Ventures is given in Form AOC-1, which forms an integral part of this Report.

10. RISK MANAGEMENT

Given the diversified scale of operations, your Company has formulated an Enterprise Risk Management (ERM) framework to manage various financial & non-financial risks, operational & non-operational risks, amongst other risks. The Board takes 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.

Further, since your Company falls under "Top 1000 Companies", based on market capitalization, as on 31st March, 2021, a Risk Management Committee is constituted in FY 2021-22 to oversee implementation of the Risk Management Policy, to monitor & evaluate risks, basis appropriate methodology, processes & systems and to keep the Board of Directors informed and recommend the actions to be taken.

11. RELATED PARTY TRANSACTIONS (RPTs)

The Policy on Related Party Transactions (RPTs) is reviewed by the Audit Committee & approved by the Board of Directors in a timely manner and as & when necessary. The said policy is uploaded

on the Company's website at the following web link: <https://www.adorwelding.com/wp-content/uploads/2022/05/RPT-Materiality-Policy-2022-23.pdf>

During FY 2021-22, 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. Omnibus approvals are obtained on a quarterly basis for all the transactions, which are foreseeable & repetitive in nature and the details of all related party transactions are placed before the Audit Committee and the Board for review & approval on a quarterly basis.

There were no material related party transactions (RPTs) undertaken by the Company during the financial year under review, that required shareholders' approval under Regulation 23(4) of SEBI (LODR) Regulations, 2015 or Section 188 of the Companies Act, 2013.

All transactions entered with the Related Parties for the financial year under review were on arm's length basis and were 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 Personnels 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 (SOPs), for the purpose of identification and monitoring of such Related Party Transactions.

12. ANNUAL RETURN

Pursuant to Sections 92 & 134(3) of the Act, the draft of Annual Return for FY 2021-22 in e - form MGT-7 is available on the Company's website: <https://www.adorwelding.com/wp-content/uploads/2022/07/Draft-MGT-7.pdf>

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Under the "Corporate Social Responsibility" (CSR) drive, the Company has spent an amount of Rs. 47.45 Lakhs during FY 2021-22, out of its budgeted annual CSR expenditure of Rs. 47.36 Lakhs & has spent Rs. 6.17 Lakhs, out of Rs. 10.50 Lakhs parked in the Unspent Corporate Social Responsibility Account (UCSR) for an "Ongoing Project". The various projects / initiatives undertaken by the Company were in the following areas:

- a. Promoting education among children, women, elderly and differently abled, including special education & employment enhancing vocational skills, especially skill development and encouraging safety practices in welding & allied fields for economically challenged / financially weaker sections of the Society
- b. Empowering women towards individual and professional development opportunities
- c. Promoting healthcare, sanitation, hygiene & making available safe drinking water to the non-privileged / underprivileged.

Your Company also performed its social duties by contributing towards the COVID-19 prevention initiatives. Your Company contributed significantly towards the initiative of "Mission Oxygen helping Hospitals save lives", which helped in procuring and donating oxygen concentrators, supplementing hospital infrastructure with oxygenation plants and other lifesaving equipments in the second wave of the pandemic.

Your Company understands its duties towards the society and considers social responsibility as an integral part of its operations. Your Company tries to ensure that its CSR initiatives have a meaningful impact on the society at large & that the contribution made by it reaches the beneficiary at the earliest, with the aim to create a long-term positive impact.

The Company is committed to continuously explore new opportunities, in alignment with its CSR philosophy & policy and strives to create a positive impact on the society, through its CSR initiatives.

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 are set out, in a format prescribed in the Companies (CSR Policy) Rules, 2014, as amended from time to time, in Annexure – I to this Report. The CSR Policy is also available on Company's website at URL: <https://www.adorwelding.com/wp-content/uploads/2021/08/CSR-Policy-FY-2021-22.pdf>

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

14. LOANS, GUARANTEES & INVESTMENTS

The details of Loans, Guarantees & 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. FIXED DEPOSIT

Your Company had no opening balances of fixed deposits. Further, 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. SECRETARIAL STANDARDS (SS)

Your Company has complied with all the applicable Secretarial Standards (SS), issued by the Institute of Company Secretaries of India (ICSI), from time to time.

17. INSURANCE

All the properties / assets of the Company are adequately insured.

18. 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 the conservation of energy, technology absorption & foreign exchange earnings / outgo is appended hereto as **Annexure - II**.

19. CORPORATE GOVERNANCE

As per the Listing Agreements executed with the Stock Exchanges, the Company has been following the Corporate Governance Code since FY 2001-02. Your Company has complied with all the requirements of Good Corporate Governance for the period 01st April, 2021 to 31st March, 2022 (i.e. FY 2021-22) pursuant to Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per Regulation 34(3) read with Schedule V to SEBI (LODR) Regulations, 2015, 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 forming an integral part of this Report is attached hereto as **Annexure - III**.

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

20. SIGNIFICANT & MATERIAL REGULATORY ORDERS

During FY 2021-22, 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. NOMINATION, REMUNERATION & BOARD DIVERSITY POLICY

The Board of Directors has framed a policy, on the recommendation of the Nomination & Remuneration Committee, which lays down a framework in relation to appointment and remuneration of its Directors. The Policy includes 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 also broadly lays down the guiding principles, philosophy and

the basis for payment of remuneration to the Executive & Non-Executive Directors. The said policy has been posted on the website of the Company at https://www.adorwelding.com/wp-content/uploads/2021/07/criteria_for_payment_to_NEDs.pdf

In case of re-appointment of Non-Executive & Independent Directors, NRC and the Board takes into consideration the performance of the Director, based on the Board evaluation and his / her engagement level during his / her previous tenure.

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

22. INDEPENDENT DIRECTORS

All the 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, 2015. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, 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. They have also given declaration under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank, as maintained by the Indian Institute of Corporate Affairs (IICA).

Pursuant to Rule 8(5)(iii)(a) of the Companies (Accounts) Rules, 2014, in the opinion of the Board, the Independent Directors are competent, experienced and are the persons of expertise (including the proficiency), having positive attribute, standards of integrity, ethical behaviour, qualifications & independent judgement.

Your Company has in all 5 (five) Independent Directors, including 01 (one) Woman Independent Director, as on 31st March, 2022. The Independent Directors met on 10th February, 2022, without the presence of Non-Independent Directors and Members of the Management,

as required under SEBI (LODR) Regulations, 2015 and the Companies Act 2013, to discuss on various important matters & evaluate the working / operations of the Management (Whole-Time Directors & KMPs).

23. DIRECTORS & KEY MANAGERIAL PERSONNEL

During FY 2021-22 the following changes occurred in the composition of the Board of Directors of the Company:

- a) Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) was re-appointed as the Whole-Time Director designated as Executive Chairman for a further period of 03 (three) years with effect from 07th May, 2021 upto 06th May, 2024 and her re-appointment was approved by the Members by way of Special Resolution at 68th Annual General Meeting.
- b) Dr. Deep A. Lalvani (DIN: 01771000) resigned from the office of the Whole-Time Director on 31st March, 2022 and was re-designated as the Non-Executive Director w.e.f. 01st April, 2022.
- c) In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association (AoA), Dr. Deep A. Lalvani (DIN: 01771000), 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 consideration of the Members of the Company at the forthcoming Annual General Meeting. Brief profile of Dr. Deep A. Lalvani has been given in the Notice convening the 69th Annual General Meeting.
- d) Subsequent to the end of the financial year, the Board of Directors, on the recommendation of the Nomination & Remuneration Committee appointed Mr. Navroze S. Marshall (DIN: 00085754) as an Additional Director (Non- Executive & Independent) with effect from 21st May, 2022. In terms of Section 161 of the Act, Mr. Navroze S. Marshall holds office up to the date of ensuing Annual General Meeting. The Company has received requisite notice in writing from a Member proposing his name for the office of Director. The

Board recommends the appointment of Mr. Navroze S. Marshall as a Non-Executive & Independent Director, for the approval by the Members of the Company. Brief profile of Mr. Navroze S. Marshall is given in the Notice convening 69th Annual General Meeting.

In the opinion of the Board, Mr. Navroze S. Marshall satisfies the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder, for his appointment as an Independent Director of the Company and he is independent of the Management. The Board believes that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director for the first term of 05 (five) consecutive years. He shall not be liable to retire by rotation. In the interest of the Company's continued prosperity and well-being, the Board recommends his appointment as an Independent Director at the ensuing Annual General Meeting.

- e) The abovenamed Directors have submitted 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.
- f) Necessary Resolutions for the appointment / re-appointment / re-designation of the abovenamed Directors have been included in the Notice convening the ensuing 69th Annual General Meeting and details of the proposed appointees, as required pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of the Secretarial Standard-2 (SS-2), are given in the Appendix to the Explanatory Statement annexed to the said Notice.

24. DIRECTORS PERFORMANCE EVALUATION

The annual evaluation process of the Board of Directors, individual Directors and Committees of the 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 & of 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 – III**.

25. DIRECTORS RESONSIBILITY STATEMENT

Pursuant to Sections 134(3)(c) & (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 preparation of the Annual Accounts for FY 2021-22, all the applicable Accounting Standards (AS) 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, 2022;
- 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. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Business Responsibility Report (BRR), on the initiatives taken from environmental, social and governance perspective, in the prescribed format, is annexed as **Annexure VII** and forms an integral part of this Report.

27. AUDIT COMMITTEE & ITS RECOMMENDATIONS

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

The Audit Committee plays a key role in providing assurance about financial statements to the Board of Directors. Significant audit observations, if any, 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. NUMBER OF BOARD MEETINGS

The Company has conducted 04 (four) Board meetings during FY 2021-22 and the details thereof are covered in the Corporate Governance Report, which is annexed to this Report as Annexure - III.

29. COMMITTEES OF THE BOARD

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

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

- a) Audit Committee (AC)
- b) Stakeholders' Relationship Committee (SRC)

- c) Nomination and Remuneration Committee (NRC)
- d) Corporate Social Responsibility Committee (CSR)
- e) Risk Management Committee (RMC)

30. KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel (KMPs) of the Company as on 31st March, 2022:

- a) Mr. Aditya T. Malkani, Managing Director
- b) Mr. Vinayak M. Bhide, Company Secretary & Compliance Officer
- c) Mr. Surya Kant Sethia, Chief Financial Officer

31. STATUTORY AUDITORS

M/s. Walker Chandok & Co. LLP, Chartered Accountants, (FRN: 001076N / N500013), Mumbai, were re-appointed as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years at the 67th Annual General Meeting (AGM) of the Members held on 22nd September, 2020, i.e. until the conclusion of the 72nd Annual General Meeting, on such remuneration, as mutually agreed upon by the Board of Directors and the Statutory Auditors.

32. 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 / explanations.

33. 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 2021-22.

The Secretarial Audit Report is annexed herewith as **Annexure - V**. There are no qualifications in the said Report and therefore no explanations are provided in this Report.

34. 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 2021-22.

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 of submitting Cost Audit Report for FY 2020-21 by the Cost Auditor with the Company: Within 180 days from the end of the financial year (by 30th September, 2021)
- f) Actual Date of filing of Cost Audit Report for FY 2020-21 with the Central Government: 10th August, 2021

The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, Mumbai (Firm Registration No. 00294) as the Cost Auditors for the financial year 2022-23 as well. M/s. Kishore Bhatia & Associates have, under Rule 6(1A) of the Companies (Cost Records and Audit) Rules, 2014, furnished a certificate of their eligibility and consent for the said appointment. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor for FY 2022-23 is being placed before the Members at the ensuing Annual General Meeting, for ratification.

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. VIGIL MECHANISM & WHISTLE BLOWER POLICY

Pursuant to Section 177(9) of the Act and Regulation 4(2)(d)(iv) of SEBI (LODR) Regulations, 2015, the Company has framed a policy on Vigil Mechanism - cum - Whistle Blower, which

enables any Director, Employee & Stakeholder 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 policy also provides adequate safeguards against victimization of persons, who may use such mechanism.

The detailed policy is also posted on the Company's Intranet Portal "SANVAD" and also onto its website at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2021/07/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf>

36. 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", as amended from time to time, 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. AWL is committed to creating a safe and healthy work environment, where every employee is treated with respect and is able to work without any fear of discrimination, prejudice, gender bias, or any form of harassment at workplace.

Further, there were no complaints received by the Committee during the financial year 2021-22. The Company has also adopted a policy under the said Act, which is placed on its internal portal as well as on the website of the Company, which can be viewed at the following weblink: https://www.adorwelding.com/wp-content/uploads/2022/02/POSH-Policy_2022-1.pdf

37. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION & 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"), as amended from time to time, dividends, if not claimed within / for a period

of 07 (seven) years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Furthermore, IEPF Rules mandate the Companies, to transfer shares of the Members, whose dividends remain unpaid / unclaimed for a period of 07 (seven) consecutive years to the demat account of IEPF Authority. The said requirement does not apply to shares, in respect of which there is specific order of the Court, Tribunal or Statutory Authority, restraining any transfer of shares.

In the light of the aforesaid provisions, the Company has, during the financial year 2021-22 under review, transferred to IEPF, the unclaimed dividend of Rs. 17,01,855/- pertaining to FY 2013-14. Further, 20,567 equity shares of the Company, in respect of which dividends were not claimed for 07 (seven) consecutive years or more, have also been transferred to the demat account of 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 III to this report.

The Members, may claim dividends and / or shares from IEPF Authority, by submitting an online application in the prescribed electronic Form IEPF-5, available on the website www.iepf.gov.in and subsequently send a physical copy of the e-form along with its acknowledgement, duly signed, to the Company along with the requisite documents enumerated in the said eform IEPF-5. No claims shall lie against the Company, in respect of the dividend / shares, so transferred. Members may also kindly refer to the Refund Procedure for claiming the aforementioned amounts & shares transferred to the IEPF Authority, as detailed / given on www.iepf.gov.in

Whilst the Company has already written to the Members, informing them about the due date for transfer of shares to IEPF, the attention of the shareholders 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 Agent, at the earliest. Those Members / Shareholders, who do not remember / recollect having encashed their dividend, can also check the "List of Unpaid Dividends" on the website of the Company.

38. HUMAN RESOURCE (EMPLOYEES)

At AWL, employee well-being is of utmost importance. The Company has a structured induction process at all its locations and undertakes training programs to upgrade skills / knowledge of its employees. Objective appraisal systems, based on key result areas (KRAs), are in place for 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 the overall employee development. The industrial relations at all the Plants and Offices of the Company continue to remain harmonious, cordial and peaceful.

During the financial year under review, special pay-outs were made / given / disbursed to all off-roll / Casuals, AWL contract and "on-roll" employees, on the 70th anniversary of your Company. Such initiatives are great motivation / booster for the employees as well as small token of appreciation for the efforts of the employees in the overall growth & development of your Company.

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 this Report, as **Annexure VI**.

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 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, if any, 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 / physical inspection, 21 (twenty one) days before and up to the date of the ensuing 69th 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 of the Directors of the Company or to each other. None of the employees hold (by himself / herself or along with his / her spouse and dependent children) more than 02% (two percent) of the Equity Shares of the Company.

The on-roll manpower strength of the Company, as at the date of this Report, is 535.

39. MATERIAL CHANGES & COMMITMENTS

There were no material changes affecting the financial position of the Company subsequent to the close of the financial year 2021-22, till 20th May, 2022 i.e. the date of this report, except appointment of an Independent Director, subject to the approval of the Shareholders.

40. INTERNAL FINANCIAL CONTROL SYSTEM & THEIR ADEQUACY

The Board has adopted policies & procedures of governance for 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. AWL has an effective internal control system, which is constantly assessed and strengthened. The Company's financial internal control systems are commensurate with the nature of its business, the size and complexity of its operations.

The Internal Auditor reports to the Audit Committee. The Audit committee defines the scope and authority of the Internal Auditor. The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of the Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and the corresponding corrective actions are thereafter presented to the Audit Committee on quarterly basis and as & when required.

41. REPORTING OF FRAUDS

There were no instances of fraud, during the financial year 2021-22, 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. PREVENTION OF INSIDER TRADING CODE

Your Company has adopted the Code of Conduct for Prevention of Insider Trading (PIT) for dealing / trading in the Securities of the Company, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices is also uploaded on the website of the Company at the following weblink: <https://www.adorwelding.com/wp-content/uploads/2021/10/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-Unpublished-Pric....pdf>

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 objective of the PIT Code is to protect the interest of the shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by / while dealing in shares of the Company by its Designated Persons and their immediate relatives. 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. 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, in order to achieve maximum output by optimum utilization of available resources, in environment friendly manner / ways.

44. ANNUAL LISTING FEES

The Company affirms that the annual listing fees for the financial year 2022-23 have been paid to both M/s. National Stock Exchange of India Limited (NSE) and M/s. BSE Limited (Bombay Stock Exchange).

Your Company has also paid its annual custodial fees to M/s. National Securities Depository Limited (NSDL) and M/s. Central Depository Services (India) Limited (CDSL).

45. ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their sincere gratitude and warm appreciation for the invaluable contribution and spirit of dedication shown by the employees, including the support staff, at all levels during

FY 2021-22. Your 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 & the Shareholders and look forward to their continued support and co-operation in the future, as well.

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Place: Mumbai
Date: 20th May, 2022

ANNEXURE I - TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY 2021-22

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 and has adopted 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 (HDI). 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 majority of these focus areas:

- Eradicating hunger, poverty and malnutrition, promoting healthcare 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.

2. Composition of the CSR Committee:

Sr. No.	Name of the Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Deep A. Lalvani	Chairman (Whole Time Director*)	2	2
2.	Mrs. Ninotchka Malkani Nagpal	Member (Executive Chairman)	2	2
3.	Mrs. Nita Dempo Mirchandani	Member (Non-executive & Independent Director)	2	2

* upto 31st March, 2022

3. Web-links:

- a. Composition of CSR committee: <https://www.adorwelding.com/wp-content/uploads/2021/08/Composition-of-Committees-FY-2021-22.pdf>
- b. CSR Policy:
<https://www.adorwelding.com/wp-content/uploads/2021/08/CSR-Policy-FY-2021-22.pdf>
- c. CSR projects, approved by the Board:
<https://www.adorwelding.com/wp-content/uploads/2022/04/CSR-projects-by-Board-for-FY-2021-22-1.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable for FY 2021-22, hence not carried out.

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any: Excess amount spent on CSR expenditure in FY 2020-21 of Rs. 1.10 Lakhs, was available for set-off in FY 2021-22.

6. Average net profit of the Company for the last 03 (three) financial years (up to FY 2020-21), under Section 135(5) of the Companies Act, 2013: Rs. 2,422.87 Lakhs

7. CSR Expenditure

- a. Two percent of average net profit of the Company as per section 135(5): Rs.48.46 Lakhs
- b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
- c. Amount required to be set off for the financial year, if any: Rs. 1.10 Lakhs
- d. Total CSR obligation for the financial year (7a+7b-7c): Rs.47.36 Lakhs

8. Details of CSR expenditure for FY 2021-22

- a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account, as per section 135(6)		Amount transferred to any fund specified under Schedule VII, as per second proviso to section 135(5)		
Rs. 47.45	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
		Nil	Not Applicable		Nil

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (Rs. in lakhs)	Amount spent in the current financial Year (Rs. in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
				State	District						Name	CSR Registration Number	
1.	Renovation of a Higher Secondary School	Promoting Education	Yes	Chhattisgarh	Raipur	3 years	10.50	6.17	4.33*	Yes	NA	NA	
Total								6.17	4.33				

* This is the balance in unspent CSR account as of 31st March, 2022

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Sponsored towards their initiative "Mission Oxygen helping Hospitals save lives", which helped in procuring and donating oxygen concentrators, supplementing hospital infrastructure with oxygenation plants and other lifesaving equipments in the second wave of COVID-19 pandemic situation	Disaster Management	Yes	Maharashtra	Mumbai	8.00	No	Ketto	-
2.	Opening of "Rotary Innovation Centre" for Imparting employability / entrepreneurship skills and Skill development w.r.t. Robotics, AI, IOT, 3D Printing	Promoting Education	Yes	Maharashtra	Mumbai	0.20	No	Rotary Club of Mumbai, Kandivali West, Charitable Trust	-
3.	Provide long term care to children who have either lost both their parents to COVID or both parents are currently suffering and no other family member is in position to provide care	Disaster Management	Yes	Maharashtra	Mumbai	2.49	No	SOS Childrens Villages of India	CSR00000692

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (Rs. in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
4.	Sponsored kits, containing essential materials for daily use such as saree, hygiene kit, lunch packets, dry food etc. to underprivileged widows under 'Mothers Apt Appreciation' MAA project	Livelihood Enhancement Project	Yes	West Bengal	Kolkata	0.25	No	Rotary Club of Calcutta, North East Welfare Trust	-
5.	Sponsored services of Pediatricians, Psychologists, Occupational therapists, Physiotherapist, Speech Therapist, etc. to students with Intellectual and developmental disabilities (IDD)	Healthcare Project	Yes	Maharashtra	Mumbai	2.00	No	Jai Vakeel Foundation	CSR00001574
6.	Providing a safe and secure haven for women in social distress. Services cover: Rehabilitation programmes such as yoga, beauty classes, embroidery, kindergarten & mental wellbeing, Urgent medical & security needs, Legal expenses	Empowering Women	Yes	Maharashtra	Mumbai	5.46	No	Bapnu Ghar- "Fathers Home"	CSR00004977
7.	Providing services to the disabled children from the slums of Colaba, Mumbai, who come from economically challenged background; Services cover education, therapy services, co-curricular & extracurricular activity, nutrition & transport, as needed, resource support, counselling, parent partnership programs, capacity building programs of resource teams and monitoring, tracking & analysing the beneficiaries' progress to customise services, on a need basis for their holistic growth	Livelihood Enhancement Projects	Yes	Maharashtra	Mumbai	2.40	No	ADAPT (Able Disabled All People Together)	CSR00001228
8.	To support girl child; To upgrade the standard of living of Orphan & Needy Children through education	Related to Underprivileged Children	Yes	Maharashtra	Lonavala, Pune	2.50	No	Social action for Manpower creation SAMPARC Children's Home, Bhaje	CSR00003752

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project		(6) Amount spent for the project (Rs. in lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
9.	To provide quality skill development training to rural school dropout youth; To ensure enough space & requirement for qualitative training; To ensure skill development towards employability of the beneficiaries	Livelihood Enhancement Projects	Yes	Maharashtra	Mumbai	2.00	No	Social action for Manpower creation (SAMPARC)	CSR00003752
10.	Providing primary health, education to youth & women empowerment, better environment, poor feeding etc. in the slums of Koramangala <ul style="list-style-type: none"> Support to four clinics @ Rs. 1.25 Lakhs per clinic, per month, amounting to Rs. 5.00 Lakhs Providing grocery kit worth Rs. 500/- each, to 500 number of families amounting to Rs. 2.50 Lakhs 	Livelihood Enhancement Project	Yes	Karnataka	Bangaluru	7.50	No	SWABHIMAAN	CSR000010096
11.	Providing Sukhadi to Malnourished children and pregnant & lactating mothers; Providing eggs to beneficiaries; Sponsorship to orphans & single parent children; Adopt a home	Empowering Women	Yes	Dadra & Nagar Haveli	Silvassa	3.00	No	Department of Social Welfare (Women & Children Development)	CSR00025593
12.	Additional salary to school teachers at Advani Oerlikon Higher Secondary School, Birgaon, Raipur.	Promoting Education	Yes	Chhattisgarh	Raipur	3.15	Yes	Raipur Plant (Directly by the Company)	NA
13.	Providing 50 hospital cots to blind students	Livelihood Enhancement Project	Yes	Maharashtra	Bhosari, Pune	2.00	No	Directly by the Company to Patashibai Ratanchan Manav Kalyan Trust	NA
14.	Focusing on the welfare activities of members of Scheduled Tribes in remote areas of India.	Livelihood Enhancement Project	Yes	Dadra & Nagar Haveli	Silvassa	1.00	No	Akhil Bharatiya Vanvasi Kalyan Ashram	CSR00014323
15.	Sponsoring three support groups having mental health issues	Promoting Health Care Including Preventive Health Care	Yes	Maharashtra	Thane & Pune	2.25	No	Institute of Psychological Health (IPH)	CSR00002456
16.	Welfare of underprivileged and vulnerable orphans by providing them with a stable home / hostel.	Setting Up Homes and Hostels For Orphans	Yes	Maharashtra	Beed	1.75	No	Aai Janhit Bahauddeshiya Sanstha	CSR00008566
17.	Reuniting wandering mentally ill roadside destitutes with their families	Livelihood Enhancement Project	Yes	Across India		1.50	No	Shraddha Rehabilitation Foundation	CSR00003089
Total						47.45 Lakhs			

d. Amount spent in Administrative Overheads: NA

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- e. **Amount spent on Impact Assessment, if applicable:** NA
- f. **Total amount spent for the Financial Year (8b+8c+8d+8e):** 53.03 Lakhs

(a) Details of Unspent CSR amount for the preceding three (03) financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (Rs. in lakhs)	Amount spent in the reporting Financial Year (Rs. in lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (Rs. in lakhs)
				Name of the Fund	Amount (in Rs)	Date of transfer	
1.	2020-21	10.50	6.17	NIL	NIL	NIL	4.33

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):
Rs. 6.17 Lakhs

9. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable
10. **Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5):** Not Applicable. The Company has spent Rs. 47.45 Lakhs, out of its budgeted CSR expenditure of Rs. 47.36 Lakhs (excluding set off of Rs. 1.10 Lakhs available, as a result of excess spent in FY 2020-21) for / in FY 2021-22.
11. During FY 2021-22, the implementation and monitoring of CSR Policy was in conformity with the CSR objectives and CSR Policy of the Company. The Board, through its CSR Committee & Senior Management closely monitors the progress of the CSR initiatives, undertaken by the Company.

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2022

Ninotchka Malkani Nagpal
Executive Chairman
(DIN: 00031985)

Deep A. Lalvani
Chairman of CSR Committee
(DIN: 01771000)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PHILOSOPHY ON CSR:

Ador Welding Limited (AWL) believes that Company's performance must be quantified in 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.

APPLICABILITY & SCOPE:

The scope of this policy is to strategically draw the guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual action plan by the Board of the Company, after taking into account the recommendations of CSR Committee.

The said policy is to be read in alignment with the provisions of Section 135 of the Companies Act, 2013 ('the Act') and the corresponding rules, made there under, as amended from time to time ('CSR Rules'), Schedule VII of the Act and AWL philanthropy & CSR values.

FOCUS AREAS OF ENGAGEMENT:

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:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare & sanitation, making available safe drinking water;
- ii. Promoting education; including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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;
- v. Taking up Rural development projects / Conducting various social awareness programs;
- vi. Contributing to development & improvement in quality of life of the workforce and their families, as well as of the society at large;
- vii. Conservation of energy, including projects related to renewable sources of energy;
- viii. Contribution to the prime minister's national relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contribution to research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;

- x. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies, established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine, aimed at promoting Sustainable Development Goals (SDGs)
- 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) Formulate and recommend to the Board the annual action plan for CSR activities, CSR project development, CSR project approval, etc. in accordance with the CSR Policy, indicating the following:
- list of CSR projects or programmes, that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - manner of execution of such projects or programmes;
 - modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes;
 - details of need and impact assessment, if any, for the projects undertaken by the company;
- f) Monitoring the execution mechanism for CSR projects; Periodic reporting and communication to the Board.

ORGANIZATIONAL MECHANISM FOR CSR:

The Board of Directors shall form a Corporate Social Responsibility (CSR) Committee, pursuant to the provisions of Section 135 of the Act, which shall be responsible for formulating & recommending to the Board the CSR Policy & CSR Annual Action Plan, list of CSR activities / manner of execution / utilization of fund and timelines / monitoring of projects and shall 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 CSR Committee. The Company Secretary shall act as the Secretary to the Committee.

The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.

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 in the areas or subject, specified in Schedule VII;
- b) Recommend the amount to be spent on these activities in every financial year; and

THE 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 CSR corpus.

IMPLEMENTATION MECHANISM OF CSR:

Ador Foundation, the Philanthropy arm of Ador Group Companies will be the core / principal implementation agency for undertaking all / major CSR activities of Ador Group Companies, as well as their Subsidiaries.

The CSR activities of AWL can be undertaken by the Company either directly by itself or through Ador Foundation or through any other organization / agency, which is into CSR activities and registered with the Central Government, namely:

- o a Company established under section 8 of the Act, or a registered public trust or a registered

society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or

- o a Company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- o any entity established under an Act of Parliament or a State legislature; or
- o a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years, in undertaking similar activities.

AWL can conduct due diligence, prior to selection of an entity as its implementation organization / agency, to verify the credentials and ensure that the proposed implementation agency is eligible & capable to be appointed as such.

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.

In undertaking CSR Activities, the Company shall give preference to the local areas wherein the Company operates or has its offices i.e. areas in the vicinity of its factories, depots and sales offices, if any, to the extent possible.

All contributions to the funds referred to in the 'Focus areas of Engagement' shall be made directly by the Company and shall be utilized, accounted for and monitored, strictly in accordance with the applicable provisions of law.

AWL can conduct due diligence prior to selection of an entity, as its implementation organization / agency, to verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.

AWL can also engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well

as for capacity building of their own personnel for CSR.

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.

CSR EXPENDITURE:

Statutory requirement

The Company shall spend at least 2% (two percent) of the average Net Profits made during the last 3 (three) immediately preceding financial years in accordance with the Act & the Rules and the CSR Policy.

Set-off

Where the Company spends an amount in excess of requirement, provided under Section 135(5) of the Act, such excess amount will be set-off against the requirement to spend under section 135(5) up to immediate succeeding 3 (three) financial years subject to certain conditions, given under the Act.

Ongoing project

"Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation, having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project, but whose duration has been extended beyond one year by the board, based on reasonable justification.

In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines & year-wise allocation and shall make modifications, if any, for smooth implementation of the project, within the overall permissible time period.

Surplus

Any surplus arising out of the CSR Activities will not be considered as a part of the business profit and will be re-allocated to the same CSR project or will be transferred to the Unspent CSR Account and will be spent in pursuance of this CSR policy and / or annual action plan.

Administrative Overheads

The Board shall ensure that the administrative overheads shall not exceed 5% (five percent) of total CSR expenditure of the Company for the financial year.

"Administrative overheads", as defined under the Act, mean the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Creation or Acquisition of a Capital Asset

The CSR amount may be spent by a Company for creation or acquisition of a capital asset in accordance with the CSR Rules.

Unspent Amount

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of 06 (six) months of the expiry of the financial year.

Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account, opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

The Board shall be responsible for sanctioning the CSR Expenditure and shall be responsible, along with the CSR Committee, for taking steps to ensure that the amount for the CSR Expenditure is available for the Implementation / application towards the CSR Activities.

The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the

Implementation Group for application towards the CSR Activities.

MODALITIES FOR UTILIZATION OF FUNDS:

Our CSR underpins the significance of the people behind this development and identifies areas, where we can help nurture their current and future potential, while supporting the families of underprivileged and communities through the following ways:

1. Up skilling India to make more Indians have meaningful jobs through Education, Training (basic education, up-skilling India with welding skills):

Providing sponsorship for training to underprivileged youth, to take up courses on welding skills

2. Women empowerment:

Providing a safe working environment for women

3. Areas around our factories and Offices by providing basic sanitation, drinking water, education for economically challenged and community services:

- Environmental Compliances at all plants
- CE Safety Standards
- Tree plantations at all plants
- Provide medical help, as may be fit to various stratas of society

4. Welfare Activities

Undertaking relief / welfare activities, especially during pandemic.

MONITORING MECHANISM:

Certain CSR activities will be carried out, to the extent possible, around the factory areas of the Company and the respective Plant In-charge(s) can be authorized to monitor the implementation of the said CSR activities in the vicinity of the Plants.

Mr. Vinayak M. Bhide, Company Secretary & Mr. S. K. Sethia, Chief Financial Officer will be responsible to oversee the overall functioning of the CSR activities / projects of the Company.

This policy was approved by the Board on Friday, 20th May, 2022.

ANNEXURE II - 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 Rule 8(3) 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. Installed Solar Power Plant at Silvassa Factory with the capacity of 115 KWP, during FY 2021-22, which generated 1,32,564 units, effectively reducing greenhouse emission by 52 MT.
2. Installed Solar Power Plant at Raipur Factory with the capacity of 518 KWP during FY 2019-20, which generated 4,68,841 units, effectively reducing greenhouse gas emission by 272 MT.

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, improvements & cost optimization. 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 w.r.t. TDCs are listed hereunder:

TDC Equipment:

1. Developed and introduced the high-speed petrol engine driven compact and light weight portable 200A welding generator. Uniqueness of this machine is that it is suitable for three different manufacturers of engines.
2. Developed and introduced very compact and light weight three phase 400A inverter-based MMA Welding Machine. Compactness of this machine is unique in 400A range of machines, available in the market.
3. Introduced the IOT in Welding Machines, which enabled the machines to communicate outside world with real time welding performance data. This is useful for monitoring the productivity and quality remotely. Software application for monitoring the real time welding data can be accessed through Computer or mobile phone.

TDC Consumables:

1. Development of Activated TIG flux to enhance weld penetration in single pass welding in square butt joint, compared to regular TIG process. In this process, it is possible to achieve 1.5-2.0 times penetration and does not require edge preparation.
2. Development of welding electrodes for general fabrication and light construction work, which operates at low OCV. These are suitable, where supply voltages are always remaining at lower voltages and machines are giving low open circuit voltages.
3. Development of consumables for high strength steel welding.

Energy Conservation and Safety:

Installed LPG gas ovens during the last two (02) years, which resulted in saving of electrical power and improved the overall baking efficiency at Raipur Factory.

Summary of expenditure on R & D:

Particulars	(Rs. In Lakhs)	
	FY 2021-22	FY 2020-21
Capital	2	9
Recurring	332	290
Total	334	299
Total R & D expenditure as a percentage of total turnover	0.51%	0.67%

Foreign Exchange Earnings & Outgo:

Particulars	(Rs. in Lakhs)	
	FY 2021-22	FY 2020-21
Foreign Exchange Earnings	3,142	2,450
Foreign Exchange Outgo	5,686	4,783

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai
 Date: 20th May, 2022

ANNEXURE III – TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance for the financial year ended 31st March 2022, 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 LORD 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 20th May, 2022, has 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 & competencies, possessed by the individual Directors on the Board, which are key to good corporate governance and board effectiveness:

Sr. No.	Core Skills / Expertise	Name of the Director(s)
1.	General Management & Strategic Financial Planning	Mrs. Ninotchka Malkani Nagpal, Mr. K. Digvijay Singh
2.	Product Manufacturing & Technology Development	Mr. Aditya T. Malkani
3.	Financial Management	Dr. Deep A. Lalvani , Mrs. Ninotchka Malkani Nagpal, Mr. Aditya T. Malkani, Mrs. Nita Dempo Mirchandani
4.	Brand building & E-Commerce	Dr. Deep A. Lalvani, Mr. Gaurav M. Lalwani
5.	Business / Technology collaboration, mergers & acquisitions	Mr. Ravin A. Mirchandani, Ms. Tanya H. Advani, Mr. Rakesh N. Sapru
6.	Banking & Finance	Mr. Rakesh N. Sapru,
7.	Sales & Corporate Marketing	Mr. K. Digvijay Singh, Mr. Gaurav M. Lalwani, Mr. Rakesh N. Sapru
8.	Project Management	Mr. Aditya T. Malkani, Ms. Tanya H. Advani
9.	Intellectual Property, Joint Ventures & International Law	Mr. Piyush K. Gupta

2.2 Composition, Number of Meetings held and Attendance

In order to maintain independence of the Board, we have a judicious mix of Executive, Non-Executive & Independent Directors. The Board of Directors of the Company, as of 31st March, 2022 comprises of 10 (ten) Directors, consisting of 3 (three) Executive / Whole-Time Directors and 7 (seven) Non-Executive Directors including 5 (five) Independent Directors. There are 3 (three) Women Directors on the Board, out of which 1 (one) is an Independent Woman Director, as stipulated under Regulation 17(1)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Board of Directors meet, generally once in every quarter, primarily to review the quarterly performance and financial results of the Company, amongst other things. The Meetings of the Board of Directors & the Committees of the Board are usually held at the Registered Office of the Company. The Meetings are scheduled well in advance and the intimation of each Board & Committee Meeting is given in writing to each Director / Member about 8 to 10 weeks before the scheduled date of the Meeting. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

The information, as set out in Regulation 17 read with Part A of Schedule II of LODR Regulations, 2015, is provided to the Board and to the Board Committees, to the extent applicable & relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations & discussions during the Meetings.

The Company Secretary, in consultation with the Executive Chairman and the Managing Director, prepares the detailed Agenda for the Board / Committee 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 / Committee Members are also free to recommend inclusion of any matter in the Agenda, for discussion at the Board / Committee Meetings. The important decisions taken at the Board / Board Committee Meetings are communicated to the concerned department / division and the major outcome of the Board Meetings are also informed to the Stock Exchanges, where the Company's shares are listed.

In view of the ongoing COVID-19 / coronavirus pandemic, all the meetings during the financial year ended 31st March, 2022 were held through the electronic mode of Video Conferencing, in accordance with the circulars issued by the Ministry of Corporate Affairs (MCA), and the Securities and Exchange Board of India (SEBI). During FY 2021-22 under review, the Board of Directors met 4 (four) times, i.e. on 28th May, 2021, 05th August, 2021, 12th November, 2021 and 10th February, 2022. The requisite quorum was present at all 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 SEBI (LODR) Regulations, 2015 and the Secretarial Standard (SS), issued by the Institute of Company Secretaries of India (ICSI). The Board has accepted almost all the recommendations of its committees during the relevant financial year.

Brief details of the Board Meetings held during FY 2021-22 are as follows:

Sr. No.	Date of the Board Meeting	Board Strength	No. of Directors Present	No. Independent Directors Present
1.	28 th May, 2021	10	10	05
2.	05 th August, 2021	10	08	04
3.	12 th November, 2021	10	09	04
4.	10 th February, 2022	10	10	05

The composition of the Board of Directors, attendance at the Board Meetings held during FY 2021-22 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 2021- 22 Attendance at		As on 31 st March, 2022			
			Board Meetings	Last AGM (12 th August, 2021)	No. of other Directorships #	No. of Directorships in listed entities ^	Committee Positions @	
							No. of Memberships	No. of Chairmanships
1.	Mrs. N. Malkani Nagpal	Executive (Chairman)	4 of 4	Present	2	2	2	0
2.	Mr. A. T. Malkani	Executive (Managing Director)	4 of 4	Present	1	2	0	0
3.	Dr. D. A. Lalvani	Executive (Whole-Time Director)	4 of 4	Present	2	2	2	0
4.	Mr. R. A. Mirchandani	Non-Executive	3 of 4	Present	2	1	0	2
5.	Ms. Tanya H. Advani	Non-Executive	4 of 4	Present	2	2	0	0
6.	Mr. P. K. Gupta	Independent	4 of 4	Present	0	1	0	0
7.	Mr. R. N. Sapru	Independent	4 of 4	Present	0	1	0	0
8.	Mr. K. Digvijay Singh	Independent	4 of 4	Present	0	1	0	0
9.	Mr. G. M. Lalwani	Independent	3 of 4	Present	1	2	0	0
10.	Mrs. Nita Dempo Mirchandani	Independent	3 of 4	Absent	0	1	0	0

Notes:

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 SEBI (LODR) Regulations, 2015, none of the Directors hold Directorship in more than 8 (eight) listed entities and none of the Independent Directors serve as Independent Director in more than 7 (seven) 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 (three) 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. Each Director informs the Company, on an annual basis, about the Board and the Committee positions she / he occupies in other companies including Chairmanships and notifies changes during the year, if any. The Members of the Board, while discharging their duties, avoid conflict of interest in the decision making process. The Members

of the Board restrict themselves from any discussions and voting in transactions, in which they have concern or interest.

All the Non-Independent Directors, except the Managing Director, are liable to retire by rotation. The Executive Chairman & the Whole time Director are 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 of the Company have certified & confirmed their independence by giving a 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) read with Regulation 25(8) of SEBI (LODR) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence, specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. They have also given declaration under Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, that their names are registered in the databank, as maintained by the Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors, if applicable, are required to undertake online proficiency self-assessment test conducted by IICA within a period of one (1) year from the date of inclusion of their names in the data bank or such time, as may be amended by the Central Government. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI (LODR) Regulations, 2015. The Board hereby confirms that the Independent Directors fulfill the conditions specified in these regulations and are independent of the Management.

Details of their directorship in listed entities, other than Ador Welding Limited, and their category of Directorship, as required under SEBI (LODR), Regulations 2015, as on 31st March, 2022, are as under:

Sr. No.	Name of the Director	Name of the Listed Entity & Category of Directorship
1.	Mrs. Ninotchka Malkani Nagpal	Ador Fontech Limited – Non - Executive Director
2.	Mr. A. T. Malkani	Ador Fontech Limited – Chairman & Non-Executive Director
3.	Dr. D. A. Lalvani	Ador Multiproducts Limited – Chairman & Non - Executive Director
4.	Mr. R. A. Mirchandani	NA
5.	Ms. Tanya H. Advani	Ador Multiproducts Limited- Non-Executive Director
6.	Mr. P. K. Gupta	NA
7.	Mr. R. N. Sapru	NA
8.	Mr. K. Digvijay Singh	NA
9.	Mr. G. M. Lalwani	Ador Multiproducts Limited – Independent Director
10.	Mrs. Nita Dempo Mirchandani	NA

Broad Terms of Reference / Functions of the Board:

The duties of the Board of Directors have been enumerated in SEBI (LODR) Regulations, 2015, 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 the Chief Financial Officer (CFO) and the Company Secretary (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 (VRS), etc.
- Quarterly / Half yearly / Yearly details of financials & other material information of the Subsidiary Companies.
- Sale of investments, subsidiaries, assets, etc. which are material in nature & 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 related services etc.
- Updates on working of the 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 for Board of Directors & Senior Management:

The Board of Directors has laid down / adopted a 'Code of Conduct for Board of Directors & Senior Management' for all the Board Members and Senior Management Personnel of the Company. The Code requires Directors and Employees to act honestly, fairly, ethically, & with integrity, and conduct themselves in professional, courteous and respectful manner. The 'Code of Conduct' has been communicated to the Directors and the Members of Senior Management & also been posted onto the website of the Company. All the Directors and Senior Management Personnel have confirmed / affirmed compliance with the Code of Conduct for FY 2021-22.

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/wp-content/uploads/2021/07/www_adorwelding_com_corporate_code_of_conduct_for_independen.pdf

Further, the Company / Board confirms that all of its Independent Directors have affirmed with the "Code of Conduct for the 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 concerns the Company and requires a closer review. The Board Committees are formed with the 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 5 (five) Board Level Committees:

- a) Audit Committee (AC)
- b) Stakeholders' Relationship Committee (SRC)
- c) Nomination and Remuneration Committee (NRC)
- d) Corporate Social Responsibility Committee (CSR)
- e) Risk Management Committee (RMC)

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, 2015. 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 the 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 significant issues / findings 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 2021-22 under review, 04 (four) Audit Committee Meetings were held, i.e. on 28th May, 2021, 05th August, 2021, 12th November, 2021 and 10th February, 2022. The maximum gap between two Meetings was not more than 120 days. The requisite quorum was present at all the Meetings.

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

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. The Statutory Auditors are responsible for performing / conducting Independent Audit of the Company's Financial Statements and Company's internal financial control over financial reporting, in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

The Company follows best practices in the financial reporting. The Company has been reporting, on quarterly basis, the Unaudited Consolidated Financial Statements, as required by Regulation 33 of SEBI (LODR) Regulations, 2015. The Company's quarterly Unaudited Standalone and Consolidated Financial Statements are made available on the website www.adorwelding.com and are also uploaded on to the website of Stock Exchanges.

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, as & when required. The Internal Auditors, who report directly to the Audit Committee and the representatives of the Statutory Auditors also attend the meetings of the Audit Committee, besides the executives invited by the Audit Committee to be present thereat, if any.

Mr. R. N. Sapru, Chairman of the Audit Committee, was present at the last Annual General Meeting of the Company held on 12th August, 2021, by Video Conferencing for addressing the queries of the shareholder.

The composition of the Audit Committee and attendance at the Meetings held in FY 2021-22 is given here under:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2021-22
1.	Mr. R. N. Sapru	Chairman	Independent Director	4 of 4
2.	Mr. P. K. Gupta	Member	Independent Director	4 of 4
3.	Mr. R. A. Mirchandani	Member	Independent Director	3 of 4

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.

Subsequent to the financial year ended 31st March, 2022, the Audit Committee meeting was held on 20th May, 2022, wherein the Audited Financial Results and Audited Financial Statements of the Company for the financial year ended 31st March, 2022, were reviewed, considered and recommended 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 the Director.
- Formulating the criteria for evaluation of Independent Directors and the Board.
- Evaluating balance of skills, knowledge and experience on the Board and prepare a description of the role and capabilities required of an Independent Director.
- Identifying suitable candidates, by considering / using the services of any external agencies, if required, from a wide range of backgrounds, having due regard to diversity and the time commitments of the candidates.
- 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 & sufficiently good 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 the Non-Executive Directors;
 - for the Key Managerial Personnel & Senior Management; and
 - for other employees, if required / requested by the Management.
 - d) The size, qualification and composition of the Board.
 - e) Short-term incentive strategy, performance targets and bonus payments for / to the Executive Directors.
- 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 2021-22 under review, 2 (two) Nomination & Remuneration Committee (NRC) Meetings were held i.e. on 28th May, 2021 and 10th February, 2022. The requisite quorum was present at both the Meetings.

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

Mr. R. N. Sapru, an Independent Director, is the Chairman of the Nomination & Remuneration Committee and he was present at the last Annual General Meeting of the Company held on 12th August, 2021, through Video Conferencing.

The composition of the Nomination & Remuneration Committee and the attendance at its Meeting during FY 2021-22 is given hereunder:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2021-22
1.	Mr. R. N. Sapru	Chairman	Independent Director	2 of 2
2.	Mr. P. K. Gupta	Member	Independent Director	2 of 2
3.	Mr. R. A. Mirchandani	Member	Non-Executive Director	2 of 2

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.

Subsequent to the financial year ended 31st March, 2022, NRC Meeting was held on 05th May, 2022, wherein the remuneration to be paid to Executive Directors & Senior Management, Commission to be paid to Executive & Non-Executive Directors was determined and evaluation of the performance of the Board, its Committees and the Directors was carried-out & discussed.

Performance Evaluation:

The Nomination & Remuneration Committee, pursuant to Regulation 19 read with Part D (A) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 Committee Meetings, 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 businesses.
- Concern towards the holistic development of the Company, short term as well as long term.

Pursuant to the provisions of the Act and Regulation 17 of SEBI (LODR) Regulations, 2015, the Board has carried out the annual evaluation. The evaluation process includes performance evaluation of individual Directors, performance evaluation of all the Board Committees by the individual Directors and performance evaluation by the individual Directors of the entire Board. A structured questionnaire is prepared, covering various aspects of the Board's functioning. A consolidated summary of the ratings, given by each Director is then prepared & presented. 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:

I. Remuneration to the Executive Directors:

The remuneration of the Managing / Whole-time / Executive Director(s) is decided by the Nomination & Remuneration Committee (NRC), 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 of Section 198 of the Companies Act, 2013, to all / each of its Whole-time / Executive Director(s), as may be recommended by NRC and approved by the Board, 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. 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 way of 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 was included in detail, in the Notice conveying 68th 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 each 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.

II. 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/wp-content/uploads/2021/07/criteria_for_payment_to_NEDs.pdf

The summary of the remuneration paid / payable to all the Directors for FY 2021–22 is given below:-

							(Rs. in Lakhs)	
Sr. No.	Name of the Director	Salary#	Benefits (Perquisites)	Bonus	Commission	Sitting Fees @ #	Total ₹	
1.	Mrs. N. Malkani Nagpal	114.56	2.82	-	6.64	-	124.02	
2.	Mr. A. T. Malkani	111.19	5.12	-	6.64	-	122.95	
3.	Dr. D. A. Lalvani	126.34	2.94	-	6.64	-	135.92	
4.	Mr. R. A. Mirchandani	-	-	-	6.64	-	6.64	
5.	Ms. Tanya H. Advani	-	-	-	6.64	-	6.64	
6.	Mr. P. K. Gupta	-	-	-	6.64	1.40	8.04	
7.	Mr. R. N. Sapru	-	-	-	6.64	1.70	8.34	
8.	Mr. K. Digvijay Singh	-	-	-	6.64	0.60	7.24	
9.	Mr. G. M. Lalwani	-	-	-	6.64	0.85	7.49	
10.	Mrs. Nita Dempo Mirchandani	-	-	-	6.64	0.45	7.09	
	Total	352.09	10.88	0.00	66.40	5.00	434.37	
# Fixed Component @ As Member / Invitee, wherever applicable ₹ Excluding TDS / GST								

Notes:

- The Whole Time Directors, as per their 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 Whole time Director is for a period of (3) 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.
- All the Promoter Directors, including the Executive Chairman & the Whole – Time Director, are liable to retire by rotation.
- According to the Articles of Association (AOA) 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, 2015. 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 2021-22 under review, 2 (two) Stakeholders Relationship Committee (SRC) Meetings were held, i.e. on 28th May, 2021 and 04th February, 2022. The requisite quorum was present at both the Meetings.

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 2021-22
1.	Mr. G. M. Lalwani	Chairman	Non - Executive & Independent Director	2 of 2
2.	Dr. Deep A. Lalvani	Member	Whole Time Director	2 of 2
3.	Ms. Tanya H. Advani	Member	Non - Executive Director	2 of 2

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.

We strive to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are also requested to furnish their updated e-mail addresses to facilitate prompt action.

The Minutes of each of the Stakeholders Relationship Committee Meetings are sent to the Board of Directors.

Mr. G. M. Lalwani, an Independent Director, is the Chairperson of the Stakeholders' Relationship Committee and he was present at the last Annual General Meeting of the Company held on 12th August, 2021, through Video Conferencing.

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/s is given below:

- The total number of complaints received and replied to the satisfaction of the shareholders during FY 2021-22 are 11, out of which one (1) complaint, which was received in FY 2020-21 was resolved in FY 2021-22.
- There were no complaints pending as on 31st March, 2022 with the Company.
- The Investors can also raise complaints in a centralized web-based complaints redressal system called "Scores". The Company uploads the action taken report on the complaints raised by the Shareholders on "Scores", which can be viewed by the Shareholders.
- The Statement of Directors' Shareholding is as under:

Sr. No.	Name of the Director	Shareholding (No. of Shares held) as on 31 st March, 2022
1.	Mrs. Ninotchka Malkani Nagpal	1,93,952
2.	Mr. Aditya T. Malkani	1,23,198
3.	Dr. Deep A. Lalvani	19,419
4.	Mr. Ravin A. Mirchandani	8,002
5.	Ms. Tanya H. Advani	Nil
6.	Mr. Piyush K. Gupta	Nil
7.	Mr. Rakesh N. Sapru	Nil
8.	Mr. K. Digvijay Singh	Nil
9.	Mrs. Nita Dempo Mirchandani	Nil
10.	Mr. Gaurav M. Lalwani	10

6) Corporate Social Responsibility (CSR) Committee

Broad Terms of Reference / Functions of the Committee:

The Corporate Social Responsibility (CSR) 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, that can be undertaken by the Company, pursuant to Schedule VII to the Companies Act, 2013.
- Recommending the annual budget of the CSR expenditure / 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.
- Recommending to the Board, the projects, that can be considered as “ongoing projects” of the Company, at the end of every financial year, if any.

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 / initiatives carried-out during the financial year (FY) 2021-22 are posted onto the Company’s website on the following web-link: <https://www.adorwelding.com/wp-content/uploads/2022/05/CSR-Policy-FY-2022-23.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 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

During FY 2021-22 under review, 2 (two) CSR Committee Meetings were held, i.e. on 28th May, 2021 and 31st January, 2022. The requisite quorum was present at both the Meetings.

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 2021-22
1.	Dr. Deep A. Lalvani	Chairman	Whole Time Director	2 of 2
2.	Mrs. N. Malkani Nagpal	Member	Executive Chairman	2 of 2
3.	Mrs. Nita Dempo Mirchandani	Member	Non-Executive & Independent Director	2 of 2

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) Risk Management Committee

Broad Terms of Reference / Functions of the Committee:

In terms of Regulation 21 of SEBI (LODR) Regulations, 2015, the Company has constituted a Risk Management Committee and has Risk Management Framework / Charter / Policy in place, the details of which are provided in the Directors' report.

The Risk Management Committee (RMC) functions in accordance with the Charter prepared in accordance with Regulation 21 read with Part D (C) of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, approved by the Board of Directors and the terms of reference of the Risk Management Committee broadly comprise the following:

- Formulating the detailed Risk Management Policy, which includes framework for identification of internal & external risk, measures risk mitigation, Business continuity plan.
- Ensuring appropriate methodology, process and systems are in place, to monitor and evaluate risks associated with the business of the Company.
- Monitoring & overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- Reviewing the risk management policy, at least once in every two years including by considering the changing industry dynamics and evolving complexity.
- Keeping the board of directors informed about the nature and content of its discussions, recommendations & actions to be taken.
- Reviewing the appointment, removal & term of remuneration of the Chief Risk Officer (if any).

Composition, Number of Meetings held and Attendance

During FY 2021-22 under review, 2 (two) Risk Management Committee meetings were held i.e. on 05th August, 2021 & 13th January, 2022. The requisite quorum was present at both the Meetings.

The Risk Management Committee was constituted by the Board of Directors at its Meeting held on 28th May, 2021 with immediate effect.

The composition of the Risk Management Committee and the attendance at its Meetings during the FY 2021-22 is given hereunder:

Sr. No.	Name of the Member	Position in the Committee	Category of Directorship	Attendance during FY 2021-22
1.	Mr. Gaurav M. Lalwani	Chairman	Non – Executive & Independent Director	2 of 2
2.	Mrs. Ninotchka Malkani Nagpal	Member	Executive Chairman	2 of 2
3.	Mr. Surya Kant Sethia	Member	Chief Financial Officer	2 of 2

A detailed Risk Management Policy has been formulated & approved by the Board, as mandated under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Risk Management Policy is posted onto the Company's website at the following web-link: <https://www.adorwelding.com/wp-content/uploads/2021/07/Risk-Management-Policy.pdf>

The highlights of each of RMC Meetings are informed / presented at the Board Meeting and key risks highlighted by RMC are discussed thereat. Subsequently, the Minutes of RMC Meetings are also sent to the Board.

8) 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.	2020-21	12 th August, 2021	Through Video Conferencing (VC), deemed to be held at the registered office of the Company	11.00 am
2.	2019-20	22 nd September, 2020	Through Video Conferencing (VC), deemed to be held at the registered office of the Company	11.00 am
3.	2018-19	26 th July, 2019	Walchand Hirachand Hall, Mumbai	11:00 am

All the special resolutions moved in the previous 3 (three) Annual General Meetings were passed by the majority of the Members present / voted / e-voted at the Meeting and there were 04 (four) special resolutions in last AGM of FY 2020-21.

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	2020-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	2019-20	65	Interim	883.90	181.73	1,065.63	2,877.00	37.04
3	2018-19	65	Final	883.90	181.73	1,065.63	2,385.00	44.68
4	2017-18	50	Final	679.92	138.42	818.34	1,856.00	44.09
5	2016-17	50	Final	679.92	138.42	818.34	1,812.00	45.16
6	2015-16	50	Final	679.92	138.42	818.34	2,264.76	36.13
7	2014-15	50	Final	679.92	138.42	818.34	3,237.32	25.28
8	2013-14	50	Final	679.92	115.55	795.47	422.70	188.19
9	2012-13	60	Final	815.91	132.36	948.27	1,908.02	49.70

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

The Independent Directors of the Company have been appointed in accordance with the provisions of Section 149 of the Companies Act, 2013 and applicable provisions of SEBI (LODR) Regulations, 2015.

Pursuant to Schedule IV to the Companies Act, 2013, every Independent Director has been issued a letter of appointment containing the terms and conditions of his / her appointment. The terms and conditions of appointment have been posted on the website of the Company at <https://www.adorwelding.com/code-of-conduct/>

9.1 Independent Directors' Meeting:

During the year under review, the Independent Directors met on Thursday, 10th February, 2022, without the attendance of Non-independent Directors and the Members of the Management, inter alia, to discuss the following:

- Evaluation / review the performance of Non-Independent Directors and the Board of Directors, as a whole.
- Evaluation / review the performance of the Executive Chairman of the Company, taking into consideration 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.

All the Independent Directors attended the meeting through the electronic mode of video conferencing. The Independent Directors thereafter briefed the Board on their suggestions / outcome of their meeting.

9.2 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. 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 and their roles / responsibilities thereon. The methodology of the Familiarization Program is uploaded on the Company's website at the following web link: <https://www.adorwelding.com/wp-content/uploads/2021/07/independent-directors.pdf>

9.3 Materially significant Related Party Transactions (RPTs):

All transactions entered into / with the Related Parties, as defined under the Act and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year, were on arm's length basis and were in compliance with the requirements of the provisions of Section 188 of the Act. Related party transactions have been disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with "IND AS". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for their review and recommended to the Board for their approval.

During FY 2021-22 under review, there were no materially significant Related Party Transactions (RPTs) of the Company executed 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. All the transactions were on arm's length basis and had no potential conflict with the interest of the Company at large and were carried out on an arm's length or fair value basis.

9.4 Policy for entering into Related Party Transactions:

All transactions entered into with the Related Parties, as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on arm's length basis & did not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties, during the financial year, that had potential conflict with the interests of the Company at large. Related party transactions are disclosed in Note no. 51 to the Standalone Financial Statements.

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 at the following web link: <https://www.adorwelding.com/wp-content/uploads/2021/07/Policy-for-determining-Material-Subsidiary.pdf>

A statement in summary form of transactions with related parties is periodically / quarterly placed before the Audit Committee & the Board for their review. Omnibus approvals are obtained for transactions, which are repetitive in nature. Transactions entered into pursuant to omnibus approvals were placed before the Audit Committee for its review, during the year.

Material Subsidiaries:

The Minutes of the Board Meetings of the subsidiary companies along with the details of related party transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary companies are also presented to the Audit Committee.

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 Company's website at following web link: https://www.adorwelding.com/images/pdf/corporate_policies/Policy-for-determining-Material-Subsidiary.pdf

9.5 Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or the Securities & Exchange Board of India (SEBI) or any Authority on any matter related to capital markets during the last three (3) financial years:

The Company has complied with all the known rules & regulations prescribed by the Stock Exchanges, where the shares of the Company are listed, the Securities & Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) and all other statutory authorities relating to the capital markets during the last three (3) financial years. There were no instances of levy of any penalties or strictures on the Company.

9.6 Vigil Mechanism - Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Act and Regulation 22 of SEBI (LODR) Regulations, 2015, 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. The mechanism provides for adequate safeguards against victimization of employees, Directors & stakeholders, who use such mechanism. The said Policy is uploaded on the Company's website on the following web link:

For Stakeholders-

<https://www.adorwelding.com/wp-content/uploads/2021/07/Mechanism-For-Whistle-Blower-For-Stakeholders11.pdf>

For Directors & Employees-

<https://www.adorwelding.com/wp-content/uploads/2021/07/Whistle-Blower-for-Employees-Directors2019.pdf>

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

9.7 Statutory Audit Fees:

The Statutory Auditors of the Company, M/s. Walker Chandio & Co. LLP, Chartered Accountants, Mumbai are being 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 2021-22.

10) Means of Communication

- 10.1.** 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 those Shareholders, whose e-mail IDs are registered with the Company / RTA / DP and posted / sent / couriered to balance / other shareholders, who either do not have e-mail IDs or whose e-mail IDs are not registered with the Company / RTA / DP, except for 67th Annual Report for FY 2019-20 & 68th Annual Report for FY 2020-21 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. A separate dedicated section under "Investors", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly / half yearly results and other relevant information of interest to the investors / public.
- 10.2** As a part of Green Initiative, the Members who wish to receive the notices / documents through e-mail, may kindly intimate their e-mail addresses to the Company at investorservices@adorians.com
- 10.3** Schedule of investors or/& analysts meet and presentation made to the institutional investors or/& analysts is intimated to the Stock Exchanges within the prescribed time period, specified under SEBI (LODR) Regulations, 2015 and hosted on the Company's website.
- 10.4** The Management Discussion & Analysis (MDA) Report is an integral part of the Annual Report. (Refer Annexure IV to the Directors' Report).

10.5 General Shareholder Information

Day, Date and Time of Annual General Meeting	Wednesday, 27 th July, 2022 at 11:00 am
Venue of the Annual General Meeting	through VC, pursuant to MCA circulars
Financial Year (FY)	01 st April, 2021 – 31 st March, 2022
Cut-off date for e-voting	Wednesday, 20 th July, 2022
Financials Reporting Calendar for FY 2022–23	Financial (unaudited) Reporting for the quarter ending June 2022 – by 14 th August, 2022
	Financial (unaudited) Reporting for the quarter ending September 2022 – by 14 th November, 2022
	Financial (unaudited) Reporting for the quarter ending December 2022 – by 14 th February, 2023
	Financial (audited) Reporting for the financial year ending March 2023 – by 30 th May, 2023

Investor Education and Protection Fund (IEPF):

- During FY 2021-22, the unclaimed dividend amount of Rs. 17,01,855/-, pertaining to the Dividend for FY 2013-14 was transferred to IEPF.
- During FY 2021-22, 20,567 Equity Shares, on which dividend had remained unclaimed for a period of 07 (seven) consecutive years, were transferred to IEPF Authority.

- Before transferring the unclaimed dividends to IEPF, letters are sent to those Members, whose unclaimed dividends are due for transfer to enable them to claim the dividends before the due date for such transfer. The details of unclaimed / unpaid dividends are available on the website of the Company.
- During FY 2022-23, about 17,493 Equity Shares, on which dividend shall remain unclaimed for a period of 07 (seven) consecutive years, will be liable to be transferred to IEPF Authority on or before 01st October, 2022, 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 financial year ended 31st March 2022 and the corresponding shares, which are liable to be transferred to IEPF, is given below:

Sr. No.	Financial Year	Amount of unclaimed dividend (Rs.)	No. of shares on which dividend is unclaimed	Remarks
1.	2020-21	NIL	NIL	If the dividend remains unclaimed for a period of 7 consecutive years (till 01 st October, 2022), then unclaimed dividend / corresponding shares will be transferred to IEPF
2.	2019-20	13,88,976	2,13,492	
3.	2018-19	12,75,618	1,96,206	
4.	2017-18	11,48,900	2,29,780	
5.	2016-17	19,42,350	3,88,470	
6.	2015-16	18,85,145	3,77,029	
7.	2014-15	17,47,735	3,49,547	

Credit Rating:

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, details of credit rating obtained by the Company from CARE, for all its outstanding instruments, as on 31st March, 2022 are enumerated below:

- Long Term Credit Facilities: CARE A+; Stable (Single A Plus; 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/wp-content/uploads/2021/07/Credit-Rating-For-Ador-Welding-Limited.pdf>

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 / Symbol
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

International Securities Identification Number (ISIN):

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. Your Company's ISIN number, for its equity shares, is INE045A01017.

Annual Listing Fees and Custodial Fees:

The annual listing fees and custodial fees for the financial year 2022-23 has been paid by the Company within the stipulated timeline.

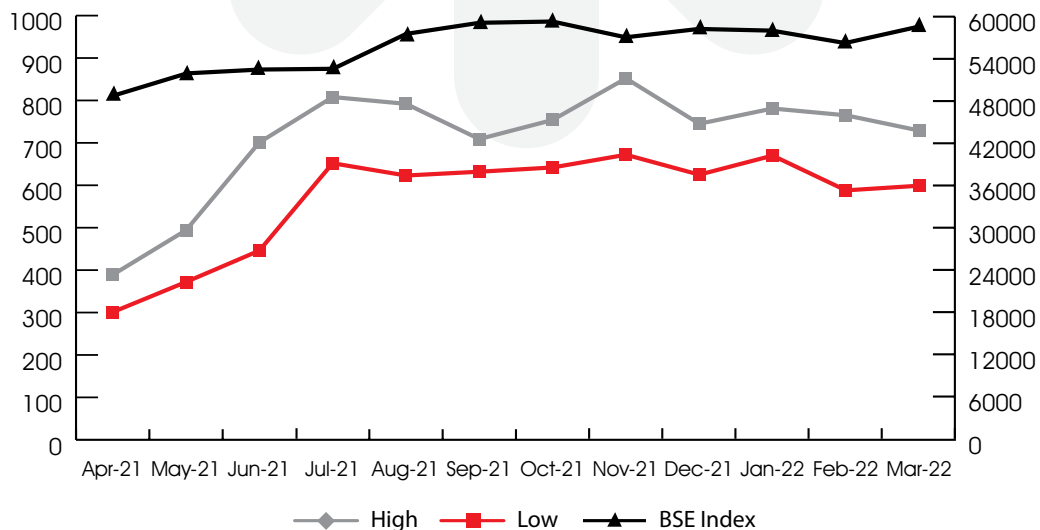
Market Price Data:

Market Price data, during each month of FY 2021-22, is given hereunder:

INDEX	BSE				NSE			
	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades	High (Rs.)	Low (Rs.)	No. of Shares	No. of Trades
April, 2021	389.00	301.00	72,852	8,109	390.00	300.25	7,90,599	35,038
May, 2021	493.95	372.10	1,00,808	10,257	495.00	376.00	10,71,954	66,751
June, 2021	701.00	446.20	2,31,291	21,196	702.70	446.00	26,16,486	1,39,810
July, 2021	808.00	651.55	2,60,003	18,889	880.20	655.00	12,43,969	84,747
August, 2021	792.00	622.65	90,526	10,197	749.00	681.05	4,20,351	33,681
September, 2021	709.00	632.10	58,615	2,538	706.00	632.00	1,80,676	13,516
October, 2021	754.10	641.80	21,587	3,013	757.00	629.65	3,69,599	25,070
November, 2021	852.10	672.05	81,048	9,776	852.95	670.15	5,46,089	53,538
December, 2021	745.00	625.45	33,185	5,439	747.65	626.00	4,15,089	33,989
January, 2022	780.75	670.00	30,252	3,876	780.75	681.55	2,95,356	23,815
February, 2022	765.00	588.35	1,30,777	3,053	789.90	586.15	2,62,984	18,937
March, 2022	728.55	598.90	59,864	3,394	727.00	602.65	3,34,321	23,517

Registrar & Share Transfer Agent:

COMPANY SHARE PRICE WITH MONTHLY HIGH & LOW V/S BSE SENSEX



The name of the Registrar & Share Transfer Agent (RTA) of the Company is:

- M/s. Link Intime India Pvt. Ltd.

The share transfer is handled by the Company's RTA at the following address:

- **M/s. Link Intime India Pvt. Ltd.**
C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India
Tel: +91 22 4918 6000
Website: www.linkintime.co.in
E-mail: rnt.helpdesk@linkintime.co.in

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, 2022:

Sr. No.	Range of Shareholding	No. of Shareholders	% of Total Shareholders	No. of Shares Held	% of Total Shareholding
1.	1-100	9,281	63.79	3,47,903	2.56
2.	101-200	2,109	14.50	3,34,623	2.46
3.	201-500	2,318	15.93	6,87,824	5.06
4.	501-1,000	409	2.81	3,12,448	2.30
5.	1,001-5,000	332	2.28	7,10,657	5.23
6.	5,001-10,000	48	0.33	3,47,980	2.56
7.	10,001-1,00,000	42	0.29	13,59,383	10.00
8.	1,00,001 and above	10	0.07	94,97,649	69.84
	Total	14,549	100.00	1,35,98,467	100.00

Shareholding Pattern (category wise) as on 31st March, 2022:

Sr. No.	Category	No. of Shares Held	% of Total Shareholding
1.	Promoters	77,37,712	56.90
2.	Mutual Funds	9,12,941	6.71
3.	Banks / Financial Institutions (FIs)	582	0.00
4.	Foreign Portfolio Investors	30,563	0.22
6.	NRIs	2,00,254	1.47
7.	Foreign nationals	1,182	0.01
8.	Trusts	1,000	0.01
9.	Investor Education and Protection Fund (IEPF)	2,39,374	1.76
10.	HUFs	5,32,696	3.92
11.	Private Corporate Bodies	3,57,699	2.63
12.	Resident Individuals	35,69,075	26.25
13.	Clearing Members	15,389	0.11
	Total	1,35,98,467	100.00

De-materialization of Shares and Liquidity:

- 1,31,58,358 Equity shares of the Company, representing about 96.76% (NSDL 85.86 % & CDSL 10.90%) of the total shares of the Company, have been dematerialized as on 31st March, 2022.
- 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).

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges, where the Company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares held in physical form.

Statutory Compliance:

During FY 2021-22 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, 2022:

Chennai Plant	Silvassa Plant
Melakottiyur, via Vandalur, Kelambakkam Road, Chennai - 600 127, Tamil Nadu, India	Survey No. 59/11/1, Khanvel Road, Opp. Gulf Oil, Masat, Silvassa - 396 230, UT of Dadra & Nagar Haveli, India
Chinchwad Plant	Raipur Plant
Survey No. 147/2B, Akurdi, Near Khandoba Mandir, Chinchwad, Pune - 411 019 Maharashtra, India	Industrial Estate, Bilaspur Road, Birgaon, Raipur - 493 221, Chattisgarh, India

Address for Correspondence:
Ador Welding Limited

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

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The details of number of complaints filed, disposed-off, during the year and pending as on 31st March, 2022 have been provided in the Directors' Report.

Disclosure on Compliance

The Company has complied with all the mandatory corporate governance requirements under SEBI (LODR) Regulations, 2015. The Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

Disclosure on Accounting treatment in preparation of Financial Statements

The Company has prepared financial statements in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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. Aditya T. Malkani.

- **Modified opinion(s) in audit report:**

There are no modified opinions in the audit report for FY 2021-22.

- **Training of the Board Members:**

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

- **Reporting of the Internal Auditors:**

In accordance with the provisions of Section 138 of the Act, M/s. Kirtane & Pandit, LLP. Chartered Accountants, Pune, were appointed as the Internal Auditors of the Company for the financial year 2021-22, to conduct the Internal Audit w.r.t. all its Plants, sales offices and Head (Registered) Office, as per the scope approved by the Audit Committee. The internal auditor reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee, which reviews the audit reports and suggests necessary action, if any / required.

A certificate from a Company Secretary in practice stating / confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed herewith, as a part of the Report.

The Auditor's Certificate on Corporate Governance obtained from M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) for compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to the Report.

For and on behalf of the Board

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai
Date: 20th May, 2022

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

As the Managing Director of M/s. 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 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 2021-22.

For and on behalf of the Board

Aditya T. Malkani
Managing Director
 (DIN: 01585637)

Place: Mumbai
Date: 20th May, 2022

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 09 November 2021.
2. We have examined the compliance of conditions of corporate governance by Ador Welding Limited ('the Company') for the year ended on 31 March 2022, 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 2022.

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: 22042423AJHDLX8067

Place: Mumbai

Date: 20 May 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of 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 - 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 and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion & 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 / listed below, for the Financial Year ending on 31st March, 2022, have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), or any such other Statutory / Regulatory Authority.

SR. NO.	NAME OF THE DIRECTORS	DIN	DATE OF APPOINTMENT IN COMPANY
1.	Ninotchka Malkani Nagpal	00031985	03/10/1997
2.	Aditya Tarachand Malkani	01585637	27/07/2007
3.	Deep Ashda Lalvani	01771000	27/07/2007
4.	Ravin Ajit Mirchandani	00175501	28/07/2006
5.	Tanya Halina Advani	08586636	19/11/2019
6.	Piyush Kumar Gupta	00963094	27/10/2006
7.	Rakesh Narain Sapru	02332414	19/10/2008
8.	Kunwar Digvijay Singh	00004607	01/02/2009
9.	Gaurav Mohan Lalwani	06928792	10/11/2014
10.	Nita Dempo Mirchandani	01103973	01/04/2020

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 the same, 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: F005436D000459329

Bharat Upadhyay
Partner
FCS: 5436
CP No. 4457
P/R No: 700/2020

PLACE: Mumbai
DATE: 03rd June, 2022

ANNEXURE IV - TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

OVERVIEW

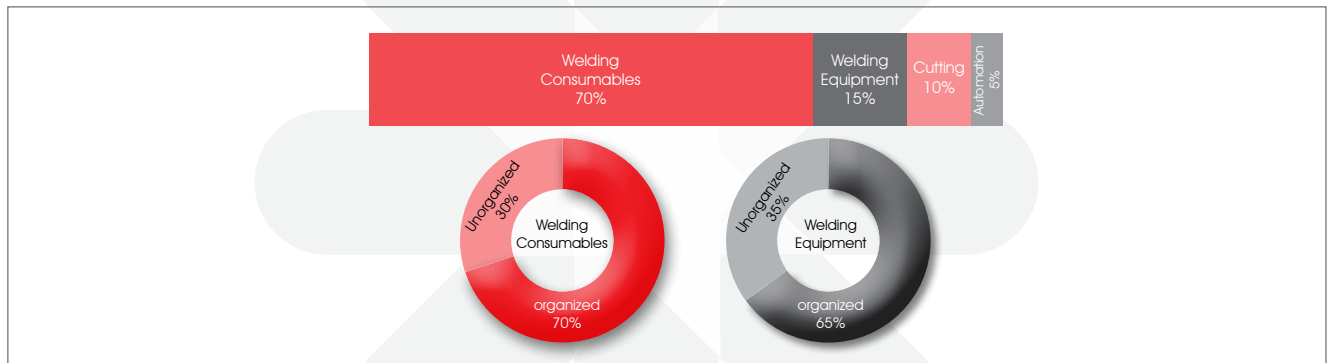
For over 70 (seventy) years, we have been serving clients in India and around the world with end-to-end welding & cutting products and solutions. What makes us unique is our willingness to make that extra effort for **"Creating the best welding experience"** to our customers.

We have a simple goal, to form a sustainable Organisation that meets the needs of the welding community, while providing jobs for our citizens and generating wealth for our stakeholders. Achieving these goals is not simple and we face many obstacles. We have addressed these challenges in this report's Risk Factors section.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Welding touches our lives every day from household items to heavy machinery to transport, to almost everything that you can see around you, that is made of metal. The Welding Industry forms the backbone of the manufacturing sector, which is expected @ 20.1% of GDP. Welding is critical for many manufacturing processes and the quality of welding has a direct impact on the quality of the final product.

The estimated Rs. 5,100 Crore welding industry is structured in following way:



We have a sizable market share in both the consumable and equipment markets, and we are market pioneer in a variety of goods and geographies. But that does not stop us from nurturing our capabilities in Automation segment, since it is a growing segment, and we wish to cater to all the customer needs, with our solutions and products under one roof.

The future of welding holds great promise, as new methods are devised for joining dissimilar and non-metallic materials and for creating products of innovative shapes & designs. We have adequately invested in infrastructure, resources and talent to develop new and better products, that can address the ever-evolving demands of our customers, from joining new type of alloys to dissimilar materials in the mix of manufactured products.

Initiatives like **"Make in India"** are opening new doors of opportunity with rising investments in manufacturing,

infrastructure, transportation including shipping.

Gross Capital Formation, which represents net investments in Fixed assets, stood at Rs. 46.04 Lakh Crore (US\$ 620.70 billion) in FY 2020-21. The Government of India aims to increase the share of manufacturing in GDP around 28-29% by the year 2025 from 20.10%. All this augurs well for the welding industry, which can be expected to grow @ CAGR of around 8-9%, over the period.

OPPORTUNITIES AND THREATS

COVID presented an unprecedented situation in front of all of us and we were no exception in facing the brunt of this global pandemic. Though the situation was tough, but we were prepared with years of focus on developing products "in-house" instead of depending on just imports.

As the economy opens-up after subsiding of COVID-19 pandemic, pickup in growth is expected to give boost to businesses. But as the pandemic has been on a roller coaster ride, with new waves propping up across the world, it is necessary to be on our toes.

New innovative products will provide growth. Increasing automation and equipment sales are poised to bring pull-through revenue.

War in Ukraine and resultant geopolitical instability are throwing difficulties but also will provide new opportunities in global markets. In such inflationary and volatile market conditions, being agile & dynamic will be the key.

OUTLOOK, RISKS AND CONCERNS

The Indian GDP is expected to grow by 7-8% and the macroeconomic indicators looks stable. The Government of India aims to increase the share of manufacturing in GDP to 25% by FY'26 i.e. \$1.1 Trillion. According to data by the Ministry of Steel, steel consumption has increased to record high, even after steep increase in prices and expects the volumes to continue to increase in the current financial year. Merchandise exports are also rising and the Government expects it to rise further.

Policy measures such as the Production-Linked Incentive (PLI) scheme and reduced tax rates are helping to trigger private investment cycle. Its actualization is expected to increase Industrial Capex by 30% over the pre-pandemic levels. Industrial reforms and policies like **'Make in India'** and **'Atmanirbhar Bharat'** initiatives are helping growth of the manufacturing sector.

RBI has shown intent to keep checks on runaway inflation. It will be important to see how it manages to continue with its accommodative stance. Even if private capex is affected due to combination of inflation and rising interest rates, Government spending will continue to boost the economy. Continued focus on infrastructure development has ensured major markets of welding industries, such as oil & gas, power, heavy engineering, shipbuilding, railways, automotive etc. with continued growth.

These factors have reinforced growth expectations of the welding industry at 8-9%. Welding consumable segment is likely to grow by 10-11%, CAGR and equipment segment is likely to grow by 5-6% CAGR.

In the Union Budget for FY 2022-23, Finance Minister delivered a growth-oriented budget for the coming fiscal year. The Finance Minister tried to revitalize the infrastructure sector in India, in order to probably have a multiplier effect on the Indian economy and help it stay on the path of growth for the coming year. She counted physical infrastructure as one of the six (06) pillars of her Budget. The Indian GDP is expected to grow by 8.5% and manufacturing sector is expected to contribute around 28-29% in GDP, which is currently @ 20.10%.

India has potential to become a global manufacturing hub and by the year 2030, it can add more than Rs. 37.50 Lakhs Crore (US\$ 500 billion) annually to the global economy.

Indian welding market / industry is slated to be mainly driven by expansion in construction industry, railways, heavy engineering, energy, and oil & gas sector along with revival of automobile sector. Industrial reforms and policies like **'Make in India'** and **'Atmanirbhar Bharat'** initiatives and the Government's long term spending plan like Rs.111 Lakh Crore worth of National Infrastructure plan (NIP) will drive Capex growth in these sectors. Currently, 65-70% of welding consumables are consumed by industries like oil & gas, heavy engineering, shipbuilding, infrastructure, railways, power, transportation & mobility and automotive.

The Indian manufacturing sector has the potential to reach US\$ 1 trillion by the year 2030.

This will help the welding industry to grow at 8-9% and welding consumable sector is likely to grow by 10-11% CAGR and equipment sector is likely to grow by 6-7% CAGR.

INCOME STATEMENT ANALYSIS

In FY 2021-22 overall revenue from operations has reached Rs. 66,148 Lakhs from Rs. 44,728 Lakhs in FY 2020-21. This translates to about 48% increase from previous financial year 2020-21. Revenue from consumables business was at Rs. 53,540 Lakhs, as compared to Rs. 35,220 Lakhs in the previous year. Revenue from equipment & automation business was at Rs. 9,854 Lakhs, as compared to Rs. 7,049 Lakhs in the previous year. Revenue from Project Engineering Business (PEB) was at Rs. 2,754 Lakhs, as compared to Rs. 2,459 Lakhs in the previous year. Other income of Rs. 541 Lakhs, mainly consisted of forex gains, interest income, rental income and export incentive, etc.

Exceptional income (net) Rs. 898 Lakhs is reported from profit on sale of investment properties and after accounting of exceptional losses during the financial year 2021-22. We continuously endeavor to improve gross margins through a mix of cost control, product pricing and innovation.

BALANCE SHEET ANALYSIS

During FY 2021-22, overall working capital days have been controlled at 68 days compared to 87 days in the previous year. Due to improved cashflow from operating activities and working capital management, fund-based utilization of working capital has become zero as on 31st March, 2022 from Rs. 28 Crore as on 31st March, 2021. The Company has funded all its capital investment from internal accruals.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company strongly believes that effective internal controls are critical for 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, few years ago, 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 ongoing basis.

The system covers the following aspects of business processes and reporting:

1. Financial propriety of business transactions
2. Manufacturing operations and processes
3. Reporting of financial transactions, as per the applicable accounting standards
4. Efficient use 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 reviewed & finalized at the beginning of every financial year, in consultation with the Statutory Auditors and approved by the Audit Committee at the first Committee Meeting of that financial year. The audit plan is focused on the following objectives:

- Operational activities
- Management control
- Process efficiency etc.

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

Our IT systems make Finance & Accounts Management robust, data tracking easier and decision making faster.

The Company's COPS software helps in centralizing its order processing leading to better 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.

"MATERIAL DEVELOPMENTS" IN THE HUMAN RESOURCES FRONT

In this financial year 2021-22, the major focus, was on working towards achieving our Vision of **"Creating the best Welding Experience"** by imbibing three (03) core values of Enhancing Performance, Building Trust & Relationship and strive to give better Customer Experience.

All Adorians i.e. the entire Ador family once again showcased their unwavering support and dedication, amid another year of 2nd & 3rd wave of COVID-19 pandemic. Their constant belief & positive attitude gives us the strength to persevere and keeps us motivated.

We believe that our employees (Human Capital) are our assets and key to the Company's success. We strive to attract and retain them through various HR policies, learning & development programs, employee engagement and other employee wellbeing initiatives. The success of our employees not only benefits the Organization but also our Customers, Business Partners and Other Stakeholders. Hence, providing them a happy and safe working environment is crucial and can be obtained through good HR policies and practices. We have conducted feedback surveys, to actively seek views from all our

employees, regarding our HR practices & policies, with an idea of continuously improving them in line with the expectation of all concerned. Suitable action plans were drawn to address the improvements, based on employee feedback.

We have laid emphasis on creating culture of performance, transparency and well-being of our employees. A good & positive working environment enables learning and growth for the employees. This year, even though most of the training programs were conducted in a virtual space i.e. by e-learning and web based systems, we also conducted some class room programs. Several technical & behavioural

development programs were conducted, to train the managers and other employees. Programs, such as Presentation & Communication skills, Advanced Excel, ISO Awareness and Auditor training (QMS / EMS / OHMS), Team-building and motivation, Safety etc. are some of the key interventions that took place, apart from the regularly conducted on-the-job and other technical trainings.

We will continue to keep our focus on retaining and attracting best talents across the Organization and strive to do even better to achieve our vision.

The employee strength as of 31st March, 2022 stood at 537.

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

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

Place: Mumbai

Date: 20th May, 2022

ANNEXURE V - TO THE DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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 the adherence to good corporate 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, minutes 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 process of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, has 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022, 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. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent applicable;
4. The Depositories Act, 1996 and amendments thereof and the Regulations and bye-laws framed thereunder;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 and amendments thereto ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR');
 - b) The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not applicable to the Company, during the Financial Year under review;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company, during the Financial Year under review;
 - g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not applicable to the Company, during the Financial Year under review;
 - h) 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 under review;

- i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable to the Company, during the Financial Year under review;
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 ; Not applicable to the Company, during the Financial Year under review;

6. Other applicable Laws as per list attached as '**Annexure A**' to this report.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS) issued by 'The Institute of Company Secretaries of India' ('ICSI') and the guidelines issued by MCA and SEBI in relation to holding of meetings through Video Conference (VC) or other Audio Visual Means (OAVM).

During the period under review, we observed that 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and LODR.

Adequate notice is given to all the Directors to schedule the Board Meetings, Agendas and detailed notes on agenda were sent at least seven days in advance other than the meetings held on shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings for meaningful participation at the meetings. The Company has complied with the provisions of the Secretarial Standards (SS) in respect of the meetings of the Board & its Committees thereof and of the Shareholders.

Majority decision is carried through, while the dissenting members' views are captured and recorded, as part of the Minutes.

All the decisions taken in the Board Meetings were passed unanimously and with the requisite majority in General Meetings including the resolutions passed through circulation.

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 during the period under review at the Annual General Meeting held on 12th August, 2021, through the electronic mode of video conferencing, wherein the shareholders approved the following, by way of Special Resolution:

1. Re-designation and Appointment of Mr. Aditya T. Malkani (DIN: 01585637) as the Managing Director of the Company
2. Re-appointment of Mrs. Ninotchka Malkani Nagpal (DIN: 00031985) as the Executive Chairman (Whole-Time Director) of the Company
3. Approval of payment of remuneration to the Executive Directors, who are Promoters or Members of the promoter group in terms of Regulation 17 (6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018
4. Payment of commission to the Non-Executive Directors

For **M/s N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F005436D000361242

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
P/R No: 700/2020

PLACE: Mumbai
DATE: 21/05/2022

'ANNEXURE A'

LIST OF OTHER APPLICABLE LAWS (including statutory amendments made thereto or amendments thereof for the time being in force):

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
- z) Any other Central and State Acts and rules made thereunder, as may be applicable

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 the financial records and the Books of Accounts of the Company.
- (4) Wherever required, we have obtained the Management Representation about the compliance of the applicable 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 the 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) The audit was conducted through online mode via access to data-room provided by the Company.

For **M/s N. L. Bhatia & Associates**
Practicing Company Secretaries
UIN: P1996MH055800
UDIN: F005436D000361242

Bharat Upadhyay
Partner
FCS: 5436
CP. No. 4457
P/R No: 700/2020

PLACE: Mumbai
DATE: 21/05/2022

ANNEXURE VI – 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:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year (FY) 2021-22:

Sr. No.	Name of the Director	Designation	Ratio
1.	Mrs. N. Malkani Nagpal	Executive Chairman	25.62
2.	Mr. A. T. Malkani	Managing Director	25.40
3.	Dr. D. A. Lalvani	Whole – Time Director*	28.08
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	1.37
5.	Ms. Tanya H. Advani	Director (Non-Executive)	1.37
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	1.66
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	1.72
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	1.50
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	1.55
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	1.47

* upto 31st March, 2022

2. 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) 2021-22:

Sr. No.	Name of the Directors / KMP	Designation	% variance
1.	Mrs. N. Malkani Nagpal	Executive Chairman	0.93
2.	Mr. A. T. Malkani	Managing Director	91.24
3.	Dr. D. A. Lalvani	Whole – Time Director*	1.88
4.	Mr. R. A. Mirchandani	Director (Non-Executive)	--
5.	Ms. Tanya H. Advani	Director (Non-Executive)	--
6.	Mr. P. K. Gupta	Director (Independent & Non-Executive)	-20.00
7.	Mr. R. N. Sapru	Director (Independent & Non-Executive)	13.33
8.	Mr. K. Digvijay Singh	Director (Independent & Non-Executive)	-68.42
9.	Mr. G. M. Lalwani	Director (Independent & Non-Executive)	-29.17
10.	Mrs. Nita Dempo Mirchandani	Director (Independent & Non-Executive)	-57.14
11.	Mr. V. M. Bhide	Company Secretary (CS)	17.29
12.	Mr. S. K. Sethia	Chief Financial Officer (CFO)	34.49

* upto 31st March, 2022

3. The percentage increase in the median remuneration of employees in FY 2021-22 over FY 2020-21: **13.73%**
4. The number of permanent employees on the roll of the Company as on 31st March, 2022: **537**
5. Average percentile increase already made in the salaries of employees other than the managerial

personnel in FY 2021-22 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 72 percentile** respectively.

6. Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes, we affirm / confirm that the remuneration paid, during FY 2021-22, 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 2021-22:

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.	Mr. Sunanda Kumar Palit	59	Head - Strategy & Customer Experience	B.Tech. (Hons.) from IIT Kharagpur	39	04-Jun-2012	Divisional Product Manager (Equipment Division)	ESAB India Ltd.
2.	Mr. Kishor D. Kokate	58	Head - Manufacturing	BE (Met), DMM, MBA	35	05-Oct-1987	Trainee Engineer	Buckau Wolf (I) Ltd. Thyssen Krupp
3.	Mr. S Ajaykumar	56	Head – International Welding Business	Masters in Electronics	32	04-Apr-2009	National Manager (Sales & service)- All India	Atlas MTT (I) Pvt. Ltd.
4.	Mr. Sachin Dobhada	55	Head - Research, Development & Quality	B.E. (Industrial Electronics)	34	08-May-2006	Manager-R&D	Hueco Electronic (India) Pvt. Ltd.
5.	Mr. Vineet Bansal	53	Head - India Welding Business & Customer Success	Mechanical Engineering	31	03-Nov-1992	Engineer – Technical Services	Cimmco Limited, Bharatpur
6.	Mr. V. M. Bhide	53	Head - Corp. Admin, IA, HR, Legal & Company Secretary	B.Com., LL.B. (Gen), AICMA, DTL, DLL & LW, FCS	32	04-Jan-1993	Assistant (Costing)	BASF India Ltd.
7.	Mr. Rakesh Choudhary	51	Head - Welding Automation Products & Services	BE - Mechanical	28	02-Apr-2018	Sales Manager India	Usha Martin Industries Ltd.
8.	Mr. Ulhas Pujari	47	General Manager - Special Projects	BE & MBA	28	15-Jul-2013	DGM Production	Carraro India Ltd.
9.	Dr. Ajay Gorasia	43	Head - Flares & Projects	B.Tech, M.Chem & PHD (Chemical Engineering)	13	05-Jan-2021	Account Manager- Callidus & GP&H	UOP India Pvt. Ltd.
10.	Mr. Surya Kant Sethia	42	Chief Financial Officer (CFO)	Chartered Accountant (CA)	17	22-Jun-2015	DGM (Accounts & Finance)	Equinox Realty and Infrastructure Pvt. Ltd

* The statement of remuneration will be made available for e-inspection / inspection by the Members during the business hours on any working day, 21 days prior to the date of AGM. Interested Members may write to the Company 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 2021-22:

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.	Mrs. N. Malkani Nagpal	52	Executive Chairman	116.29	<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 	29	03.10.1997	Chairman & Whole Time Director	J. B. Advani & Co. Pvt. Ltd.
2.	Mr. Aditya T. Malkani	41	Managing Director	60.82	<ul style="list-style-type: none"> Pursued B.A. (Economics) from Oberlin College (Ohio, USA) MBA from Indian School of Business (ISB, Hyderabad) 	15	27.07.2007	Chairman & Whole Time Director	Ador Fontech Limited
3.	Dr. Deep A. Lalvani	40	Whole-time Director*	126.90	<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 	20	27.07.2007	General Manager	Ador Fontech Limited

* upto 31st March, 2022

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.
- Mrs. Ninotchka Malkani Nagpal holds 1,93,952 equity shares, Mr. Aditya T. Malkani holds 1,23,198 equity shares and Dr. Deep A. Lalvani holds 19,419 equity shares, of the Company as on 31st March, 2022.
- Mrs. Ninotchka Malkani Nagpal, Mr. Aditya T. Malkani and Dr. Deep A. Lalvani are not related to any other Directors or to each other or to any of the employees of the Company.
- Dr. Deep A. Lalvani resigned from the office of the Whole-Time Director of the Company on & with effect from 01st April, 2022. However, he will continue as the Non-Executive Director of the Company.

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2022

Ninotchka Malkani Nagpal
Executive Chairman
 (DIN: 00031985)

ANNEXURE VII – TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

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 range of 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's **Vision** is "Creating the Best Welding Experience". 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 adopting 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 and across business segments. During financial 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, 2015) and provides an overview of the activities carried out by the Company, under each of the nine (09) principles outlined in the National Voluntary Guidelines (NVG).

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number of the Company (CIN)** : L70100MH1951PLC008647
2. **Name of the Company** : Ador Welding Limited
3. **Year of Incorporation** : 1951
4. **Registered & Corporate address** : Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India
5. **Email** : investorservices@adorians.com
6. **Telephone** : +91 22 6623 9300
7. **Website** : www.adorwelding.com
8. **Financial Year (FY) reported** : FY 2021-22
9. **Name of the Stock Exchange(s), where shares are listed** : BSE Limited & National Stock Exchange of India Limited (NSE)
10. **Paid-up Capital** : 1,35,98,467 Equity Shares of Rs. 10/- each, fully paid-up

11. Sector(s) that the Company is engaged in (industrial activity code-wise):

Sr. No.	Name & 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

12. List three (03) 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 visit / log on to our website www.adorwelding.com for complete list of our products.

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

A. Number of International Locations: An office in "SAIF Zone", Sharjah, UAE.

B. Number of National Locations: The Manufacturing locations are situated at Chinchwad (in Maharashtra), Coimbatore (in Tamil Nadu), Raipur (in Chattisgarh) and Silvassa (in the U T of Dadra & Nagar Haveli), whereas the Regional offices are situated at Coimbatore, Delhi, Kolkata, Pune, and Raipur. The Corporate / Registered office of the Company is in Mumbai.

Please refer our "Contact Us" page and "Plant Locations" section, under Corporate Governance Report for exact / complete list of our Offices and Plant Locations with addresses & contact numbers.

14. 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):** 666.89 Crore
3. **Total profit after taxes / (Loss) (INR):** 45.20 Crore
4. **Total spending on Corporate Social Responsibility (CSR), as percentage of profit after tax (%):** The Company's total spending on CSR for the financial year ended 31st March, 2022 was Rs. 47.45 Lakhs, which exceeded the prescribed CSR budget (2% of its average profits of the last 3 (three) years) of Rs. 47.36 Lakhs (excluding set off available from excess spending in FY 2020-21 of Rs. 1.10 Lakhs), 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 I** to Board's Report for details on CSR initiatives / activities undertaken by the Company in FY 2021-22.

SECTION C: OTHER DETAILS

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

During the financial year under review, the Company had only 1 (one) Subsidiary Company i.e. M/s. Ador Welding Academy Private Limited (AWAPL), located at Pimpri, Pune in Maharashtra, India. The Company is in the process Amalgamation (Merger by Absorption) of AWAPL with its holding company i.e. M/s. Ador Welding Limited. The details of the subsidiary can be viewed on the Company's website.

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 the Director / Directors responsible for BR

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

Name: Mr. Aditya T. Malkani

Designation: Managing Director

DIN: 01585637

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN (if applicable)	01585637
2.	Name	Mr. Aditya T. Malkani
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 (09) Areas of Business Responsibility. These are as follows:

Principle Number	Principles
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2	Businesses should provide goods & 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 & 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

Sr. 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

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	Does the policy conform to any National / International standards? If yes, specify? (50 words)	People policies including POSH, non-discrimination, ethics, 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 (GOI).								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y	Y	Y	Y	Y	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	Y	Y	Y	Y	Y	Y	Y	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, with the changes in laws & circumstances, whenever required.								

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 (six) months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 (one) 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 Board of Directors, and the BR head of the Company generally reviews and assesses various aspects of the BR performance of the Company annually or as & when required.

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

Yes, pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, the Company publishes the Business Responsibility Report (BRR) annually from the financial year 2019-20 onwards and the said report forms an integral part of the Board's Report as an annexure.

The BRR forming part of the Annual Report for FY 2021-22 of the Company is also available on 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 these principles 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 highest level of 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 strictly avoiding any acts and practices that are abusive, corrupt, or anti-competitive in nature.

The three (03) pillars, supporting the governance structure of the Company, are as under:

- a. **Ethics:** In consonance with 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.
- b. **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.
- c. **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.

The aforementioned Codes / Policies have been uploaded on the website of the Company at www.adorwelding.com.

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's Stakeholders include our investors, clients, employees, vendors / partners, government authorities, and local communities.

The Company has setup an investor grievance mechanism / cell to respond to investor grievances in a timely and appropriate manner. All the Stakeholder complaints were resolved in an amicable manner within 24 hours of its receipt. The details of Stakeholders complaints received and resolved during the financial year 2021-22 are as follows:

Sr. No.	Description	No. of Complaints
1.	Stakeholders Complaints Received	204
2.	Stakeholders Complaints Resolved	200
3.	Stakeholders Complaints Pending	04
4.	Percentage of the Stakeholders Complaints Resolved	98%

PRINCIPLE 2: SAFE AND SUSTAINABLE GOODS & SERVICES

a) List up to three (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 (03) of our Manufacturing units (at Chinchwad, Raipur & Silvassa) are ISO 9001, ISO 14001 & OHSAS 45001 certified.

AWL's following three (03) products' design has incorporated social or environmental concerns:

- **Welding Machines: IOT in Welding Machines**

With the help of digitization, the welding machines can communicate through internet to outside world, which provided real time welding performance information in the form of welding data. This has enabled user to monitor and control the Arc, on time and quality of welding, which saves on the wastage of electrical energy and material due to unwanted quality and idle time.

- **Welding Machines: Engine driven Welding Machines with higher fuel efficiency**

With the help of High speed engines, AWL developed engine driven welding sets, which are specially designed for higher fuel efficiency and weight reduction, by making it compact in size. These engine driven welding sets are environment friendly and compliant with the stringent norms of pollution emission set by Pollution Control Board.

- **Welding Consumables: Special electrodes for special material**

AWL developed special electrodes, specially designed for high strength material which enables user to go for lower thickness of material to reduce the overall weight of the job & make it lighter

b) For each such product, provide the following details in respect of resources 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 environmental 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 usage of plastic bags for packing the SAW flux and started 100% usage of re-cyclable Paper bags for packaging.
- We could reduce overall 15% energy bill, by reducing the testing time of individual machine.
- We could successfully reduce the number of PCBs in our inverter-based welding machines, by replacing either with single components or by eliminating the PCB.

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 natural resources and pursuing zero pollution through various initiatives, technological upgradation and various improvement initiatives / projects.

- During the last financial year, there was 5% reduction in energy consumption by way of undertaking various initiatives such as improvement in power factor and strictly monitoring it from time to time, at our Chinchwad Plant Complex.
- Over more than 10 years, our Company has specifically focused on developing and promoting indigenously manufactured inverter power sources. During FY 2021-22, there was an increase of appx. 31% in sale of inverter based equipment. Our Company sold 7,100 units in FY 2021-22, as compared to 5,400 units during FY 2020-21.
- At our welding consumables plant at Raipur, we installed Solar power plant with the capacity of 518 KWP, during FY 2021-22, it generated 4,68,841 units, effectively saving the generation of 304 metric-ton of carbon emission.
- Installed new 8 Blocker machines with Energy efficient motor (IE2 class), which is saving energy by 4% throughout the life cycle.

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 endeavours to focus on protection of environment, stakeholders' interest & cost effectiveness, while procuring any raw material and / or goods. The Company has a policy of offering / giving higher preference vendor rating for sourcing material from organizations, who are using sustainable manufacturing processes. The Company procures raw materials. i.e Steel, chemicals, packaging material etc. from reputed manufacturers, who are having technology of sustainable manufacturing processes.

Some of the initiatives are as follows:

i. Environmental initiatives:

- Use of recyclable packing material such as plastic bags, EPE foams, etc., as per the Government norms.
- Increased use of corrugated boxes, in place of wooden packaging.
- Utilization of Green Energy (518 KW Solar Power Plant installed in Raipur & 115 KW Solar Power Plant installed at Silvassa)
- Use of ROHS compliant products to prevent the risks posed to human health and environment related to the management of electronic and electrical waste.
- Wire basket used for MIG wire spooling, to reduce the use of Plastic spools, to a certain extent.
- Recycled ABS material used for MIG spooling, in place of Virgin plastic.

ii. 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.
- Digital display control panel installed in cranes to display the actual weight lifted, to avoid overload.
- Reverse horn is installed in Hydra crane, to ensure safety.

iii. Social initiatives

- Training of underprivileged youths on skill development in the space of Welding, was conducted at 'Welding Training Division' of the Company and co-ordinated with various industries for providing them employment.
- Conducted various training sessions for suppliers for improving their quality and productivity, through Process & Quality audits.

iv. Economic initiatives

- While developing suppliers, AWL always considers sustainable sourcing alternatives and firmly believes that creation of a sustainable supply chain is essential for the long-term growth & sustainability.
- In the past 2 (two) years, AWL has launched new inverter models, with reduction of 40% in copper content & 30% in aluminium content, giving a substantial cost benefit.
- Localisation initiated for various critical import products such as nano-crystalline transformers, Ferrite transformers, Thermal cut-outs, 100% local procurement for FPED etc, in line with the Make-in-India drive and with good cost benefit.

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 to 17.40% 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 82.60% of the total procurement. Further, most of the raw materials such as minerals, oxides, which are required for manufacturing welding consumables, are locally procured through local vendors. The design of the consumables is also altered in some cases to aid localizations. We, through our Welding Training Division, impart welding training to the underprivileged youth, which helps widening their scope of employment and their standard of living.

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%. The waste from our manufacturing process, is being used as raw material of other manufacturing processes (i.e. ETP Sludge of CO2 wire manufacturing process is being supplied to cement industry to be used in its manufacturing processes).

PRINCIPLE 3: EMPLOYEE WELLBEING

1. Please indicate the total number of employees: **537**
2. Please indicate the total number of employees hired on temporary / contractual / casual basis- **91**
3. Please indicate the number of permanent women employees: **30**
4. Please indicate the Number of permanent employees with disabilities: **NIL**
5. Do you have any employee association, that is recognized by Management: **None**

6. What percentage of your permanent employees are 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:

Our Prevention & Redressal of Sexual Harassment Policy and Whistle-Blower Policy covers not only our employees but also our external stakeholders.

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

8. What percentage of your above 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- **NA**

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 joiners and bi-annual fire drills are conducted & 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. Development opportunities for our employees are customized as per their functional needs. 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 its various stakeholders viz. business partners, employees, contract workers, Bankers, investors / shareholders and suppliers / vendors, who directly or indirectly influence our business operations. 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 Policies of the Company guide its employees' interactions with various stakeholders.

The Company considers its women employees as one of the most valuable stakeholders of the organization.

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

The Company, as a responsible organization, is committed towards 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 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 / standard of living, such as women empowerment and promotion of education & healthcare by identifying the marginalized segments of the society and contributing towards meeting their social needs. AWL strives to contribute to different sections of the society.

The Company stepped up to help those “in need” during the pandemic, with initiatives that focused on safeguarding the health / well-being of the community. The Company contributed significantly towards the initiative “Mission Oxygen helping Hospitals save lives”, which helped in procuring and donating oxygen concentrators, supplementing hospital infrastructure with oxygenation plants and other lifesaving equipments in the second wave of COVID-19 pandemic situation.

Please refer **Annexure I** to our Board’s Report for details of our CSR initiatives / activities undertaken by the Company in FY 2021-22.

PRINCIPLE 5: PROMOTING HUMAN RIGHTS

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

AWL seeks to uphold and promote human rights in its operations and in relationships with business and partners. We seek to remain committed to respect and protect human rights. It 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. AWL endorses the importance of human rights at all levels, at all times.

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 2021-22.

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 the Company’s Business and innovates sustainable mobility solutions with passion to enhance quality of life of the 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. The Company is conscious of the importance of environmentally clean and safe operations.

Solar Power Plant was installed in Silvassa & Raipur factories to reduce the carbon footprint / greenhouse gas emission considerably and the Company utilized solar energy at the said factories.

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

Yes, the Company has a mechanism to identify and assess various risks, including environmental risks. The Company's three (03) 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 115 KWP & 518 KWP at Silvassa & Raipur Plants respectively.

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) and is using treated 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, 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, with 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 the Financial Year.

As on the end of the Financial Year 2021-22, 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:

During the financial year under review, the Company was a member of the following associations:

- (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 the youth of the Country are trained to master welding skill set and is made employable.

Our Corporate Social Responsibility (CSR) initiatives support inclusive growth by undertaking projects towards promotion of healthcare, promotion of education and women empowerment, which not only create positive impact but also enables the overall development of society, by creating long term value.

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 / which have an established track records of carrying out CSR activities. The Company 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 through its “Welding Training Division” under its CSR initiatives. Earlier, such training programs were undertaken through AWAPL and despite nationwide lock-down / restrictions, due to COVID-19 pandemic scenario, “on-line” webinars & seminars on the welding processes were conducted.

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. Management ensures the implementation of the CSR projects, as recommended by the Corporate Social Responsibility Committee and approved by the Board of Directors of the Company. They also closely monitor the CSR activities of the Company & review / assess it quarterly or whenever required.

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 under its share of CSR obligations, Rs. 47.45 Lakhs during the financial year 2021-22. The Company has spent the entire CSR obligation for the below named activities / projects:

- Promoting education among children, women, elderly and differently abled, including special education & employment enhancing vocation skills, especially skill development and encouraging safety practices in welding & allied fields for economically challenged / financially weaker sections of the Society
- Empowering women towards individual and professional development opportunities
- Promoting healthcare, sanitation, hygiene & making available safe drinking water to the non-privileged / underprivileged.

The details of the projects / initiatives undertaken by the Company during FY 2021-22 are given in detail in the ‘Annexure I’ of the Board’s Report.

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 level. The Management / Directors personally vet each & every proposal to ensure that the contributions made reach the end beneficiary at the earliest and has a positive & long-term impact. We believe in transformation of a long term nature and hence we engage in internal tracking, periodical reporting, telephonic & e-mail communications, as and when required, to monitor the successful implementation of the initiatives.

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 Zendesk Platform, WhatsApp, e-mails, telephone, website, social media, feedback forms etc. All complaints are appropriately addressed and all efforts are taken to resolve the same in a timely manner. There is hardly 1 (one) percent i.e. 2 (two) cases of customer complaints / consumer cases pending as on the end of last financial year 2021-22. Total customer complaints received were 205 (Two Hundred Five) in the financial year 2021-22. Around 75% of these were related to application issue (lack of knowledge of customer / their welder). The application issues were all addressed and resolved within maximum 48 hours through online consultation or physical visits by technical experts from the related plants. All the complaints are efficiently attended by our cross functional team (Plant Customer Care / Plant QC team / Plant Production / TDC {R&D} team) along with our service 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 the customer's job, provide demonstration to the welders at customer's premises as well as replace specific lot, if required in order to satisfactorily resolve the complaints. Corrective & preventive actions are taken and shared with the customers as well.

2. Does the company display product information on the product label, over & 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 (05) 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 & / or anti-competitive behavior, during the financial year 2021-22 under review.

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 and Service 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 can 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.

We have not carried-out any consumer survey / consumer satisfaction survey in the last financial year 2021-22. However, we have collected customer feedback forms / performance letters from our customers / vendors.

For and on behalf of the Board

Place: Mumbai
Date: 20th May, 2022

Aditya T. Malkani
Managing Director
(DIN: 01585637)

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 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the 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.

Key Audit Matters

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. 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	
Refer Notes 1(II)(n), 34 and 60 to the standalone financial statements	
Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.	Our audit procedures, related to revenue recognition, included, but were not limited, to the following: <ul style="list-style-type: none"> • Assessed the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ('Revenue from contracts with customers') and testing thereof. • Evaluated the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts).

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition	
Refer Notes 1(II)(n), 34 and 60 to the standalone financial statements	
<p>The Company has three reportable business segments: i) Consumables ii) Equipment and automation; and iii) Flares and Process Equipment Division (FPED).</p> <p>The timing of recognition of revenue in case of sale of consumables is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms i.e., performance obligations are satisfied at a point in time.</p> <p>The performance obligations in case of FPED, are satisfied over the time, whereas in case of equipment, performance obligations are satisfied at a point in time.</p>	<ul style="list-style-type: none"> • Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Inspected 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. • Selected a sample of continuing and new contracts and performed the following procedures; <ul style="list-style-type: none"> o Read, analyzed and identified the performance obligations in these contracts; o Compared these performance obligations with that identified and recorded by the Company; o 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 o Determined the allocation of transaction price to identified performance obligations in the contract. • Scrutinized sales ledgers to verify completeness of sales transactions. • We performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, approved price list, proper recording in ledger of receivables etc. • 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; • Tested the related disclosures made in standalone financial statements in accordance with Ind AS 115.

Key audit matter	How our audit addressed the key audit matter
Indirect tax balances and litigations	
Refer Notes 1 (II)(t), 13 and 44 to the standalone financial statements	
<p>Indirect tax balances and litigations</p> <p>As at 31 March 2022, the Company has balances with indirect tax authorities aggregating to Rs. 2,406 lakhs (PY Rs. 2,770 lakhs) net of provision Rs. 1,353 lakhs (PY 1,939 lakhs) and has contingent liabilities amounting Rs. 2,344 lakhs (PY Rs. 2,167 lakhs) pertaining to various indirect tax matters pending before appropriate authorities. Based on a detailed assessment done by the management of recoverability of aforesaid balances, the Company has provided for Rs. 222 lakhs (PY Rs. 831 lakhs) during the year against such balances.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The eventual outcome of the said legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Company's reported profits and balance sheet position.</p> <p>We considered this as Key audit matter due to the materiality of the amounts involved, inherent high estimation uncertainty and significant judgements as stated above.</p>	<ul style="list-style-type: none"> • Obtained an understanding of the management process for identification of indirect tax matters that are under litigations or involve balances with the authorities that are doubtful of recovery, assessment of accounting treatment for each such litigation identified in accordance with the principles of Ind AS 37, and measurement of amounts involved in such litigations and assessments. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained and read the Company's accounting policies in respect of balances, provisions, and contingent liabilities to assess compliance with accounting standards. • Obtained list of indirect tax balances, litigations and claims as at 31 March 2022 from management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations and recoverability of balances with government authorities. This involved assessing the probability of an unfavourable outcome of a given proceeding and testing the computation of amounts involved, through inspection of underlying documents and communications with the tax authorities. • Evaluated assessment of the management with respect to long standing balances with authorities which have been considered good and recoverable as at 31 March 2022. • Engaged auditor's experts, who obtained an understanding of the management's assessment of the recoverability, conducted discussions with the management, and considered relevant tax laws and available precedents to validate the conclusions made by the management. • Assessed and evaluated the adequacy and appropriateness of the disclosures made by the management in the accompanying standalone financial statements.

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

6. The 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 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is 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 statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 system 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 Board of Directors' 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, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 2022 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 Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an 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 has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - 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 2022;
 - 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 2022;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

- v. a. The Company has not declared or paid any dividend during the year ended 31 March 2022.
- b. As stated in note 65 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

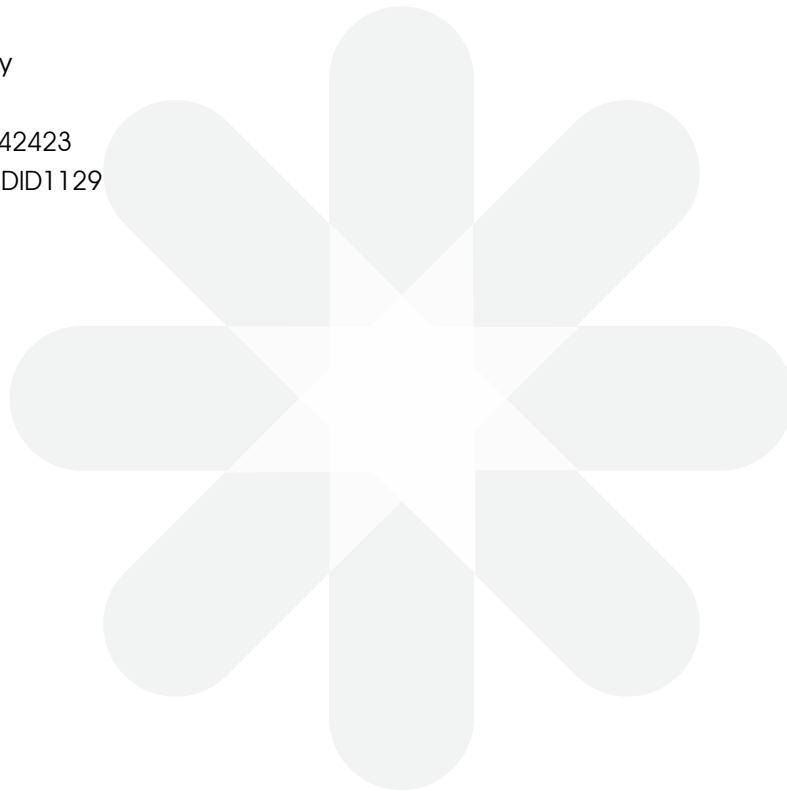
Partner

Membership No.: 042423

UDIN: 22042423AJHDID1129

Place: Mumbai

Date: 20 May 2022



Annexure A referred to in Paragraph 16 of 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 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, right of use assets and investment property.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment, right of use assets and investment property under which the assets are physically 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, right of use assets and investment property were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. In respect of inventory lying with third parties, these have substantially been confirmed by the third parties.
- (b) The Company has a working capital limit in excess of Rs 5 crore sanctioned by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following:

Name of the Bank/ financial institution	Working capital limit sanctioned (Rs. In crores)	Nature of current assets offered as security	Quarter	Amount disclosed as per return (Rs. In lakhs)	Amount as per books of accounts (Rs. In lakhs)	Difference	Remarks/ reason, if any
HDFC Bank	105.50	Working capital*	Jun-21	13,038	12,859	179	The Bank returns were prepared and filed before the completion of all financial statements closure activities including Ind AS related adjustments / reclassifications, as applicable, which led to these differences between the final books of accounts and the bank returns which were based on provisional books of accounts.
IDFC Bank	45.00	Working capital*	Jun-21	13,038	12,859	179	
HDFC Bank	105.50	Working capital*	Sept-21	13,644	13,141	503	
IDFC Bank	45.00	Working capital*	Sept-21	13,644	13,141	503	
HDFC Bank	105.50	Working capital*	Dec-21	14,513	14,465	48	
IDFC Bank	75.00	Working capital*	Dec-21	14,513	14,465	48	
HDFC Bank	105.50	Working capital*	Mar-22	11,532	11,335	197	
IDFC Bank	75.00	Working capital*	Mar-22	11,532	11,335	197	

*Working capital = Inventory + Trade Receivables + Unbilled revenue + Contract assets – Trade Payables

- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company
- (vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, 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 the aforesaid section, 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) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. 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 became payable.

- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

(Rs. In lakhs)

Name of the statute	Nature of dues	Gross Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Disallowance of scientific research expenses	62.63	12.55	2013-14	CIT(A)
Customs Act, 1962	Rejection of refund of excess duty paid	45.53	45.53	2016-17	CESTAT
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	1998-99	CESTAT
		2.18	0.96	2006-07	Assistant Commissioner
		13.42	-	2008-09	Commissioner-Appeal
		899	898.16	April-2012 to Mar-2017	Commissioner-Excise
Central Sales tax Act and Local Sales Tax Acts of various states	Additional Liability arising due to difference in assessable value, disallowance of CENVAT 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
		327.42	-	2009-10	Joint Commissioner
		76.27	-	2014-15	Joint Commissioner
		144.77	-	2015-16	Joint Commissioner
		217.10	-	2016-17	Joint Commissioner
		25.52	-	2017-18	Joint Commissioner
		17.50	2.63	2015-16	Commissioner Appeals
		93.40	6.65	2017-18	Joint Commissioner
		72.83	3.50	2017-18	Joint Commissioner
		9.16	-	2016-17	Commissioner Appeals
		11.10	-	2016-17	Commissioner Appeals
8.66	-	2017-18	Deputy Commissioner		
121.87	41.83	2016-17	Deputy Commissioner of Sales Tax/Joint Commissioner		

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

- (b) The Company has transferred the remaining unspent amount under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act, except for the following:

(Rs. In Lakhs)

Financial year	Amount unspent on CSR activities for "On going Projects"	Amount transferred to Special Account within 30 days from the end of the Financial Year	Amount Transferred after the due date	Date of transfer
FY 20-21	9.40	-	10.50	24-May-21

- (xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423AJHDID1129

Place: Mumbai

Date: 20 May 2022

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 2022

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 2022**, 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 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 Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 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 financial statements and such controls were operating effectively as at 31 March 2022, 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's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423AJHDID1129

Place: Mumbai

Date: 20 May 2022

STANDALONE BALANCE SHEET AS AT 31 MARCH 2022

Particulars	Notes	(Rs. in lakhs)	
		As at 31 March 2022	As at 31 March 2021
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2	10,393	10,655
(b) Right-of-use asset	3	481	123
(c) Capital work-in-progress	4	706	327
(d) Investment property	5	729	789
(e) Intangible assets	6	65	75
(f) Intangible assets under development	7	4	-
(g) Financial assets			
(i) Investment	8	213	213
(ii) Loans	9	30	15
(iii) Other financial assets	10	928	882
(h) Income Tax (current-tax) assets (net)	11	1,192	1,192
(i) Deferred tax assets (net)	12	275	86
(j) Other non-current assets	13	1,394	1,977
Total non-current assets		16,410	16,334
(2) Current assets			
(a) Inventories	14	8,997	6,246
(b) Financial assets			
(i) Investments	15	1,878	965
(ii) Trade receivables	16	9,315	10,533
(iii) Cash and cash equivalents	17	638	1,688
(iv) Other bank balances	18	102	112
(v) Loans	19	41	35
(vi) Other financial assets	20	91	272
(c) Other current assets	21	1,794	1,217
		22,856	21,068
(d) Assets classified as held for sale	22	7	106
Total current assets		22,863	21,174
Total Assets		39,273	37,508
Equity and liabilities			
Equity			
(a) Equity share capital	23	1,360	1,360
(b) Other equity		26,841	22,383
Total equity		28,201	23,743
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	60	-
(ii) Lease liabilities	47	127	106
(iii) Other financial liabilities	25	18	30
(b) Provisions	26	469	359
(c) Other non-current liabilities	27	3	5
Total non-current liabilities		677	500
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	28	8	2,800
(ii) Lease liabilities	47	26	13
(iii) Trade payables	29		
Total outstanding dues to micro, small and medium enterprises		192	249
Total outstanding dues to creditors other than micro, small and medium enterprises		7,558	7,475
(iv) Other financial liabilities	30	986	747
(b) Other current liabilities	31	933	1,488
(c) Provisions	32	651	493
(d) Current tax liabilities, (net)	33	41	-
Total current liabilities		10,395	13,265
Total equity and liabilities		39,273	37,508
Summary of significant accounting policies and other explanatory information	1		
The accompanying notes form an integral part of the standalone financial statements			
This is the standalone balance sheet referred to in our report of even date.			

For Walker Chandioak & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 042423

Place : Mumbai
Date : 20 May 2022

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai
Date : 20 May 2022

For and on behalf of the Board of Directors

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I. Income			
(a) Revenue from operations	34	66,148	44,728
(b) Other income	35	541	731
Total Income		66,689	45,459
II. Expenses			
(a) Cost of raw materials and components consumed	36	42,125	32,620
(b) Purchase of stock-in-trade	37	5,850	947
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	(990)	(1,189)
(d) Employee benefits expenses	39	4,865	3,756
(e) Finance costs	40	372	641
(f) Depreciation and amortisation expense	2,3,5,6	1,083	1,110
(g) Other expenses	41	8,459	6,605
Total Expenses		61,764	44,490
III. Profit before exceptional items and tax (I-II)		4,925	969
IV. Exceptional items (net) income /(expenses)	62	898	(2,537)
V. Profit /(Loss) before tax (III-IV)		5,823	(1,568)
VI. Tax expense /(credit)	42		
(a) Current tax		1,473	158
(b) Deferred tax (credit)/charge		(169)	(527)
Total tax expense /(credit)		1,304	(369)
VII. Profit / (Loss) for the year (V-VI)		4,519	(1,199)
VIII. Other comprehensive income	43		
(a) Items that will not be reclassified to statement of profit and loss		(81)	70
(b) Income tax relating to above items		20	(18)
Total other comprehensive (loss) / income (net)		(61)	52
IX. Total comprehensive income / (loss) for the year (VII+VIII)		4,458	(1,147)
X. Earnings per equity share	56		
Basic and diluted earnings /(losses) per share (Face value per share Rs. 10)		33.23	(8.82)
Summary of significant accounting policies and other explanatory information	1		
The accompanying notes form an integral part of the standalone financial statements			
This is the standalone statement of profit and loss 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

Place : Mumbai
 Date : 20 May 2022

Vinayak M. Bhide
 Head - Corp. Admin,
 Legal and Company
 Secretary

Surya kant Sethia
 Chief Financial
 Officer

Tanya H. Advani
 Non-Executive Director
 DIN : 08586636

Aditya T. Malkani
 Managing Director
 DIN : 01585637

Place : Mumbai
 Date : 20 May 2022

For and on behalf of the Board of Directors

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	Year ended		Year ended	
	31 March 2022		31 March 2021	
(A) Cash flow from operating activities				
Profit /(Loss) before tax		5,823		(1,568)
Adjustment for:				
Fair value adjustments relating to				
- Financial assets at amortised cost	1		(2)	
Provision / liabilities no longer required now written back	(70)		-	
Depreciation and amortisation expense	1,083		1,110	
Bad debts written off	24		757	
Expected Credit Loss	106		72	
Inventory written off	38		100	
Property, plant and equipment written off	21		79	
Assets written off	-		103	
Items considered separately:				
Finance costs	359		630	
Interest expense on lease liability	13		11	
Loss on sale of property, plant & equipment	10		53	
Fair Value change of financial asset measured at FVTPL	(46)		(123)	
Interest income	(85)		(60)	
Rental income	(122)		(96)	
Exchange gain on revaluation of foreign currency monetary item	-		(102)	
Exceptional items (Refer note 62)	(898)	434	2,537	5,069
Operating profit before working capital changes		6,257		3,501
Adjustments for changes in working capital				
Inventories	(2,789)		(125)	
Trade receivables	619		35	
Loans and Other receivables	(249)		4,118	
Trade payables	(343)		131	
Liabilities and Provisions	570	(2,192)	65	4,224
Cash generated from operating activities		4,065		7,725
Income tax (paid) / refund		(1,432)		173
Net cash generated from operating activities		2,633		7,898
(B) Cash flow from investing activities				
Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets under development and capital advances)	(1,733)		(910)	
Purchase of investments	(2,016)		(929)	
Proceeds from sale of property, plant and equipment	1,853		108	
Advance received against proposed sale of property	14		585	
Proceeds from sale of investments	1,149		369	
Interest received	84		61	

(Rs. in lakhs)

Particulars		Year ended 31 March 2022		Year ended 31 March 2021	
	Rental received	130		92	
	Increase in fixed deposits	(27)		(30)	
	Net cash used in investing activities		(546)		(654)
(C)	Cash flow from financing activities				
	Finance cost paid	(375)		(646)	
	Finance cost paid on lease liabilities	(13)		(11)	
	Repayment of lease liability	(17)		(10)	
	Repayment of borrowings	(2,802)		(5,391)	
	Proceeds from borrowings	70		-	
	Net cash used in financing activities		(3,137)		(6,058)
(D)	Net (decrease)/increase in cash and cash equivalents (A+B+C)		(1,050)		1,186
	Cash and cash equivalents at the beginning of the year		1,688		502
	Cash and cash equivalents at the end of the year [Refer note 17]		638		1,688

Notes to the cash flow statement

- (a) The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- (b) Components of cash and cash equivalents:

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	5	7
Balances with banks in current accounts	633	1,681
Total	638	1,688

Summary of significant accounting policies and other explanatory information

1

The accompanying notes form an integral part of the standalone financial statements

This is the standalone cash flow statement 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

Place : Mumbai
Date : 20 May 2022

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya Kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

For and on behalf of the Board of Directors

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai
Date : 20 May 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 MARCH 2022

A) Equity share capital (Refer note 23)

Particulars	Number of shares	Amount (Rs. in lakhs)
Issued, subscribed and paid up:		
As at 1 April 2021	13,598,467	1,360
As at 31 March 2022	1,35,98,467	1,360

B) Other equity

(Rs. in lakhs)

Particulars	Reserves and surplus			Total
	General reserve	Capital redemption reserve	Retained earning	
Balance as at 1 April 2020	14,386	223	8,921	23,530
(Loss) for the year	-	-	(1,199)	(1,199)
Net other comprehensive income for the year	-	-	52	52
Transfer from retained earnings to general reserve	283	-	(283)	-
Balance as at 1 April 2021	14,669	223	7,491	22,383
Profit for the year	-	-	4,519	4,519
Net other comprehensive (loss) for the year	-	-	(61)	(61)
Balance as at 31 March 2022	14,669	223	11,949	26,841

Nature and purpose of the reserves

(1) General reserve

The general reserve is a distributable reserve maintained by the Company to be utilised in accordance with the Act.

(2) Capital redemption reserve

The Capital redemption reserve has been created on/during buy back of equity shares and it is a non-distributable reserve.

(3) Retained earnings

The Retained earnings pertain to the accumulated earnings made by the Company over the years.

Summary of significant accounting policies and other explanatory information

1

The accompanying notes form an integral part of the standalone financial statements

This is the standalone statement of changes in equity 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

Place : Mumbai
Date : 20 May 2022

Vinayak M. Bhide
Head - Corp. Admin,
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Surya Kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

For and on behalf of the Board of Directors

Place : Mumbai
Date : 20 May 2022

Note 1 - Significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2022

I. Corporate Information

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 Bombay Stock Exchange Limited (BSE) and the National Stock Exchange (India) Limited (NSE). The registered and corporate office of the Company is situated at Ador House, 6, K. Dubash Marg, Fort, Mumbai.

The separate financial statements were authorised for issue in accordance with the resolution of the Board of Directors on 20 May 2022.

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 and guidelines issued by the Securities & Exchange Board of India (SEBI).

(b) Basis of Preparation

The financial statements have been prepared on a historical cost convention and accrual basis, except for the 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 ordinary 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 the 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),(g)

Valuation of deferred tax assets / liability

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)(q)

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 48.

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)(j).

Other areas involving critical estimates or judgments are :

- i) Revenue from Flares and Process Equipment Division - Refer note 1(II)(n)
- ii) Estimation of tax expenses and tax payable - Refer note 42
- iii) Probable outcomes of matters included under Contingent Liabilities - Refer note 44
- iv) Leases - Estimating the incremental borrowing rate - Refer note 1(II)(r)

(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) Non-current assets classified as held for sale:

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

(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 and 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) Investment in subsidiaries

Investments in subsidiaries are accounted at cost less impairment in accordance with Ind AS 27 - Separate financial statements.

Refer to note 8 for the list of investments.

(i) 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.

(j) 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.

(k) 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 consist of balances with banks which are unrestricted for withdrawal and usage.”

(l) 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.

(m) 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.

(n) 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) Flares & Process Equipment Division (FPED)

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 allocate 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 and 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

Duty drawback or merchant export from India (MEIS) scheme are accounted in the year of export as export incentives. From, 1 January 2021 onwards, Merchant Export from India (MEIS) Scheme has been abolished by Central Government, and introduced Remission of Duties and Taxes on Export Products (RoDTEP) scheme, under which exporters receive the refunds on the embedded taxes and duties previously non-recoverable. Tax credit as per RoDTEP scheme is accounted on receipt basis.

(o) 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. While 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.

(p) 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.

(q) 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 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 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 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.

(r) Leases

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 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

(s) 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.

(f) 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.

(u) 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.

(v) 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.

(w) 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.

Note 2 - Property, plant and equipment

Description	Freehold land	Buildings [Refer notes (a) & (c) as below]	Ownership premises	Plant and equipment (including computers)	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Research and development assets:				Total	
									Freehold land	Buildings	Plant and equipment (including computers)	Furniture and fixtures		Air conditioner
Gross carrying value														
As at 1 April 2020	342	7,796	274	15,604	1,217	1,001	262	437	34	127	775	4	7	27,880
Additions	-	32	79	259	56	68	9	5	-	-	8	-	-	516
Adjustments [Refer notes (a) below]	-	(406)	-	-	-	-	-	-	-	-	-	-	-	(406)
Deductions	-	4	-	1,360	22	28	20	59	-	-	6	-	-	1,499
As at 31 March 2021	342	7,418	353	14,503	1,251	1,041	251	383	34	127	777	4	7	26,491
Additions	-	179	21	240	96	170	56	169	-	-	2	-	-	933
Adjustments [Refer notes (b) as below]	-	-	(9)	-	-	-	-	-	-	-	-	-	-	(9)
Deductions	-	153	20	226	23	167	9	64	-	-	-	-	-	662
As at 31 March 2022	342	7,444	345	14,517	1,324	1,044	298	488	34	127	779	4	7	26,753
Accumulated depreciation														
As at 1 April 2020	-	2,549	80	11,401	855	603	185	168	-	92	517	-	7	16,457
Depreciation charge	-	252	5	543	60	58	22	55	-	3	23	2	-	1,023
Adjustments [Refer notes (d) below]	-	(301)	-	-	-	-	-	-	-	-	-	-	-	(301)
Deductions	-	3	-	1,227	21	26	18	43	-	-	3	-	2	1,343
As at 31 March 2021	-	2,497	85	10,717	894	635	189	180	-	95	537	2	5	15,836
Depreciation charge	-	245	8	507	62	67	25	63	-	1	26	0	0	1,004
Adjustments [Refer notes (b) as below]	-	-	(2)	-	-	-	-	-	-	-	-	-	-	(2)
Deductions	-	25	5	229	17	145	8	49	-	-	-	-	-	478
As at 31 March 2022	-	2,717	86	10,995	939	557	206	194	-	96	563	2	5	16,360
Net carrying value														
As at 31 March 2021	342	4,921	268	3,786	357	406	62	203	34	32	240	2	2	10,655
As at 31 March 2022	342	4,727	259	3,522	385	487	92	294	34	31	216	2	2	10,393

Notes:-

- (a) Includes:
- (i) Rs. 0.01 lakh (31 March 2021 : Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
- (ii) Rs. 4 lakhs (31 March 2021 : Rs. 4 lakhs) for tenements in an association of apartment owners.
- (b) During the financial year 2021-22, a flat at silvassa is classified from "Property, plant and equipment" (Gross carrying amount Rs. 9 lakhs and Accumulated depreciation of Rs. 2 lakhs till 31 March 2022), is classified as "Asset held for sale".
- (c) During the year the company has sold Narayana property situated at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs 25 lakhs under "Property, Plant and Equipment", Rs 55 lakh shown under the head "Investment Property" and Rs 22 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.
- (d) During the previous year, the Company had entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 66,108 square meters. Gross carrying amount (Land Rs. 1 lakh and building Rs. 406 lakhs) and Accumulated depreciation on building of Rs. 301 lakhs has been classified from "Property, plant and equipment" to "Asset classified as held for sale".
- (e) The Company has pledged certain assets against borrowing limits (refer note 57 for details).

Note 3 - Right-of-use asset

(Rs. in lakhs)

Description	Leasehold Land [Refer note (b)]	Ownership premises [Refer note 47]	Computers [Refer note 47]	Total
Gross carrying value				
As at 1 April 2020	23	130	-	153
Additions	-	-	11	11
Deductions	1	4	-	5
As at 31 March 2021	22	126	11	159
Additions	357	-	43	400
Deductions	15	1	-	16
As at 31 March 2022	364	125	54	543
Accumulated amortisation				
As at 1 April 2020	-	20	-	20
Amortisation charge	-	16	-	16
As at 31 March 2021	-	36	-	36
Amortisation charge	5	12	9	26
As at 31 March 2022	5	48	9	62
Net carrying value				
As at 31 March 2021	22	90	11	123
As at 31 March 2022	359	77	45	481

Notes:-

- (a) The Company incurred Rs. 220 lakhs in the year ended 31 March 2022 (31 March 2021: Rs. 10 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 250 lakhs for the year ended 31 March 2022 (31 March 2021: Rs. 31 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 13 lakhs for the year 31 March 2022 (31 March 2021: Rs. 11 lakhs). [Refer note 40 and note 47]
- (b) During the year the Company has sold Narayana property at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs 25 lakhs under "Property, Plant and Equipment", Rs 55 lakh shown under the head "Investment Property" and Rs 15 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.

Note 4 - Capital work-in-progress**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	327	28
Add : Addition during the year	1,127	325
Less : Capitalised during the year	(748)	(26)
Total	706	327

a) Capital work-in-progress aging schedule**(Rs. in lakhs)**

CWIP Project in Process	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	470	236	-	-	706
Projects temporarily suspended	-	-	-	-	-
Total	470	236	-	-	706

(Rs. in lakhs)

CWIP Project in Process	Amount in CWIP for a period of 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	327	-	-	-	327
Projects temporarily suspended	-	-	-	-	-
Total	327	-	-	-	327

(b) Completion schedule (For projects where completion is overdue or has exceeded its cost compared to its original plan) as at 31 March 2022**(Rs. in lakhs)**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Process	-	-	-	-
Stainless Steel Plant	246	-	-	-

Completion schedule (For projects where completion is overdue or has exceeded its cost compared to its original plan) as at 31 March 2021**(Rs. in lakhs)**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Process	-	-	-	-
Stainless Steel Plant	-	254	-	-
Others	7	-	-	-
Total	7	254	-	-

Note : There are no overdue projects or projects which has exceeded costs compared to original plan, other than mentioned above

Note 5 - Investment property

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value (at deemed cost)					
As at 1 April 2020	49	21	886	82	1,038
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at 31 March 2021	49	21	886	82	1,038
Additions	-	-	-	-	-
Deductions	-	21	34	-	55
As at 31 March 2022	49	-	852	82	983
Accumulated depreciation					
As at 1 April 2020	-	-	198	30	228
Depreciation charge	-	-	19	2	21
Deductions	-	-	-	-	-
As at 31 March 2021	-	-	217	32	249
Depreciation charge	-	-	17	1	18
Deductions	-	-	13	-	13
As at 31 March 2022	-	-	221	33	254
Net carrying value					
As at 31 March 2021	49	21	669	50	789
As at 31 March 2022	49	-	631	49	729

Notes:

(a) Fair Value of Investment properties*

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 31 March 2021	358	1,374	916	619	3,267
As at 31 March 2022	301	1,441	751	646	3,138

*Estimation of fair value

During the year, valuations of the Investment properties is performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. During the previous year, valuations of the Investment properties is performed by a independent valuer and not by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement is based on comparable sales approach (Previous year : rental yield approach). The fair value measurement is categorised in level 3 of fair value hierarchy.

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.

(b) Information regarding income and expenditure of Investment property :**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	122	96
Direct operating expenses (including repairs and maintenance) for properties generating rental income	15	22
Profit arising from investment properties before depreciation	107	74
Less: Depreciation	(18)	(21)
Profit arising from investment properties	89	53

(c) The Company has no restrictions on the reliability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

(d) During the year the company has sold Narayana property at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs 25 lakhs under "Property, Plant and Equipment", Rs 55 lakh shown under the head "Investment Property" and Rs 22 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.

Note 6 - Intangible assets**(Rs. in lakhs)**

Description	Computer Software	Total
Gross carrying value		
As at 1 April 2020	682	682
Additions	39	39
Deductions	12	12
As at 31 March 2021	709	709
Additions	25	25
Deductions	-	-
As at 31 March 2022	734	734
Accumulated amortisation		
As at 1 April 2020	595	595
Amortisation charge	50	50
Deductions	11	11
As at 31 March 2021	634	634
Amortisation charge	35	35
Deductions	-	-
As at 31 March 2022	669	669
Net carrying value		
As at 31 March 2021	75	75
As at 31 March 2022	65	65

Note 7 - Intangible assets under development

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Add : Addition during the year	4	-
Less : Capitalised during the year	-	-
Total	4	-

(Rs. in lakhs)

Intangible assets under development Project in Process	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	4	-	-	-	4
Projects temporarily suspended	-	-	-	-	-
Total	4	-	-	-	4

(Rs. in lakhs)

Intangible assets under development Project in Process	Amount in CWIP for a period of 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Note : There are no overdue projects or projects which has exceeded costs compared to original plan, other than mentioned above

Note 8 - Investment in subsidiary (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Investment in equity instruments		
Investment in unquoted equity shares valued at deemed cost, fully paid up		
Investment in subsidiary company in India :		
Ador Welding Academy Private Limited		
3,000,000 (31 March 2021 : 3,000,000) equity shares of Rs.10 each	353	353
Less: Provision for diminution in the value of investment [Refer note 59 and note 62]	(140)	(140)
Total	213	213
Aggregate amount of unquoted investments before impairment	353	353
Aggregate amount of impairment in the value of investment	140	140

Note 9 - Loans (Non-current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loan to employees	30	15
Total	30	15

Break-up:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Loans considered good - Unsecured	30	15
Total	30	15

Note 10 - Other financial assets (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit	178	159
Fixed deposits held as lien by bank against bank guarantees	750	723
Total	928	882

Note 11 - Income Tax (current-tax) assets (net)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision)	1,192	1,192
Total	1,192	1,192

Notes:

(a) The following table provides the details of income tax assets and liabilities:

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	4,223	4,223
Current income tax liabilities	3,031	3,031
Net balances	1,192	1,192

Note 12 - Deferred tax assets (net)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets on account of:		
Employee benefits	202	151
Expected Credit Loss	817	673
Deferment of revenue	-	36
	1,019	860
Deferred tax liabilities on account of:		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	739	773
Financial asset measured at FVTPL	5	1
	744	774
Net deferred tax assets	275	86

Note 13 - Other non-current assets**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances considered good [Refer notes (a) below]	23	23
Capital advances credit impaired [Refer notes (a) below]	27	27
Less : Loss allowance	(27)	(27)
	23	23
Balances with government authorities considered good	1,353	1,939
Balances with government authorities credit impaired	1,053	831
Less : Loss allowance [Refer notes (b) below]	(1,053)	(831)
	1,353	1,939
Prepaid expenses	18	15
Total	1,394	1,977

Break-up:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Other assets considered good - Secured	-	-
Other assets considered good - Unsecured	1,394	1,977
Other assets credit impaired	1,080	858
Other assets which have significant increase in credit risk	-	-
Loss allowance	(1,080)	(858)
Total	1,394	1,977

Notes:**(a) Capital advances include:****(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Land at Silvassa	27	27
Less : Provision for capital advances	(27)	(27)
Furniture and fixtures	-	14
Building	12	-
Plant and equipment	11	9
Total	23	23

(b) The Company has created a provision towards doubtful recovery from the government authorities amounting to Rs. 1,053 lakhs (Previous year FY 2020-21 : Rs. 831 lakhs (out of this, Rs. 819 lakhs have been shown as exceptional items in the Statement of Profit and Loss in previous year)).

Note 14 - Inventories

(Valued at lower of cost or net realisable value)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials, components and packing material	3,771	2,044
Work-in-progress	1,026	1,063
Finished goods *	2,817	2,454
Stock-in-trade	742	109
Stores, spares, parts, scrap etc.	283	249
Right to receive inventory	358	327
Total	8,997	6,246

Inventory write downs are accounted, considering the nature of inventory, ageing, and net realisable value. Write-downs of inventories to net realisable value amounted to Rs. 38 lakhs (31 March 2021: 100 lakhs). These write down were recognised as an expense during the year and included in the 'Changes in inventories of finished goods, work-in-progress, and stock-in-trade' in the Statement of Profit and Loss.

* Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS), while the Company's application for License was pending BIS approval, as BIS is alleging that the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The matter is still pending before BIS and Company is awaiting for the outcome of the same.

Note 15 - Investments (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets classified and measured at fair value through profit or loss		
(A) Investment in mutual funds (Unquoted)		
Axis Bluechip fund - growth-direct plan	70	-
(31 March 2022: 140,799.06 units, 31 March 2021: Nil)		
Axis Strategic Bond fund - growth-direct plan	154	-
(31 March 2022: 641,195.41 units, 31 March 2021: Nil)		
Birla Sunlife Liquid fund - growth - regular plan	-	833
(31 March 2022: Nil units, 31 March 2021: 253,098.63 units)		
Birla Sunlife Low Duration fund - direct plan-growth	351	-
(31 March 2022: 60,854.154 units, 31 March 2021: Nil)		
HDFC Balanced Advantage fund - regular plan - growth	310	102
(31 March 2022: 108,461.36 units, 31 March 2021: 43,137.551 units,)		
HDFC Credit Risk Debt fund - growth - direct plan	155	-
(31 March 2022: 749,799.09 units, 31 March 2021: Nil)		
Hdfc Short Term Debt fund - growth - direct plan	127	-
(31 March 2022: 486,071.23 units, 31 March 2021: Nil)		
ICICI Prudential Medium Term Bond fund - growth - direct plan	154	-
(31 March 2022: 399,964.54 units, 31 March 2021: Nil)		
ICICI Prudential Short Term fund - growth - direct plan	128	-
(31 March 2022: 249,850.69 units, 31 March 2021: Nil)		
Kotak Bluechip fund -growth - direct plan	97	-
(31 March 2022: 23,816.45 units, 31 March 2021: Nil)		
Mirae Asset Focused fund -growth - direct plan	69	-
(31 March 2022: 345,780.12 units, 31 March 2021: Nil)		
Mirae Asset Large Cap fund -growth - direct plan	71	-
(31 March 2022: 84,312.81 units, 31 March 2021: Nil)		
SBI Focused Equity fund -growth - direct plan	70	-
(31 March 2022: 27,428.11 units, 31 March 2021: Nil)		
UTI Flexicap fund - growth - direct plan	92	-
(31 March 2022: 35,883.81 units, 31 March 2021: Nil)		
Investment in mutual funds	1,848	935
(B) Investment in bonds (Quoted)		
9.60% Tourism Finance Corporation Limited Bonds_2028	20	20
(31 March 2022: 2 units, 31 March 2021: 2 units of Rs. 10 lakhs each)		
9.65% Tourism Finance Corporation Limited Bonds_2033	10	10
(31 March 2022: 1 unit, 31 March 2021: 1 unit of Rs. 10 lakhs)		
Investment in bonds	30	30
Total (A+B)	1,878	965
Aggregate amount of investments and its market value		
Unquoted	1,848	935
Quoted	30	30

Note 16 - Trade receivables**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables	9,089	10,499
Receivables from related parties (Refer note 51)	226	34
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,193	1,856
Less : Loss allowance	(2,193)	(1,856)
Total	9,315	10,533

Break-up:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured, considered good [Refer note (a) below]	295	297
Unsecured, considered good [Refer note (b) below]	9,020	10,236
Unsecured, credit impaired	2,193	1,856
Less : Loss allowance	(2,193)	(1,856)
Total	9,315	10,533

Trade Receivable aging schedule as at 31 March 2022**(Rs. in lakhs)**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,046	304	480	131	164	8,125
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	96	90	255	62	222	725
(iv) Disputed Trade Receivables – considered good	-	1,061	-	129	-	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	1,425	-	5	38	1,468
Total	7,142	2,880	735	327	424	11,508

Trade Receivable aging schedule as at 31 March 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,179	605	472	65	22	9,343
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	2	79	41	5	209	336
(iv) Disputed Trade Receivables – considered good	1,061	-	129	-	-	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	1,454	-	16	38	12	1,520
Total	10,696	684	658	108	243	12,389

Notes:

(a) Secured by letter of credit

(b) Refer notes 54(A) for information on credit risk and details regarding past dues receivables and, movement in loss allowance.

Note 17 - Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	5	7
Balances with banks in current accounts	633	1,681
Total	638	1,688

Note 18 - Other bank balances

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks [Refer note (a) below]	94	112
Unspent corporate social responsibilities balances with banks	8	-
Total	102	112

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2022 and as at 31 March 2021.

Note 19 - Loans (Current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans and advances to employees	39	30
Others	2	5
Total	41	35

* Amount appearing under loans and advances to related parties are not in the nature of loans.

Break-up:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	41	35
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	41	35

Note 20 - Other financial assets (Current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposits	37	79
Unbilled revenue [Refer note 60]	-	130
Interest accrued but not due on fixed deposits	2	1
Other receivables		
(a) from related parties (Refer note 51)	3	1
(b) from others	49	61
Total	91	272

Note 21 - Other current assets**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Contract assets	125	184
Advance to suppliers	1,234	612
Prepaid expenses	159	108
Duty entitlement on hand	14	-
Duty drawback and export incentives receivable	12	60
Input tax credit receivable	220	66
Other receivables	30	187
Total	1,794	1,217

Note 22 - Asset classified as held for sale**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Leasehold land (Refer note (a) below)	-	1
Buildings (Refer note (a) below)	-	105
Ownership premises (Refer note (b) below)	7	-
Total	7	106

Note: Asset classified as held for sale (Ind AS 105)

- (a) During the Current year, the Company has sold/transferred its right in Ahmednagar property admeasuring 66,108 square meters, as is where basis, for a consideration of Rs. 1,462 lakhs which has been duly approved by Board.
- (b) During the Current year, the Company has entered into an agreement for the sale of one flat at Silvassa , for a consideration of Rs. 20 lakhs which has been duly approved by Board. The Company has received Rs. 14 lakhs as advance against the transactions. The transactions is likely to be completed in FY 2022-23 hence same has been classified as 'Assets classified as held for sale'.

Item wise net carrying value as at 31 March 2022 of the Asset classified as held for sale is as follows:

(Rs. in lakhs)

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Ownership Premises	9	2	7
Total	9	2	7

Item wise net carrying value as at 31 March 2021 of the Asset classified as held for sale is as follows:

(Rs. in lakhs)

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Leasehold land	1	0	1
Buildings	406	301	105
Total	407	301	106

Note 23 - Equity share capital**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised shares 30,000,000 (31 March 2021: 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 2021: 13,598,467) equity shares of Rs. 10 each fully paid up	1,360	1,360
Total	1,360	1,360

Note 23 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(Rs. in lakhs)	No. of shares	(Rs. in lakhs)
Equity shares				
Shares outstanding at the beginning of the year	1,35,98,467	1,360	1,35,98,467	1,360
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,35,98,467	1,360	1,35,98,467	1,360

Note 23 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 and every 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 23 c- Shares held by holding Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	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%

Note 23 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the Company

Particulars	As at 31 March 2022		As at 31 March 2021	
	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%
Nippon Life India Trustee Ltd-A/C Nippon India Value Fund (Reliance Capital Trustee Company Limited) *	-	-	8,64,065	6.35%
Total	68,00,531	50.01%	76,64,596	56.36%

* During the current year, shareholding of Nippon Life India Trustee Ltd in the Company is reduced below 5%, hence not reported in the current year

Note 23 e- Details of shares held by promoters in the Company

Name of Promoter	As at 31 March 2022						As at 31 March 2021			
	No. of shares held at the beginning of the year	change in the no. of shares during the year (Purchase / (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year	No. of shares held at the beginning of the year	change in the no. of shares during the year (Purchase / (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year
J B Advani And Company Pvt Limited	68,00,531	-	68,00,531	50.01%		68,00,531	-	68,00,531	50.01%	
Aruna B. Advani	2,95,480	-	2,95,480	2.17%		2,95,480	-	2,95,480	2.17%	
Aditya T. Malkani	1,23,198	-	1,23,198	0.91%		1,03,626	19,572.00	1,23,198	0.91%	18.89%
(Late) A. T. Mirchandani	64,430	-	64,430	0.47%		64,430	-	64,430	0.47%	
N. Malkani Nagpal	81,052	1,12,900	1,93,952	1.43%	139.29%	81,052	-	81,052	0.60%	
Michelle Gulu Malkani	79,200	-	79,200	0.58%		79,200	-	79,200	0.58%	
Gulshan Gulu Malkani	1,11,900	-1,11,900	-	0.00%	-100.00%	1,11,900	-	1,11,900	0.82%	
Rajbir Tarachand Malkani	64,507	-	64,507	0.47%		64,507	-	64,507	0.47%	
Priyadarshini Lambert	49,050	-	49,050	0.36%		49,050	-	49,050	0.36%	
Vimla A. Lalvani	19,490	-	19,490	0.14%		19,490	-	19,490	0.14%	
Ravin A. Mirchandani	8,002	-	8,002	0.06%		8,002	-	8,002	0.06%	
Deep A. Lalvani	19,419	-	19,419	0.14%		19,209	210	19,419	0.14%	1.09%
Reshma A. Lalvani	3,680	-	3,680	0.03%		3,680	-	3,680	0.03%	
Shirin Aditya Malkani	15,873	-	15,873	0.12%		15,873	-	15,873	0.12%	
Pravena K Mathur	900	-	900	0.01%		900	-	900	0.01%	
Total	77,36,712	1,000	77,37,712	56.90%		77,16,930	19,782	77,36,712	56.89%	

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 2022.

Note 24 - Borrowing (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Loan from Bank		
Vehicle Loan from Bank of Baroda *	60	-
Total	60	-

* The Company has availed Vehicle loan from Bank of Baroda @ 7.1%, repayable in 84 EMI of Rs. 1.06 lakhs. The above loan is hypothecated against a vehicle having a gross block of Rs. 94 lakhs and WDV of Rs. 86 lakh as at 31 March 2022.

Note 25 - Other financial liabilities (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Rent deposit	3	14
Rent deposit from related parties [Refer note 51]	15	14
Other deposit	-	2
Total	18	30

Note 26 - Provisions (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity [Refer note 50(II)]	469	359
Total	469	359

Note 27 - Other non-current liabilities**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income	3	5
Total	3	5

Note 28 - Borrowings (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Borrowings		
From banks		
Working capital loan repayable on demand [Refer notes (a) below and note 57]	-	2,800
Current maturities of Long term borrowing	8	-
Total	8	2,800

Notes:**(i) Nature of Security and terms of repayment for short term secured borrowings of Company:**

Working capital loan from a bank, balance outstanding amount as at 31 March 2022 is Rs. Nil (31 March 2021: Rs 2,800 lakhs) is 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 and 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 Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 7% p.a. (31 March 2021: 7.20% p.a.)

(ii) Guarantees given by banks to third parties amounting to Rs. 2,657 lakhs (31 March 2021: Rs. 2,202 lakhs) on behalf of the Company are secured against securities mentioned in (i) above.**Note 29 - Trade payables**

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Dues to micro, small and medium enterprises [Refer notes (a) below]	192	249
Others [Refer notes (b) below]	6,678	7,027
Amounts due to related parties [Refer note 51]	232	118
Sub-total	7,102	7,394
Accrued expenses	648	330
Total	7,750	7,724

Trade Payable ageing schedule as at 31 March 2022

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - MSME	179	1	1	-	181
Undisputed - Others	5,540	1,265	15	90	6,910
Disputed dues - MSME	-	-	-	11	11
Disputed dues - Others	-	-	-	-	-
	5,719	1,266	16	101	7,102
Accrued expenses					648
Total	5,719	1,266	16	101	7,750

Trade Payable ageing schedule as at 31 March 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed - MSME	236	-	-	2	238
Undisputed - Others	6,960	39	63	83	7,145
Disputed dues - MSME	-	-	-	11	11
Disputed dues - Others	-	-	-	-	-
	7,196	39	63	96	7,394
Accrued expenses					330
Total	7,196	39	63	96	7,724

- (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 31 March 2022	As at 31 March 2021
Principal amount due remaining unpaid to supplier as at the end of accounting year	192	249
Interest due remaining unpaid to supplier as at the end of accounting year	1	1
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)	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	1
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.

Note 30 - Other financial liabilities (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits:		
(a) Rent deposit	14	12
(b) To distributors	293	264
(c) To others	8	13
Employee benefits payable:		
(a) to related parties (Refer note 51)	21	13
(b) to others	450	234
Unclaimed dividend	94	112
Creditors for capital goods	5	36
Corporate Social Responsibility Liability	4	-
Other payables:		
(a) to related parties (Refer note 51)	49	-
(b) to others	48	63
Total	986	747

Note 31 - Other current liabilities

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances received from distributors on behalf of customers	22	22
Advances received from customers*	490	221
Statutory dues	407	656
Advance received against sale of asset	14	585
Advance income	-	4
Total	933	1,488

* Includes an amount of Rs. 364 lakhs (31 March 2021: Rs. 33 lakhs) on account of Flares & Process Equipment Division.

Note 32 - Provisions (Current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity [Refer note 50(II)]	71	27
Provision for Compensated absences [Refer note 50(III)]	262	213
Other provisions [Refer notes (a) below]		
Provision for warranties [Refer notes (b) below]	96	53
Provision for sales return	222	200
Total	651	493

Notes:**(a) Movement in provision:****(Rs. in lakhs)**

Particulars	Provision for warranties	Provision for sales return
As at 1 April 2020	55	186
Additional provision recognised	53	200
Amount used (charged against provisions) during the year	(55)	(186)
As at 31 March 2021	53	200
Additional provision recognised	96	222
Amount used (charged against provisions) during the year	(53)	(200)
As at 31 March 2022	96	222

(b) Provision of Rs. 96 lakhs (31 March 2021: Rs. 53 lakhs) has been recognised for expected warranty claims on welding equipment and goods traded during the current financial year. It is expected that all these expenditures will be incurred in next financial year.

Note 33 - Current tax liabilities, (net)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for income tax (Refer note below)	41	-
Total	41	-

Note : Provision for income tax is net of advance tax. (Provision for Income tax Rs. 1,473 lakhs and advance tax Rs. 1,432 lakhs).

Note 34 - Revenue from operations**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of goods (Refer notes (a), (b) below and Refer note 51)		
Domestic	62,504	42,956
Export	3,142	2,450
Sale of services	54	46
Derecognition of sales	-	(918)
<u>Other operating revenue:</u>		
Sale of scraps and others	448	194
Total	66,148	44,728

Notes:

(a) Refer note 60 for information on Revenue from contracts with customers under Ind AS 115.

(b) During the previous year 2020-21, Company has derecognised revenue of Rs. 918 lakhs which was recognised in earlier financial years and was part of unbilled revenue in the balance sheet, as the Company was not able to invoice it as work was not done as per client specifications.

Note 35 - Other income**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<u>Interest income on financial asset measured at amortised cost:</u>		
(i) Fixed deposits with banks	36	39
(ii) Overdue amount from customers	36	12
(iii) Others	13	9
Rent received (Refer notes 48 and 51)	122	96
Duty drawback and export incentive	60	62
Insurance recovered (net of expense)	15	41
Foreign currency fluctuation gain (net)	100	196
Provisions/ liabilities no longer required now written back	70	95
Fair value change of financial asset measured at fair value through profit or loss	46	123
Insurance claims received	7	3
Miscellaneous income	36	55
Total	541	731

Note 36 - Cost of raw materials and components consumed**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	2,044	3,190
Add: Purchases	43,852	31,474
Less: Closing stock	(3,771)	(2,044)
Total	42,125	32,620

Note 37 - Purchase of stock-in-trade**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Welding products	5,210	179
Welding accessories	640	328
Chemicals, minerals and others	-	440
Total	5,850	947

Note 38 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
At the beginning of the Year				
Finished goods (including Right to receive inventory)	2,781		1,749	
Stock-in-trade	109		113	
Work-in-progress	1,063	3,953	902	2,764
At the end of the Year				
Finished goods (including Right to receive inventory)	3,175		2,781	
Stock-in-trade	742		109	
Work-in-progress	1,026	4,943	1,063	3,953
Total		(990)		(1,189)

Note 39 - Employee benefits expenses**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	4,085	3,195
Contribution to provident and other funds [Refer note 50(I)]	278	226
Contribution to gratuity [Refer note 50(II)]	77	81
Staff welfare expenses	425	254
Total	4,865	3,756

Note 40 - Finance costs**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on borrowings	242	487
Interest on supplies	112	132
Interest on lease liability [Refer note 47]	13	11
Interest on others	5	11
Total	372	641

Note 41 - Other expenses**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Manufacturing and other expenses [Refer note 41(a)]	3,730	2,674
Electricity expenses	15	15
Rent [Refer note 47]	220	10
Freight	1,410	687
Legal and professional fees	377	330
Insurance	42	44
Repairs and maintenance - others	210	172
Travelling, conveyance and vehicle expenses	467	283
Directors fees [Refer note 51]	5	8
Telephone, postage and telegram	133	112
Rates and taxes	93	53
Advertisement and sales promotion expenses	31	33
Commission paid	54	46
Bad debts written off	24	757
Expected Credit Loss	106	72
Donations	3	-
Loss on sale of property, plant and equipment (net)	10	53
Property, plant and equipment written off	21	79
Other assets written off	-	103
Printing and stationery	60	57
Auditors remuneration [Refer note 41(b)]	49	34
Corporate social responsibility [Refer note 63 and note 51]	58	49
Selling and distribution incentive	168	160
Housekeeping and Security Charges	207	194
Bank charges	208	175
Miscellaneous expenses	758	405
Total	8,459	6,605

Note 41(a)- Manufacturing and other expenses**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores, spare parts and scraps	894	602
Power and fuel	1,440	1021
Repairs to machinery	153	101
Repairs to building	22	23
Payment to contract labours	732	517
Other manufacturing expenses	489	410
Total	3,730	2,674

Note 41(b)- Auditors' remuneration (excluding taxes)**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees (including limited review fees)	24	24
Tax audit fees	7	7
Certification and other matters	17	2
Reimbursement of out of pocket expenses	1	1
Total	49	34

Note 42 - Tax (credit)/expense**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current tax for the year	1,473	136
Additional of provision for earlier years	-	22
	1,473	158
Deferred tax		
Change in deferred tax assets	(139)	(478)
Change in deferred tax liabilities	(30)	(49)
	(169)	(527)
Total	1,304	(369)

Notes :

- (a) 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 2022 and 31 March 2021:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (Loss) before tax as per books	5,823	(1,568)
Applicable income tax rate	25.17%	25.17%
Estimated income tax expenses	1,466	(395)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	28	51
Current tax pertaining to prior periods	-	22
Tax on income at different tax rates	(183)	4
Other items	(7)	(86)
Reported income tax expenses / (credit)	1,304	(369)

- (b) Deferred tax related to the following:

Particulars	(Rs. in lakhs)				
	As at 31 March 2022	Recognised through profit and loss and OCI	As at 31 March 2021	Recognised through profit and loss and OCI	As at 1 April 2020
Deferred tax assets on account of:					
Provision for gratuity	136	39	97	(2)	99
Leave encashment	66	12	54	(4)	58
Expected Credit Loss	817	144	673	455	218
Deferment of revenue	-	(36)	36	10	26
Total deferred tax assets	1,019	159	860	459	401
Deferred tax liabilities on account of:					
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	739	(34)	773	(51)	824
Financial asset measured at FVTPL	5	4	1	1	-
Total deferred tax liabilities	744	(30)	774	(50)	824
Deferred tax assets/(liabilities) (net)	275	189	86	509	(423)

Note 43 - Other comprehensive income**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Actuarial (loss) / gain on defined benefit obligations	(81)	70
Income tax effect on above	20	(18)
Total	(61)	52

Note 44 - Contingent Liabilities not provided for :**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2022: Rs 105 lakhs; 31 March 2021: Rs 392 lakhs)	1,376	1,199
(b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2022: Rs 900 lakhs; 31 March 2021: Rs 900 lakhs)	922	922
(c) Disputed income tax as the matters are in appeal (advance paid 31 March 2022: Rs 13 lakhs; 31 March 2021: Rs. 13 lakhs)	63	63
(d) Custom Duty refund (advance paid 31 March 2022: Rs 46 lakhs; 31 March 2021: Rs. 46 lakhs)	46	46
(e) Bank guarantees	2,657	2,202
(f) Other matters	98	111
(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
(h) Inventory Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS), while Company's application for License was pending BIS approval, as BIS is alleging that the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The matter is still pending before BIS and Company is awaiting for the outcome of the same.	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 45 - Estimated amount of contracts remaining to be executed

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
On Capital account and not provided for (net of advances)	182	26

Note 46 - Borrowings secured against current assets :

Disclosure of current assets secured and filed with the banker against borrowings availed

(Rs. in lakhs)

Quarter Ended	Name of Bank	Particulars of securities provided	FY 2021-2022			FY 2020-2021			Comment
			As per books of account	Reported to Bank	Amount of difference	As per books of account	Reported to Bank	Amount of difference	
Jun	HDFC Bank	Working capital *	12,859	13,038	179	19,024	18,866	(158)	Refer note (a) below
	IDFC Bank	Working capital *	12,859	13,038	179	19,024	18,866	(158)	Refer note (a) below
Sep	HDFC Bank	Working capital *	13,141	13,644	503	15,387	17,131	1,744	Refer note (a) & (b) below
	IDFC Bank	Working capital *	13,141	13,644	503	15,387	17,131	1,744	Refer note (a) & (b) below
Dec	HDFC Bank	Working capital *	14,465	14,513	48	12,739	13,914	1,175	Refer note (a) & (c) below
	IDFC Bank	Working capital *	14,465	14,513	48	12,739	13,914	1,175	Refer note (a) & (c) below
Mar	HDFC Bank	Working capital *	11,335	11,532	197	9,699	11,577	1,878	Refer note (a) & (d) below
	IDFC Bank	Working capital *	11,335	11,532	197	9,699	11,577	1,878	Refer note (a) & (d) below

* Trade Receivables + Inventories + Unbilled Revenue/Contract asset - Trade Payables

Note for discrepancies :

- The Bank returns were prepared and filed before the completion of all financial statements closure activities including Ind AS related adjustments / reclassifications, as applicable, which led to these differences between the final books of accounts and the bank returns which were based on provisional books of accounts.
- Difference is due to restatement as entry was passed in the month of April 21 during closing of Mar 21.
- Figures reported to bank were before considering provision of Rs.400 lakhs (Penalty for delay in office site Mobilization & Non Maintenance of adequate Manpower).
- Figures reported to bank were before considering provision of Rs.1,400 lakhs of receivable from Binyam International Company for General Trading & Contracting WLL.

Note 47- Leases: Ind AS 116

The Group recognized right-of-use assets and lease liabilities amounting to Rs. 400 lakhs (31 March 2021: Rs. 11 lakhs) and Rs. 43 lakhs (31 March 2021: Rs. 11 lakhs) respectively. During the year ended, the Company had recognized interest expense on lease amounting to Rs. 13 lakhs (31 March 2021: Rs. 11 lakhs) and depreciation on right-of-use assets amounting to Rs. 26 lakhs (31 March 2021: Rs. 16 lakhs).

Right-of-use assets:

Additional information on the right-of-use assets by class of assets are as follows:

(Rs. in lakhs)			
Particulars	Gross carrying value	Accumulated depreciation [Refer note (a) below]	Net carrying value
As at 31 March 2022			
Leasehold Land	364	5	359
Ownership premises	125	48	77
Computers	54	9	45
Total	543	62	481
As at 31 March 2021			
Leasehold Land	22	-	22
Ownership premises	126	36	90
Computers	11	-	11
Total	159	36	123

The following is the movement in Right-of-use assets for the year ended:

(Rs. in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	159	153
Addition during the year [Refer notes (b) below]	400	11
Deductions during the year [Refer notes (c) below]	(16)	(5)
Gross	543	159
Accumulated depreciation [Refer notes (a) below]	(62)	(36)
Net	481	123

Lease liabilities:

Lease liabilities are presented in the balance sheet are as follows:

(Rs. in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	127	106
Current lease liabilities	26	13
Total	153	119

The following is the movement in lease liabilities for the year ended:

(Rs. in lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
Balance at the beginning of the year	119	126
Addition during the year [Refer notes (b) below]	42	11
Deductions during the year	-	(4)
Finance cost accrued during the year [Refer notes (c) below]	13	11
Revaluation of lease liability	9	(4)
Payment of lease liabilities	(30)	(21)
Total	153	119

Notes:

- The aggregate depreciation expense on Right-of-use assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- During the current year 2021-22 in Right-of-use assets and lease liabilities, there is addition of Rs 43 lakhs towards laptops taken on rental basis.
- 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 opted 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. 220 lakhs (31 March 2021: Rs 10 lakhs). [Refer note 41]

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

(Rs. in lakhs)

Particulars	Minimum lease payment	
	As at 31 March 2022	As at 31 March 2021
Amount due within one year	33	20
Amount due from one year to five years	99	71
Amount due from five years and above	69	84
Total	201	175

Note 48- Lease rental income

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. 122 lakhs (31 March 2021: Rs. 96 lakhs). [Refer note 35]

Particulars	(Rs. in lakhs)	
	Minimum lease payment	
	As at 31 March 2022	As at 31 March 2021
Amount due within one year	83	124
Amount due from one year to five years	226	254
Amount due from five years and above	37	37
Total	346	415

Note 49- In the current year, Company operations are at normalcy and there is no impact of pandemic on the Company's financials for the year ended 31 March 2022. However, the Management is continuously monitoring the current COVID-19 developments and possible effects that may result from the current pandemic on its financial conditions, liquidity, operations and actively working to minimise the impact of this unprecedented situation.

Note 50 - 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 consists 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 is as under:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Employer's Contribution to Superannuation	40	36
Employer's Contribution to Provident fund	223	179
Employer's Contribution to Employees state insurance fund	15	11
Total	278	226

* included in Note 39- 'Employee benefits expenses'

II. Defined Benefit Plan :

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 2022	As at 31 March 2021
(i) Actuarial assumptions		
Discount rate (per annum)	6.50%	6.35%
Salary escalation rate (per annum)	7.00%	7.00%
Attrition rate		
21 years to 44 years (per annum)	18.45%	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	457	466
Current service cost	54	59
Interest on defined benefit obligation	26	27
Remeasurements during the period due to:		
Actuarial loss/(gain) arising from change in financial assumptions	(5)	(1)
Actuarial loss/(gain) arising on account of experience changes	84	(42)
Benefits paid	(42)	(52)
Present Value of obligation at the end of the year	573	457
(iv) Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	71	80
Interest on plan assets	3	4
Remeasurements during the period due to:		
Actual return on plan assets less interest on plan assets	(2)	27
Contributions by employer	3	12
Benefits paid	(42)	(52)
Fair Value of Plan Assets at the end of the year	33	71

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(v) Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	573	457
Less: Fair value of plan assets at the end of the year	(33)	(71)
Net liability recognised	540	386
Recognised under provisions [Refer note 26 and note 32]		
Non current provisions	469	359
Current provisions	71	27

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	54	59
Interest on net defined benefit liability	23	23
Net gratuity cost recognised in current year	77	81
Included in note 39 'Employee benefits expenses'		
(vii) Expenses recognised in other comprehensive income		
Remeasurements during the period due to:		
Actuarial (gain) / loss arising from change in financial assumptions	(5)	(1)
Actuarial loss/(gain) arising on account of experience changes	84	(42)
Actuarial loss/(gain) arising on account of Actual return on plan assets less interest on plan assets	2	(27)
Net cost recognised in other comprehensive income	81	(70)

(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 2022		31 March 2021	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	(2.81%)	2.93%	(2.94%)	3.07%
Impact of decrease in 50 bps on DBO	2.96%	(2.81%)	3.10%	(2.93%)

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 analyses.

(ix) Maturity Pattern:

Maturity Profile	(Rs. in lakhs)	
	31 March 2022	31 March 2021
Expected benefits for year 1	104	98
Expected benefits for year 2	82	68
Expected benefits for year 3	78	52
Expected benefits for year 4	56	49
Expected benefits for year 5	53	38
Expected benefits for year 6	50	36
Expected benefits for year 7	77	34
Expected benefits for year 8	43	50
Expected benefits for year 9	34	28
Expected benefits for year 10 and above	318	245

Note:

1. 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. 73 lakhs (31 March 2021 : Rs 15 lakhs) has been recognised as an expense in the statement of profit and loss account and included in "Salaries, wages and bonus" under Note 39 "Employee benefits expenses".
- (ii) Balance sheet reconciliation

Particulars	(Rs. in lakhs)	
	Short term current provisions	
	As at 31 March 2022	As at 31 March 2021
Liability as per actuarial valuation	262	213

The liabilities are split between different categories of plan participants as follows:

Defined Benefit obligations and employer contributions (Active members)	Gratuity	Compensated Absences
As at 31 March 2022	531	531
As at 31 March 2021	518	518

* deferred members - Nil (2020-21 : Nil)

* retired members - Nil (2020-21 : 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 51 - 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) Executive Mantra Search Services Private Limited (Common director)
(iv) Key management personnel:	Ms A. B. Advani- Executive Chairman (upto 18 November 2019) Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019) Mr. A. T. Malkani - Managing Director (w.e.f 14 September 2020) Mr. S. M. Bhat - Managing Director (upto 7 September 2020) Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive) Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020) 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, Legal & Company Secretary Mr. G. A. Patkar - Chief Financial Officer (upto 9 September 2020) Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021)

(II) Transactions during the year:

(Rs. in lakhs)

Description of the nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Sale of Fixed assets		
- Holding Company		
J. B. Advani & Company Private Limited	7	-
	7	-
Purchases of Fixed assets		
Ador Powertron Limited	15	
	15	-
Sale of goods		
- Holding Company		
J. B. Advani & Company Private Limited	146	37
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited	-	1
Ador Powertron Limited*	127	19
Ador Fontech Limited	281	154
	554	211
Purchase of goods and services received		
- Holding Company		
J. B. Advani & Company Private Limited	1,103	641
- Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited	29	7
Ador Fontech Limited	148	45
- ther related party		
1908 E-Ventures Private Limited*	3	1
Executive Mantra Search Services Private Limited	-	6
	1,283	700
Rent received		
- Holding Company		
J. B. Advani & Company Private Limited	27	24
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited	-	4
Ador Fontech Limited	3	1
	30	29
Recovery of expenses (received)		
- Holding Company		
J. B. Advani & Company Private Limited	8	8
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited*	-	0
Ador Powertron Limited*	0	0
Ador Fontech Limited*	2	1
	10	9

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Reimbursement of expenses (paid)		
- Holding Company		
J. B. Advani & Company Private Limited	33	6
- Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited*	7	-
	40	6
Corporate social responsibility funds		
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited*	-	10
	-	10
Remuneration paid		
Short Term Benefit paid		
- Key Management Personnel		
Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019)	105	97
Mr. S. M. Bhat - Managing Director (upto 7 September 2020) (Refer note (1) below)	-	40
Mr. A. T. Malkani - Managing Director (w.e.f 14 September 2020) (Refer note (2) below)	106	53
Mr. D. A. Lalvani (Whole Time Director)	116	108
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	41	35
Mr. G. A. Patkar - Chief Financial Officer (upto 9 September 2020) (Refer note (3) below)	-	13
Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021) (Refer note (4) below)	41	3
Post employment benefit		
- Key Management Personnel		
Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019)	19	19
Mr. S. M. Bhat - Managing Director (upto 7 September 2020) (Refer note (1) below)	-	7
Mr. A. T. Malkani - Managing Director (w.e.f 14 September 2020) (Refer note (2) below)	17	8
Mr. D. A. Lalvani (Whole Time Director)	20	19
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	6	3
Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021) (Refer note (4) below)	4	1

(Rs. in lakhs)

Description of the nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
	475	406
Recovery of Commission for previous years		
- Key Management Personnel		
Ms A. B. Advani- Executive Chairman (upto 18 November 2019) (Refer note (5) below)	-	3
Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019)	-	4
Mr. D. A. Lalvani (Whole Time Director)*	-	0
	-	7
Professional fees and reimbursement		
- Key Management Personnel		
Ms A. B. Advani- Executive Chairman (upto 18 November 2019) (Refer note (5) below)	-	72
	-	72
Sitting fees		
- Key Management Personnel		
Mrs. Nita Dempo Mirchandani - Director (Independent & Non executive)	-	1
Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive upto 7 December 2020)	-	1
Mr. P. K. Gupta - Director (Independent & Non-executive)	1	2
Mr. R. N. Sapru - Director (Independent & Non-executive)	2	1
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	1	2
Mr. G. M. Lalwani - Director (Independent & Non-executive)	1	1
	5	8
Rent Deposit Received		
Ador Fontech Limited	1	-
	1	-
Commission		
- Key Management Personnel		
Mr. R. A. Mirchandani - Director (Non-executive)	7	-
Ms. T. H. Advani - Director (Non-executive)	7	-
Mr. P. K. Gupta - Director (Independent & Non-executive)	7	-
Mr. R. N. Sapru - Director (Independent & Non-executive)	7	-
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	7	-
Mr. G. M. Lalwani - Director (Independent & Non-executive)	7	-
Mrs. Nita Dempo Mirchandani - Director (Independent & Non executive)	7	-
	49	-

(III) Amount outstanding at the year end:**(Rs. in lakhs)**

Description of the nature of transactions	As at 31 March 2022	As at 31 March 2021
Trade receivables		
- Holding Company		
J. B. Advani & Company Private Limited	55	2
- Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited	42	22
Ador Fontech Limited	129	10
	226	34
Rent deposit payable		
- Holding Company		
J. B. Advani & Company Private Limited	14	14
Ador Fontech Limited	1	-
	15	14
Other receivables		
- Subsidiary Company and fellow subsidiaries		
Ador Welding Academy Private Limited*	0	0
Ador Powertron Limited*	0	0
Ador Fontech Limited	2	0
- Key Management Personnel		
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	1	1
	3	1
Trade payables		
- Holding Company		
J. B. Advani & Company Private Limited	95	113
- Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited*	-	2
Ador Fontech Limited	137	3
- Other related party		
1908 E-Ventures Private Limited*	0	0
	232	118
Employee benefits payable		
- Key Management Personnel		
Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019)	7	-
Mr. A. T. Malkani - Managing Director (w.e.f 14 September 2020) (Refer note (2) below)	7	11
Mr. D. A. Lalvani (Whole Time Director)	7	2
	21	13
Other payable (Commission payable)		
Mr. R. A. Mirchandani - Director (Non-executive)	7	-
Ms. T. H. Advani - Director (Non-executive)	7	-
Mr. P. K. Gupta - Director (Independent & Non-executive)	7	-
Mr. R. N. Sapru - Director (Independent & Non-executive)	7	-
Mr. K. Digvijay Singh - Director (Independent & Non-executive)	7	-
Mr. G. M. Lalwani - Director (Independent & Non-executive)	7	-
Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive)	7	-
	49	-

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

1. Mr. S. M. Bhat (DIN:05168265) had resigned from the office of / position of the Managing Director/ Employee/ Director of the Company with effect from 7 September 2020. The Board of Directors accepted his resignation with immediate effect and relieved him from his duties as the Managing Director.
2. Mr. Aditya T. Malkani (DIN:01585637) has been appointed as the Managing Director of the Company with effect from 14 September 2020 for a period of three (3) years by the Board of Directors of the Company.
3. Mr. Girish Anant Patkar had resigned from the office of / position of the Chief Financial Officer & Key Managerial Personnel of the Company with effect from 9 September 2020.
4. Mr. Surya kant Sethia was appointed as Chief Financial Officer & Key Managerial Personnel of the Company with effect from 8 February 2021.
5. All the above transactions with related parties are net of Goods and Service Tax.

Note 52 - Segment reporting

The Company's chief operating decision maker (CODM) examines the Company's performance and has identified three reportable segments of its business instead of two segment as reported earlier:

- (i) Consumables
- (ii) Equipment and automation
- (iii) Flares & Process Equipment Division*

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 and Chennai plant.
b) Equipment and automation	Equipment, spares, cutting products and agency items related to equipment, cutting products etc. from Chinchwad plant.
c) Flares & Process Equipment Division*	Flares & Process Equipment Division (FPED) 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 and EPC contracts from Chinchwad plant.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which related 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 related 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

Particulars	(Rs. in lakhs)					
	Year ended 31 March 2022			Year ended 31 March 2021		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment revenue						
Consumables	53,571	(31)	53,540	35,233	(13)	35,220
Equipment and automation	9,878	(24)	9,854	7,085	(36)	7,049
Flares & Process Equipment Division*	2,843	(89)	2,754	2,473	(14)	2,459
Total revenue	66,292	(144)	66,148	44,791	(63)	44,728
2. Segment result						
(a) Segment result before exceptional items						
Consumables			6,060			4,268
Equipment and automation			786			551
Flares & Process Equipment Division*			(90)			(2,496)
Unallocable			(1,575)			(1,019)
			5,181			1,304
(b) Exceptional items (net) profit / (loss)						
Consumables			-			(236)
Equipment and automation			(380)			(575)
Flares & Process Equipment Division*			(820)			(1,549)
Unallocable			2,098			(177)
			898			(2,537)
(c) Segment result after exceptional items						
Consumables			6,060			4,032
Equipment and automation			406			(24)
Flares & Process Equipment Division*			(910)			(4,045)
Unallocable			523			(1,196)
Total Segment result			6,079			(1,233)
Interest and finance charges (unallocable)			(256)			(335)
Profit / (Loss) before tax			5,823			(1,568)
Tax (expenses) / credit			(1,304)			369
Net profit / (loss) after tax			4,519			(1,199)
3. Capital expenditure						
Consumables			749			353
Equipment and automation			92			123
Flares & Process Equipment Division*			22			27
Unallocated			453			52
Total capital expenditure			1,316			555
4. Depreciation and amortisation						
Consumables			639			660
Equipment and automation			269			297
Flares & Process Equipment Division*			62			55
Unallocated			113			98
Total depreciation and amortisation			1,083			1,110

* Earlier known as "Projects".

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other information		
Segment assets		
Consumables	22,193	20,135
Equipment and automation	7,374	7,456
Flares & Process Equipment Division*	4,245	4,996
Assets classified as held for sale (unallocable)	7	106
Unallocated	5,454	4,815
Total assets	39,273	37,508
Segment liabilities		
Consumables	6,036	5,712
Equipment and automation	1,896	1,916
Flares & Process Equipment Division*	2,456	4,152
Unallocated	684	1,985
Total liabilities	11,072	13,765
Capital employed		
Consumables	16,157	14,423
Equipment and automation	5,478	5,540
Flares & Process Equipment Division*	1,789	844
Unallocated	4,777	2,936
Total capital employed	28,201	23,743

* Earlier known as "Projects".

B) Geographical segment**Revenue from external customers:**

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within India	63,006	43,196
Outside India	3,142	1,532
Total	66,148	44,728

Domestic Segment includes sales and services rendered to customers in India.

Overseas Segment includes sales and services rendered to customers located outside 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, financial assets and investments of the geographical area in which the assets are located:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Within India	13,673	13,840
Outside India	99	106
Total	13,772	13,946

C) Other disclosures

- The Company is currently focused on three business segments : Consumables, Equipment and Automation and Flares & Process Equipment Division*. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- The geographical information considered for disclosure are :
 - Sales within India
 - Sales outside India
- No single external customer represents 10% or more of the Company's revenue from operations for the year ended 31 March 2022 and 31 March 2021.

* Earlier known as "Projects".

Note 53 - Fair value measurements**Financial assets and liabilities**

The carrying value of financial instruments by categories is as follows:

Particulars	(Rs. in lakhs)			
	31 March 2022		31 March 2021	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
<u>Financial Assets - Non-current</u>				
Loans	-	30	-	15
Other non-current financial assets	-	928	-	882
<u>Financial Assets - Current</u>				
Investments	1,878	-	965	-
Trade receivables	-	9,315	-	10,533
Cash and cash equivalents	-	638	-	1,688
Other bank balances	-	102	-	112
Loans	-	41	-	35
Other current financial assets	-	91	-	272

(Rs. in lakhs)

Particulars	31 March 2022		31 March 2021	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Liabilities - Non-current				
Borrowings	-	60	-	-
Lease liabilities	-	127	-	106
Other non-current financial liabilities	-	18	-	30
Financial Liabilities - Current				
Borrowings	-	8	-	2,800
Lease liabilities	-	26	-	13
Trade payables	-	7,750	-	7,394
Other financial liabilities	-	986	-	1,077

All the above amounts are net of provisions for impairments.

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

- recognised and measured at fair value and,
- 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 the 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 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	Investment in Mutual funds	Investment in Bonds	Total
As at 31 March 2022			
Level 1	1,848	-	1,848
Level 2	-	30	30
As at 31 March 2021			
Level 1	935	-	935
Level 2	-	30	30

IV. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed

(Rs. in lakhs)

Particulars	31 March 2022		31 March 2021	
	Fair Value	Carrying amount	Fair Value	Carrying amount
<u>Financial assets - Non-current</u>				
Loans	30	30	15	15
Other financial assets	928	928	882	882
<u>Financial liabilities - Non-current</u>				
Borrowings	60	60	-	-
Lease liabilities	127	127	106	106
Other non-current financial liabilities	18	18	30	30

During the years 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 54- 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 and 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 and 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 2022	Year ended 31 March 2021
Upto 1 month	5,397	6,832
1-2 months	539	1,122
2-3 months	376	721
3-6 months	734	565
6-12 months	1,365	605
More than one year	904	688
Total	9,315	10,533
Expected Credit Loss	2,193	1,856

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 2022	Year ended 31 March 2021
Opening provision	1,856	798
Add: Additional provision made	375	1,611
Less: Utilised during the year	(37)	(553)
Closing provisions	2,193	1,856

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 2022		(Rs. in lakhs)			
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Borrowings	-	13	38	22	73
Lease liabilities	-	32	67	69	168
Other non-current financial liabilities	-	-	13	5	18
Financial Liabilities - Current					
Borrowings	8	-	-	-	8
Lease liabilities	26	-	-	-	26
Trade payables	7,750	-	-	-	7,750
Other current financial liabilities	986	-	-	-	986
Total	8,770	45	118	96	9,029

As at 31 March 2021	(Rs. in lakhs)				
Particulars	Less than 1 year	1 - 2 years	2 -5 years	More than 5 years	Total
<u>Financial Liabilities - Non-current</u>					
Lease liabilities	-	20	51	83	154
Other non-current financial liabilities	-	14	12	4	30
<u>Financial Liabilities - Current</u>					
Borrowings	2,800	-	-	-	2,800
Lease liabilities	13	-	-	-	13
Trade payables	7,724	-	-	-	7,724
Other current financial liabilities	1,077	-	-	-	1,077
Total	11,614	14	12	4	11,798

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 unhedged foreign currency risk at the end of reporting period are as under:

Particulars	(Rs. in lakhs)				
	As at 31 March 2022				
	USD	AED	KWD	EUR	Total
<u>Financial assets</u>					
Trade receivables	605	-	1,198	-	1,803
Bank balances	15	45	-	-	60
Total exposure to foreign currency risk (assets)	620	45	1,198	-	1,863
<u>Financial liabilities</u>					
Trade payables	58	-	1,198	10	1,266
Lease liabilities	-	105	-	-	105
Total exposure to foreign currency risk (liabilities)	58	105	1,198	10	1,371

(Rs. in lakhs)

Particulars	As at 31 March 2021				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	620	-	1,198	-	1,818
Bank balances	91	23	-	-	114
Total exposure to foreign currency risk (assets)	711	23	1,198	-	1,932
Financial liabilities					
Trade payables	320	-	1,201	3	1,524
Lease liabilities	-	103	-	-	103
Total exposure to foreign currency risk (liabilities)	320	103	1,201	3	1,627

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 2022		31 March 2021	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	28	(28)	20	(20)
AED	(3)	3	(4)	4
KWD	-	-	(0)	0
EUR	(1)	1	(0)	0

(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 2022	31 March 2021
Impact on profit before tax for 5% increase in NAV/ Price	94	48
Impact on profit before tax for 5% decrease in NAV/ Price	(94)	(48)

Note 55 - 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:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(a) Net debt [Refer note (61)]	(417)	1,247
(b) Equity	28,201	23,743
(c) Gearing ratio (a/b)	(0.01)	0.05

B. Dividends

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(a) Final dividend		
Final proposed dividend - Rs.12.5 for each fully paid up share for 31 March 2022 (31 March 2021- Rs. Nil per share for each fully paid share)	1,700	-

Note 56 - Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net Profit (loss) after tax for the year (Rs. in lakhs)	4,519	(1,199)
Profit (Loss) attributable to equity share holders (Rs. in lakhs)	4,519	(1,199)
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.)	33.23	(8.82)
Face Value per Share (Rs.)	10.00	10.00

Note 57 - Assets Pledged as security:

The carrying amounts of Assets Pledged as security for current borrowings are:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Current Assets		
Financial Assets		
Investments	1,878	965
Trade Receivables	9,315	10,533
Cash and cash equivalents	638	1,688
Other bank balances	102	112
Loans	41	35
Other financial assets	91	272
Non Financial Assets		
Inventories	8,997	6,246
Other current assets	1,794	1,217
Total Current Assets Pledged as security	22,856	21,068
Non Current Assets		
Plant and Machinery	3,739	4,026
Land and building at Silvassa plant	1,477	1,543
Land and building at Chennai plant	373	393
Other moveable fixed assets	1,262	1,032
Total Non-Current Assets Pledged as security	6,851	6,994
Total Assets Pledged as security	29,707	28,062

Note 58 - Revenue expenditure incurred during the year on research and development amounts to Rs. 332 lakhs (31 March 2021: Rs. 290 lakhs) (including depreciation Rs. 28 lakhs (31 March 2021: Rs. 28 lakhs) and capital expenditure thereof amounts to Rs. 2 lakhs (31 March 2021: Rs. 9 lakhs)).

Note 59- Investments in subsidiaries

Sr. No	Subsidiary / associate / joint venture	Name of the Subsidiary	Principal place of business and country of incorporation	Proportion of ownership interest 31 March 2022	Proportion of ownership interest 31 March 2021	Method of accounting
1	Subsidiary	Ador Welding Academy Private Limited	India	100%	100%	Cost less impairment

Note 60- Revenue from contracts with customers: Ind AS 115

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 three reportable segments of its business :

- (i) Consumables
- (ii) Equipment and automation
- (iii) Flares & Process Equipment Division*

The Company's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2022 and 31 March 2021 are as follows:

		(Rs. in lakhs)	
Sr. No	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1	<u>Goods transferred at a point in time</u>		
	(i) Consumables	53,540	35,219
	(ii) Equipment and automation	9,854	7,050
2	<u>Goods transferred over time</u>		
	(iii) Flares & Process Equipment Division*	2,754	2,459
	Total	66,148	44,728

* Earlier known as "Projects".

b) (i) Contract balances information

				(Rs. in lakhs)
Particulars	Trade receivables	Contract Assets (Refer note (ii) below)	Contract Liabilities (Refer note (ii) below)	
Balance as at 1 April 2020	12,977	4,734	396	
Net Increase/(decrease)	(2,444)	(4,420)	111	
Balance as at 1 April 2021	10,533	314	507	
Net Increase/(decrease)	(1,218)	(189)	298	
Balance as at 31 March 2022	9,315	125	805	

(ii) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

1. The significant changes in contract Assets includes contracts are billed during the year for an amount of Rs. 186 lakhs (31 March 2021: Rs. 3,787 lakhs) and unbilled revenue written off during the year Rs. 3 lakhs (Previous year : 1,320 lakhs).
2. The significant changes in contract liabilities includes customer and distributors advance during the year increased by Rs. 298 lakhs (31 March 2021 increased by Rs. 111 lakhs).

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2022 and 31 March 2021 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	66,370	44,928
<u>Adjustments:</u>		
Sales return	(222)	(200)
Revenue from contract with customers	66,148	44,728

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 2022 and 31 March 2021 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue expected to be recognised	2,577	2,656

Note 61- Net debt reconciliation

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	638	1,688
Borrowings	(68)	(2,800)
Lease liability	(153)	(119)
Interest Payable	-	(16)
Net debt	417	(1,247)

(Rs. in lakhs)

Particulars	Cash and cash equivalents	Borrowings	Lease liability	Interest Payable	Total
Net debt as at 1 April 2020	502	(8,191)	(126)	(32)	(7,847)
Cash flows	1,186	-	-	-	1,186
Repayment of borrowing	-	5,391	-	-	5,391
Leases	-	-	7	-	7
Finance costs recognised	-	-	(11)	(630)	(641)
Finance costs paid	-	-	11	646	657
Net debt as at 31 March 2021	1,688	(2,800)	(119)	(16)	(1,247)
Cash flows	(1,050)	-	-	-	(1,050)
Repayment of borrowing	-	2,802	-	-	2,802
Proceeds from borrowing	-	(70)	-	-	(70)
Leases	-	-	(34)	-	(34)
Finance costs recognised	-	-	(13)	(359)	(372)
Finance costs paid	-	-	13	375	388
Net debt as at 31 March 2022	638	(68)	(153)	-	417

Note 62- Exceptional items :

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1. Investment in subsidiary company in India-	-	140
The Company has an investment of Rs. 353 lakhs (Previous year Rs. 353 lakhs) in the equity share of its 100% subsidiary "Ador Welding Academy Private Limited", the Company evaluated its investment for the purpose of determination of potential diminution value and based on evaluation and considering the underlying factors including downturn in business and decrease in related activities, has recognized a provision for diminution in the value of investment in Ador Welding Academy Private Limited as at 31 March 2021 amounting to Rs. 140 lakhs.		
2. Balances with government authorities-	380	-
The Company has written off Rs. 380 lakhs towards disputed VAT input credit matter which was pending before CESTAT, VAT tribunal during the current year. The Company has decided to avail benefit of Amnesty scheme announced by Government of Maharashtra.		
The Company is carrying certain amount as receivables from various tax authority. During the previous year Company has evaluated its potential recovery considering the various factors like movement in collection of C forms, Assessment order received during the year etc. and accordingly the management has created a provision of Rs. 380 lakhs (Previous year : Rs. 819 lakhs) and written off Rs. Nil (Previous year : Rs 29 lakhs).	-	848

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
3. Flares & Process Equipment Division *	535	-
During the year, the Company has sold one project, which was in progress (as is where as basis) to the third party and booked an additional cost of Rs. 535 lakhs towards compensation to buyer for future estimated losses, expected liquidated damage and other incidental costs. (It includes provision of Rs. 230 lakhs and Rs.305 lakhs towards write off)		
During the year, the Company has made provision of Rs. 285 lakhs towards cost incurred on crematorium projects of MCGM and expected liquidated damages, as estimated by the Management.	285	
The Management has evaluated the recoverability of the receivables from its various projects and created the appropriate provisions in the books amounting to Rs. 1,549 lakhs which includes Rs. 1,305 lakhs receivables from a project executed in the Kuwait, for which appropriate actions has been taken by the Company and the matter is pending in the Court of Law of Kuwait.	-	1,549
4. Profit on sale of Property	(2,098)	-
During the year the Company has sold three properties situated at Delhi- Narayana, Silvassa and Ahmednagar and the profit on sale has been recognised as an exceptional item.		
Total	(898)	2,537

* Earlier known as "Projects".

Note 63- Corporate Social Responsibility :

The Company has formed a Corporate Social Responsibility (CSR) Committee as required under Section 135 of the Companies Act, 2013. The Company is required to spend Rs. 48.46 lakhs as per Section 135(5). However, the Company has spent Rs. 47.36 lakhs on the activities mentioned in Schedule VII to the Companies Act, 2013. The Company had spent Rs. 1.10 lakh excess in previous financial year and hence eligible for set off, against current financial year obligation.

Details of CSR spent during the financial year 2021-22:

Where the company covered under section 135 of the companies act, the following shall be disclosed with regard to CSR activities:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the Company during the year	48.46	58.58
(ii) Amount of expenditure incurred * (Refer note a below)	57.86	49.18
(iii) Shortfall at the end of the year *	0	9.4
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA

* Amount of expenditure incurred, Rs. 10.50 lakhs, transferred during the year unspent CSR bank account.

(vi) Nature of amount spent during financial year 2021-22 is detailed below:-

(Rs. in lakhs)

CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Disaster Management	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Sponsored towards their initiative "Mission Oxygen helping Hospitals save lives", which helped in procuring and donating oxygen concentrators, supplementing hospital infrastructure with oxygenation plants and other lifesaving equipments in the second wave of COVID-19 pandemic situation.	8.00
Promoting Education	Promoting education for poor & needy	Opening of "Rotary Innovation Centre" for Imparting employability / entrepreneurship skills and Skill development w.r.t. Robotics, AI, IOT, 3D Printing	0.20
Disaster Management	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Provide long term care to children who have either lost both their parents to COVID or both parents are currently suffering and no other family member is in position to provide care.	2.49
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Sponsored towards providing kits, containing essential materials for daily use such as saree, hygiene kit, lunch packets, dry food etc. to underprivileged widows under 'Mothers Apt Appreciation' MAA project	0.25
Healthcare Project	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	Sponsored towards providing services of Pediatricians, Psychologists, Occupational therapists, Physiotherapist, Speech Therapist, etc. to students with Intellectual and developmental disabilities (IDD)	2.00
Empowering Women	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.	Providing a safe and secure haven for women in social distress. Services cover: Rehabilitation programmes such as yoga, beauty classes, embroidery, kindergarten & mental wellbeing, Urgent medical & security needs, Legal expenses	5.46

(Rs. in lakhs)			
CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
livelihood enhancement projects	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Providing services to the disabled children from the slums of Colaba, Mumbai, who come from economically challenged background; Services cover education, therapy services, co-curricular & extracurricular activity, nutrition & transport, as needed, resource support, counselling, parent partnership programs, capacity building programs of resource teams and monitoring, tracking & analysing the beneficiaries' progress to customise services, on a need basis for their holistic growth.	2.40
livelihood enhancement projects Related to underprivileged children	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged children	To support girl child; To upgrade the standard of living of Orphan & Needy Children through education	2.50
livelihood enhancement projects	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	To provide quality skill development training to rural school dropout youth; To ensure enough space & requirement for qualitative training; To ensure skill development towards employability of the beneficiaries.	2.00
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	To provide quality skill development training to rural school dropout youth; To ensure enough space & requirement for qualitative training; To ensure skill development towards employability of the beneficiaries.	7.50

(Rs. in lakhs)

CSR project or activity identified	Sector in which project is covered	Projects or programs	Amount spent: direct or through implementing agency
Empowering Women	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.	Providing Sukhadi to Malnourished children and pregnant & lactating mothers; Providing eggs to beneficiaries; Sponsorship to orphans & single parent children; Adopt a home	3.00
Promoting Education	Promoting education for poor & needy	Additional salary to school teachers at Advani Oerlikon Higher Secondary School, Birgaon, Raipur.	3.15
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare of the socially backward class/ unprivileged	Providing 50 hospital cots to blind students	2.00
Livelihood Enhancement Project	Contribution to relief funds for socio economic development, relief and welfare the socially backward class/ unprivileged	Focusing on the welfare activities of members of Scheduled Tribes in remote areas of India.	1.00
Livelihood Enhancement Project	Promoting Health Care Including Preventive Health Care	Sponsoring three support groups having mental health issues	2.25
Setting Up Homes And Hostels For Orphans	Contribution to relief funds for socio economic development, relief and welfare the socially backward class/ unprivileged	Welfare of underprivileged and vulnerable orphans by providing them with a stable home / hostel.	1.75
Livelihood Enhancement Project	Promoting Health Care Including Preventive Health Care	Reuniting wandering mentally ill roadside destitutes with their families	1.50
Total			47.45

Note :

Amount spent during the year on :

(Rs. In lakhs)

Particulars	2021-22	2020-21
i) Construction / Acquisition of any assets	-	-
ii) Purpose other than (i) above	57.86	49.18
Total	57.86	49.18

(vii) Details of related party transactions:

During the current year, Company has not entered into any related party transaction with respect to CSR expenditure. However, during FY 20-21, Company has spent Rs. 10 lakhs towards Vocational training given to the underprivileged youth by sponsoring courses on Welding skill development, and the payment is made to Ador Welding Academy Private Limited which is 100% subsidiary of the company."

(viii) During the year, the Company has not required to make any provision with respect to a liability incurred by entering into a contractual obligation.

Note 64- Disclosure of Ratios :

Sr. No.	Nature of Ratio	Description		As at 31 March 2022	As at 31 March 2021	% change from Previous year	Reason for change more than 25%:
		Nominator	Denominator	Ratio	Ratio		
1	Current Ratio	Current Asset	Current Liabilities	2.20	1.60	38%	During the year, working capital cycle has improved (due to new trade and commerce policy and incentive policies), which resulted into positive cash flow from operations, which helped us to reduce our current borrowing significantly.
2	Debt-Equity Ratio	Borrowings	Net worth	0.00	0.12	-98%	As stated above, improved working capital cycle, helped us to reduce borrowing significantly.
3	Debt Service Coverage Ratio	Profit After Tax (before exceptional Item)+Depreciation +Interest on borrowing	Interest on borrowings	20.44	6.03	239%	Our revenue from operations increased significantly as compared to last year, hence it resulted in improved Profit. Also, the finance cost is reduced due to reduction of borrowings

4	Return on Equity Ratio	Profit After Tax (before exceptional Item)	Average Shareholders fund	14%	6%	153%	Profit After Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
5	Inventory turnover ratio	Cost of Goods sold	Average Inventory	6.16	5.19	19%	N.A.
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	6.67	3.81	75%	Improvement in credit cycle, as company has introduced to new trade and commerce policy and incentive policies.
7	Trade payables turnover ratio	Credit purchases	Average trade payables	7.09	4.49	58%	Due to improved collection cycle, Company's ability to serve its creditors improved significantly and hence company renegotiated credit terms with creditors to avail better price in lesser credit period.
8	Net capital turnover ratio	Revenue from operations	Working Capital	5.31	5.66	-6%	N.A.
9	Net profit ratio	Profit After Tax (before exceptional Item)	Sales (Revenue from Operations)	5%	3%	83%	Profit After Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
10	Return on Capital employed	Earning Before Interest and Tax(before exceptional item)	Capital employed (Net worth + Total debt)	18%	5%	233%	Earning Before Interest and Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
11	Return on investment.	Return on investment	Average of Investment	3%	20%	-84%	Company has invested in Mutual fund in FY 22, overall market rates are low in FY 22.

Note 65 - The Board has recommended a final dividend for the financial year 2021-22 @ Rs.12.5 per share, i.e. 125% of the face value of Rs.10 each.

Note 66 - The Company evaluated subsequent events from the balance sheet date to 20 May 2022, the date at which the financial statement were available to be issued and determined that there are no item to report.

Note 67 - Amounts below Rs 0.50 lakh have been rounded off.

The accompanying notes form an integral part of the standalone financial statements

This is a summary of significant accounting policies and other explanatory information referred to in our other 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 : 20 May 2022

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai
Date : 20 May 2022

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, Ador Welding Academy Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at **31 March 2022**, 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, 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 Group 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 consolidated 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 together with the audit evidence obtained by the other auditor in terms of their report referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements 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.
5. 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
<u>Revenue Recognition</u>	Our response:
Refer Notes 1(II)(n), 33 and 58 to the consolidated financial statements	
<p><u>Revenue Recognition</u></p> <p>Revenue from sale of goods (hereinafter referred to as "Revenue") is recognized when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>The Group has three reportable business segments: i) Consumables ii) Equipment and automation; and iii) Flares and Process Equipment Division (FPED).</p> <p>The timing of recognition of revenue in case of sale of consumables is when control over the same is transferred to the customer, which is mainly upon delivery. The performance obligations are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms i.e., performance obligations are satisfied at a point in time.</p> <p>The performance obligations in case of FPED, are satisfied over the time, whereas in case of equipment, performance obligations are satisfied at a point in time.</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 line with Ind AS 115 ("Revenue from contracts with customers") and testing thereof. • Evaluated the design and operating effectiveness of Company's controls (including the automated controls) around revenue recognition (including rebates / discounts). • Tested the effectiveness of such controls over revenue cut off at year-end by selecting samples and verified the same with underlying documents, which included shipping documents, loading receipt, gate register. We carried out a combination of procedures involving inquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. • Inspected 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. • Selected a sample of continuing and new contracts and performed the following procedures; <ul style="list-style-type: none"> - Read, analyzed 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 - Determined the allocation of transaction price to identified performance obligations in the contract.

	<ul style="list-style-type: none"> • Scrutinized sales ledgers to verify completeness of sales transactions. • Performed substantive testing by extracting samples of revenue transactions recorded during the year by verifying the underlying documents, which included shipping documents, lorry receipt, sales order, approved price list, proper recording in ledger of receivables etc. • 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; <p>Tested the related disclosures made in standalone financial statements in accordance with Ind AS 115.</p>
Key Audit matter	How our audit addressed the key audit matter
Indirect tax balances and litigations	Our response
Refer Notes 1 (II)(f), 12 and 43 to the consolidated financial statements	
<p>Indirect tax balances and litigations</p> <p>As at 31 March 2022, the Group has balances with indirect tax authorities aggregating to Rs. 2,406 lakhs (PY Rs. 2,770 lakhs) net of provision Rs. 1,353 lakhs (PY 1,939 lakhs) and has contingent liabilities amounting Rs. 2,344 lakhs (PY Rs. 2,167 lakhs) pertaining to various indirect tax matters pending before appropriate authorities. Based on a detailed assessment done by the management of recoverability of aforesaid balances, the Group has provided for Rs. 222 lakhs (PY Rs. 831 lakhs) during the year against such balances.</p> <p>The amounts involved are material and the application of accounting principles as given under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.</p> <p>The eventual outcome of the said legal proceedings is dependent on the outcome of future events and unexpected adverse outcomes could significantly impact the Group's reported profits and balance sheet position.</p>	<ul style="list-style-type: none"> • Our audit procedures included, but were not limited to, the following – • Obtained an understanding of the management process for: <ul style="list-style-type: none"> - identification of indirect tax matters that are under litigations or involve balances with the authorities that are doubtful of recovery, - assessment of accounting treatment for each such litigation identified in accordance with the principles of Ind AS 37, and - measurement of amounts involved in such litigations and assessments. • Evaluated the design and tested the operating effectiveness of key controls around above process. • Obtained and read the Group's accounting policies in respect of balances, provisions, and contingent liabilities to assess compliance with accounting standards.

We considered this as Key audit matter due to the materiality of the amounts involved, inherent high estimation uncertainty and significant judgements as stated above.

- Obtained list of indirect tax balances, litigations and claims as at 31 March 2022 from management and reviewed their assessment of the likelihood of outflow of economic resources being probable, possible or remote in respect of the litigations and recoverability of balances with government authorities. This involved assessing the probability of an unfavourable outcome of a given proceeding and testing the computation of amounts involved, through inspection of underlying documents and communications with the tax authorities.
- Evaluated assessment of the management with respect to long standing balances with authorities which have been considered good and recoverable as at 31 March 2022.
- Engaged auditor's experts, who obtained an understanding of the management's assessment of the recoverability, conducted discussions with the management, and considered relevant tax laws and available precedents to validate the conclusions made by the management.
- Assessed and evaluated the adequacy and appropriateness of the disclosures made by the management in the accompanying consolidated financial statements.

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

6. 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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Board of Directors of the Holding Company, as aforesaid.

8. 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.
9. Those respective 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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 system 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 Board of Directors' 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 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 statements of the entities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entity included in the financial statements, of which we are the independent auditors. For the other entity included in the financial statements, which has been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 227 lakhs and net assets of Rs. 218 lakhs as at 31 March 2022, total revenues Nil and net cash inflows amounting to Rs. 7 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 are 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 reports of the other auditor.

Report on Other Legal and Regulatory Requirements

16. 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 incorporated in India whose financial statements have been audited under the Act have 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 the subsidiary company incorporated in India whose financial statements have been audited under the Act, since it is not a public company as defined under section 2(71) of the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of company included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order report of such company.
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 incorporated in India whose financial statements have been audited under the Act, 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 reports 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 read with the Companies (Indian Accounting Standards) Rules, 2015;
 - 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 report of the statutory auditors of its subsidiary company, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2022 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' wherein we have expressed an 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 and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiary incorporated in India whose financial statements have been audited under the Act:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 43 to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - 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 2022;

- iv. a. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary company, or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
- b. The respective managements of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiary that, to the best of their knowledge and belief, no funds have been received by the Holding Company or its subsidiary company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiary as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. a. The Holding Company and its subsidiary company, have not declared or paid any dividend during the year ended 31 March 2022
- b. As stated in note 63 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423AJHDKE8388

Place: Mumbai

Date: 20 May 2022

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 2022

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, Ador Welding Academy Private Limited (the Holding Company and its subsidiary together referred to as 'the Group'), as at and for the year ended **31 March 2022**, we have audited the internal financial controls with reference to financial statements of the Holding Company, 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, 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 Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, 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.

- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports 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 companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

- 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 Financial Statements

- 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

- 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, the Holding Company, its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Holding Company and the subsidiary 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.

Other Matter

- We did not audit the internal financial controls with reference to financial statements insofar as it relates to a subsidiary company, which is a company covered under the Act, whose financial statements reflect total assets of Rs. 227 lakhs and net assets of Rs. 218 lakhs as at 31 March 2022, total revenues Nil and net cash inflows amounting to Rs. 7 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, 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 reports of the other auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No.: 042423

UDIN: 22042423AJHDKE8388

Place: Mumbai

Date: 20 May 2022



CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

(Rs. in lakhs)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
(1) Non-current assets			
(a) Property, plant and equipment	2	10,471	10,804
(b) Right-of-use asset	3	481	127
(c) Capital work-in-progress	4	706	327
(d) Investment property	5	729	722
(e) Intangible assets	6	66	76
(f) Intangible assets under development	7	4	-
(g) Financial assets			
(i) Loans	8	30	15
(ii) Other financial assets	9	929	883
(h) Income Tax (current-tax) assets (net)	10	1,206	1,206
(i) Deferred tax assets (net)	11	268	80
(j) Other non-current assets	12	1,394	1,977
Total non-current assets		16,284	16,217
(2) Current assets			
(a) Inventories	13	8,997	6,246
(b) Financial assets			
(i) Investments	14	1,989	1,068
(ii) Trade receivables	15	9,315	10,543
(iii) Cash and cash equivalents	16	661	1,704
(iv) Other bank balances	17	102	112
(v) Loans	18	41	35
(vi) Other financial assets	19	91	273
(c) Other current assets	20	1,795	1,217
(d) Assets classified as held for sale	21	7	106
Total current assets		22,991	21,198
Total Assets		39,282	37,521
Equity and liabilities			
Equity			
(a) Equity share capital	22	1,360	1,360
(b) Other equity		26,849	22,394
Total equity		28,209	23,754
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	23	60	-
(ii) Lease liabilities	46	127	106
(iii) Other financial liabilities	24	18	30
(b) Provisions	25	469	359
(c) Other non-current liabilities	26	3	5
Total non-current liabilities		677	500
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	27	8	2,800
(ii) Lease liabilities	46	26	13
(iii) Trade payables	28		
Total outstanding dues to micro and small enterprises		192	249
Total outstanding dues to creditors other than micro and small enterprises		7,559	7,475
(iv) Other financial liabilities	29	986	747
(b) Other current liabilities	30	933	1,488
(c) Provisions	31	651	493
(d) Current tax liabilities, (net)	32	41	2
Total current liabilities		10,396	13,267
Total equity and liabilities		39,282	37,521
Summary of significant accounting policies and other explanatory information 1			
The accompanying notes forms an integral part of the consolidated financial statements			
This is the consolidated 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

Place : Mumbai

Date : 20 May 2022

Vinayak M. Bhide

Head - Corp. Admin,
Legal and Company
Secretary

Surya Kant Sethia

Chief Financial
Officer

Tanya H. Advani

Non-Executive Director
DIN : 08586636

Aditya T. Malkani

Managing Director
DIN : 01585637

Place : Mumbai

Date : 20 May 2022

For and on behalf of the Board of Directors

ADOR WELDING LIMITED

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Rs. in lakhs)

Particulars	Notes	Year ended 31 March 2022	Year ended 31 March 2021
I. Income			
(a) Revenue from operations	33	66,148	44,768
(b) Other income	34	548	739
Total Income		66,696	45,507
II. Expenses			
(a) Cost of raw materials and components consumed	35	42,125	32,620
(b) Purchase of stock-in-trade	36	5,850	947
(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	37	(990)	(1,189)
(d) Employee benefits expenses	38	4,866	3,770
(e) Finance costs	39	372	641
(f) Depreciation and amortisation expense	2,3,5,6	1,090	1,117
(g) Other expenses	40	8,460	6,610
Total expenses		61,773	44,516
III. Profit before exceptional items and tax (I-II)		4,923	991
IV. Exceptional items (net) income /(expenses)	60	898	(2,397)
V. Profit /(Loss)before tax (III-IV)		5,821	(1,406)
VI. Tax expenses /(credit)	41		
(a) Current tax		1,473	158
(b) Deferred tax (credit)/ charge		(168)	(526)
Total tax expense /(credit)		1,305	(368)
VII. Profit / (Loss)for the year (V-VI)		4,516	(1,038)
VIII. Other comprehensive income	42		
(a) Items that will not be reclassified to statement of profit and loss		(81)	70
(b) Income tax relating to above items		20	(18)
Total other comprehensive (loss) / income(net)		(61)	52
IX. Total comprehensive income / (loss) for the year (VII+VIII)		4,455	(986)
X. Earnings per equity share	55		
Basic and diluted earnings / (losses) per share (Face value per share Rs. 10)		33.21	(7.63)
Summary of significant accounting policies and other explanatory information			
The accompanying notes form an integral part of the consolidated financial statements			
This is the consolidated statement of profit and loss referred to in our report of even date.			

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

For and on behalf of the Board of Directors

Khushroo B. Panthaky
Partner
Membership No. 042423

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai
Date : 20 May 2022

Place : Mumbai
Date : 20 May 2022

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

		(Rs. in lakhs)	
Particulars		Year ended 31 March 2022	Year ended 31 March 2021
(A)	Cash flow from operating activities		
	Profit / (Loss) before tax	5,821	(1,406)
	Adjustment for:		
	Fair value adjustments relating to		
	– Financial assets at amortised cost	1	(2)
	Depreciation and amortisation expense	1,090	1,117
	Bad debts written off	24	757
	Expected Credit Loss	106	72
	Inventory written off	38	100
	Property, plant and equipment written off	21	79
	Assets written off	–	103
	Provision / liabilities no longer required now written back	(70)	–
	Items considered separately:		
	Interest expense on lease liability	13	11
	Finance costs	359	630
	Loss on sale of property, plant & equipment	10	53
	Fair value change of financial asset measured at FVTPL	(52)	(133)
	Interest income	(86)	(61)
	Rental income	(122)	(92)
	Exchange gain on revaluation of foreign currency monetary item	–	(100)
	Exceptional items (Refer note 60)	(898)	434
	Operating profit before working capital changes	6,255	2,397
	Adjustments for changes in working capital		4,931
	Inventories	(2,789)	(125)
	Trade receivables	629	26
	Loans and Other receivables	(249)	4,114
	Trade payables	(343)	128
	Liabilities and Provisions	570	65
	Cash generated from operating activities	4,073	4,208
	Income tax (paid) / refund	(1,434)	169
	Net cash generated from operating activities	2,639	7,733
(B)	Cash flow from investing activities		7,902
	Acquisition of property, plant and equipment (including capital work-in-progress, intangible assets under development and capital advances)	(1,733)	(910)
	Purchase of investments	(2,016)	(965)
	Proceeds from sale of property, plant and equipment	1,853	108

(Rs. in lakhs)

Particulars		Year ended 31 March 2022		Year ended 31 March 2021	
	Advance received against proposed sale of property	14		585	
	Proceeds from sale of investments	1,149		405	
	Interest received	85		62	
	Rental received	130		88	
	Increase in fixed deposits	(27)		(30)	
	Net cash used in investing activities		(545)		(657)
(C)	Cash flow from financing activities				
	Finance cost paid	(375)		(647)	
	Finance cost paid on lease liabilities	(13)		(11)	
	Repayment of lease liability	(17)		(10)	
	Repayment of borrowings	(2,802)		(5,391)	
	Proceeds from borrowings	70		-	
	Net cash used in financing activities		(3,137)		(6,059)
	Net (decrease) / increase in cash and cash equivalents (A+B+C)		(1,043)		1,186
	Cash and cash equivalents at the beginning of the year		1,704		518
	Cash and cash equivalents at the end of the year [Refer note 16]		661		1,704

Notes to the cash flow statement

- (a) The statement of cash flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- (b) Components of cash and cash equivalents:

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	5	7
Balances with banks in current accounts	656	1,697
Total	661	1,704

Summary of significant accounting policies and other explanatory information

1

The accompanying notes forms an integral part of the consolidated financial statements.

This is the consolidated cash flow statement 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

 Place : Mumbai
 Date : 20 May 2022

 Vinayak M. Bhide
 Head - Corp. Admin,
 Legal and Company
 Secretary

 Surya kant Sethia
 Chief Financial
 Officer

 Tanya H. Advani
 Non-Executive Director
 DIN : 08586636

 Aditya T. Malkani
 Managing Director
 DIN : 01585637

For and on behalf of the Board of Directors

 Place : Mumbai
 Date : 20 May 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT AND FOR THE YEAR ENDED 31 MARCH 2022**A) Equity share capital (Refer note 22)**

Particulars	Number of shares	Amount (Rs. in lakhs)
Issued, subscribed and paid up:		
As at 1 April 2021	1,35,98,467	1,360
As at 31 March 2022	1,35,98,467	1,360

B) Other equity

Particulars	Reserves and surplus			(Rs. in lakhs)
	General reserve	Capital redemption reserve	Retained earning	Total
Balance as at 1 April 2020	14,386	223	8,771	23,380
(Loss) for the year	–	–	(1,038)	(1,038)
Net other comprehensive (loss) for the year	–	–	52	52
Transfer from retained earnings to general reserve	283	–	(283)	–
Balance as at 31 March 2021	14,669	223	7,502	22,394
Profit for the year	–	–	4,516	4,516
Net other comprehensive income for the year	–	–	(61)	(61)
Balance as at 31 March 2022	14,669	223	11,957	26,849

Nature and purpose of the reserves**(1) General reserve**

The general reserve is a distributable reserve maintained by the Group to be utilised in accordance with the Act.

(2) Capital redemption reserve

The Capital redemption reserve has been created on/during buy back of equity shares and it is a non – distributable reserve.

(3) Retained earnings

The Retained earnings pertain to the accumulated earnings made by the Group over the years.

Summary of significant accounting policies and other explanatory information**1****The accompanying notes form an integral part of the standalone financial statements**

This is the standalone statement of changes in equity 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

Place : Mumbai
Date : 20 May 2022

Vinayak M. Bhide
Head - Corp. Admin,
Legal and Company
Secretary

Surya kant Sethia
Chief Financial
Officer

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai
Date : 20 May 2022

For and on behalf of the Board of Directors

Note 1 – Significant accounting policies and other explanatory information to the consolidated financial statements for the year ended 31 March 2022

I. Group Corporate Information

Ador Welding Limited ('the Holding 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 Bombay Stock Exchange Limited (BSE) and the National Stock Exchange (India) Limited (NSE). The registered and corporate office of the Company is situated at Ador House, 6, K. Dubash Marg, Fort, Mumbai.

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 2022 were authorised for issue in accordance with resolution of the Board of Directors on 20 May 2022.

II. Significant Accounting Policies followed by the Group

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 and guidelines issued by the Securities & Exchange Board of India (SEBI).

(b) Basis of Preparation

The financial statements have been prepared on a historical cost convention and accrual basis, except for the 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 the Schedule III to the Act.

(c) Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

Subsidiary are entity 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),(h)

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)(a)

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 49.

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)(j)

Other areas involving critical estimates or judgments are :

- i) Revenue from Project Engineering Business projects – Refer note 1 (II)(n)
- ii) Estimation of tax expenses and tax payable – Refer note 41
- iii) Probable outcomes of matters included under Contingent Liabilities – Refer note 43
- iv) Leases – Estimating the incremental borrowing rate – Refer note 1 (II)(r)

(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) Non-current assets classified as held for sale:

Assets that are available for immediate sale and where the sale is highly probable of being completed within one year from the date of classification are considered and classified as assets held for sale. Assets classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell. The determination of fair value less costs to sell includes use of management estimates and assumptions. The fair value of asset held for sale has been estimated using observable inputs such as price quotations.

(g) 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 and Loss.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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 allocate 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 and 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

Duty drawback or merchant export from India (MEIS) scheme are accounted in the year of export as export incentives. From 1 January 2021 onwards, Merchant Export from India (MEIS) Scheme has been abolished by Central Government and introduced Remission of Duties and Taxes on Export Products (RoDTEP) scheme, under which exporters receive the refunds on the embedded taxes and duties previously non-recoverable. Tax credit as per RoDTEP scheme is accounted on receipt basis.

(o) 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.

(p) 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 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) 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.

(w) 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.



Note 2 - Property, plant and equipment

Description	Freehold land	Buildings [Refer notes (a) & (c) as below]	Ownership premises	Plant and equip-ments (including computers)	Electrical installations	Furniture and fixtures	Office equipment	Vehicles	Research and development assets:				Total	
									Freehold land	Buildings	Plant and equip-ment (including computers)	Furniture and fixtures		Air conditioner
Gross carrying value														
As at 1 April 2020	342	7,953	274	15,667	1,228	1,006	269	437	34	127	775	4	7	28,123
Additions	-	32	79	259	56	68	9	5	-	-	8	-	-	516
Adjustments [Refer note (d) below]	-	(406)	-	-	-	-	-	-	-	-	-	-	-	(406)
Deductions	-	4	-	1,360	22	28	20	59	-	-	6	-	-	1,499
As at 31 March 2021	342	7,575	353	14,566	1,262	1,046	258	383	34	127	777	4	7	26,734
Additions	-	179	21	240	96	170	56	169	-	-	2	-	-	933
Adjustments [Refer notes (b) and (f) as below]	-	(97)	(9)	-	-	-	-	-	-	-	-	-	-	(106)
Deductions	-	153	20	227	23	167	9	64	-	-	-	-	-	663
As at 31 March 2022	342	7,504	345	14,579	1,335	1,049	305	488	34	127	779	4	7	26,898
Accumulated depreciation														
As at 1 April 2020	-	2,590	80	11,424	864	610	190	168	-	92	517	-	7	16,542
Depreciation charge	-	255	5	547	61	59	22	55	-	3	23	2	-	1,032
Adjustments [Refer note (d) below]	-	(301)	-	-	-	-	-	-	-	-	-	-	-	(301)
Deductions	-	3	-	1,227	21	26	18	43	-	-	3	-	2	1,343
As at 31 March 2021	-	2,541	85	10,744	904	643	194	180	-	95	537	2	5	15,930
Depreciation charge	-	246	8	511	63	67	25	63	-	1	26	0	0	1,010
Adjustments [Refer note (b) as below]	-	(32)	(2)	-	-	-	-	-	-	-	-	-	-	(34)
Deductions	-	25	5	229	17	145	8	49	-	-	-	-	-	479
As at 31 March 2022	-	2,730	86	11,026	950	565	211	194	-	96	563	2	5	16,427
Net carrying value														
As at 31 March 2021	342	5,034	268	3,822	358	403	64	203	34	32	240	2	2	10,804
As at 31 March 2022	342	4,774	259	3,553	385	484	94	294	34	31	216	2	2	10,471

Notes:-

- (a) Includes:
- Rs. 0.01 lakh (31 March 2021: Rs. 0.01 lakh) being the aggregate value of shares in Co-operative housing societies.
 - Rs. 4 lakhs (31 March 2021: Rs. 4 lakhs) for tenements in an association of apartment owners.
- (b) During the financial year 2021-22, a flat at silvassa is classified from "Property, plant and equipment" (Gross carrying amount Rs. 9 lakhs and Accumulated depreciation of Rs. 2 lakhs till 31 March 2022) is classified as "Asset held for sale".
- (c) During the year, the Group has sold Narayana property situated at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs. 25 lakhs under "Property, Plant and Equipment". Rs. 55 lakh shown under the head "Investment Property" and Rs. 22 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.
- (d) During the previous year, the Group had entered into a Memorandum of Understanding for the sale/transfer of its right in Ahmednagar property admeasuring 66,108 square meters, Gross carrying amount (Land Rs. 1 lakh and building Rs. 406 lakhs) and Accumulated depreciation on building of Rs. 301 lakhs has been classified from "Property, plant and equipment" to "Asset classified as held for sale".
- (e) The Group has pledged certain assets against borrowing limits (refer note 56 for details).
- (f) During the current year, building situated at Pune location has been reclassified from "Property plant and equipment" to "Investment Property" (gross carrying amount Rs. 97 lakhs and Accumulated depreciations of Rs. 32 lakhs).

Note 3 – Right-of-use asset

(Rs. in lakhs)

Description	Leasehold Land [Refer note (b)]	Ownership premises [Refer note 46]	Computers [Refer note 46]	Total
Gross carrying value				
As at 1 April 2020	27	130	–	157
Additions	–	–	11	11
Deductions	1	4	–	5
As at 31 March 2021	26	126	11	163
Additions	357	–	43	400
Adjustments (Refer note (c))	(4)	–	–	(4)
Deductions	15	1	–	16
As at 31 March 2022	364	125	54	543
Accumulated amortisation				
As at 1 April 2020	–	20	–	20
Amortisation charge	–	16	–	16
As at 31 March 2021	–	36	–	36
Amortisation charge*	5	12	9	26
Deductions	–	–	–	–
As at 31 March 2022	5	48	9	62
Net carrying value				
As at 31 March 2021	26	90	11	127
As at 31 March 2022	359	77	45	481

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:-

- (a) The Group incurred Rs. 220 lakhs in the year ended 31 March 2022 (31 March 2021: Rs. 10 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 250 lakhs for the year ended 31 March 2022 (31 March 2021: Rs. 31 lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities is Rs. 13 lakhs for the year 31 March 2022 (31 March 2021: Rs. 11 lakhs). [Refer note 40 and note 46]
- (b) During the year, the Group has sold Narayana property at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs 25 lakhs under "Property, Plant and Equipment", Rs 55 lakh shown under the head "Investment Property" and Rs 15 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.
- (c) During the current year, land situated at Pune location has been reclassified from "Right-of-use asset" to "Investment Property" (gross carrying amount Rs. 4 lakhs).

Note 4 – Capital work-in-progress**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	327	28
Add : Addition during the year	1,127	325
Less : Capitalised during the year	(748)	(26)
Total	706	327

a) Capital work-in-progress aging schedule**(Rs. in lakhs)**

CWIP Project in Process	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	470	236	-	-	706
Projects temporarily suspended	-	-	-	-	-
Total	470	236	-	-	706

(Rs. in lakhs)

CWIP Project in Process	Amount in CWIP for a period of 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	327	-	-	-	327
Projects temporarily suspended	-	-	-	-	-
Total	327	-	-	-	327

(b) Completion schedule (For projects where completion is overdue or has exceeded its cost compared to its original plan) as at 31 March 2022**(Rs. in lakhs)**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Process Stainless Steel Plant	246	-	-	-

Completion schedule (For projects where completion is overdue or has exceeded its cost compared to its original plan) as at 31 March 2021**(Rs. in lakhs)**

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Process Stainless Steel Plant	-	254	-	-
Others	7	-	-	-
Total	7	254	-	-

Note : There are no overdue projects or projects which has exceeded costs compared to original plan, other than mentioned above.

Note 5 – Investment Property

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
Gross carrying value (at deemed cost)					
As at 1 April 2020	49	17	791	82	939
Additions	–	–	–	–	–
Deductions	–	–	–	–	–
As at 31 March 2021	49	17	791	82	939
Additions	–	–	–	–	–
Adjustments [Refer notes (e) and (f) below]	–	4	97	–	101
Deductions	–	21	34	–	55
As at 31 March 2022	49	–	854	82	985
Accumulated depreciation					
As at 1 April 2020	–	–	168	30	198
Depreciation charge	–	–	18	1	19
Deductions	–	–	–	–	–
As at 31 March 2021	–	–	186	31	217
Depreciation charge	–	–	17	2	19
Adjustments [Refer note (d) below]	–	–	32	–	32
Deductions	–	–	12	–	12
As at 31 March 2022	–	–	223	33	256
Net carrying value					
As at 31 March 2021	49	17	605	51	722
As at 31 March 2022	49	–	631	49	729

Notes :

(a) Fair Value of Investment properties*:

(Rs. in lakhs)

Description	Freehold land	Leasehold land	Buildings	Ownership premises	Total
As at 31 March 2021	358	1,374	916	619	3,267
As at 31 March 2022	301	1,441	751	646	3,138

*Estimation of fair value

During the year, valuations of the Investment properties is performed by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. During the previous year, valuations of the Investment properties is performed by a independent valuer and not by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The fair value measurement is based on comparable sales approach (Previous year : rental yield approach). The fair value measurement is categorised in level 3 of fair value hierarchy.

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.

(b) Information regarding income and expenditure of Investment property**(Rs. in lakhs)**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Rental income derived from investment properties	122	92
Direct operating expenses (including repairs and maintenance) generating rental income	15	18
Profit arising from investment properties before depreciation	107	74
Less: Depreciation	(18)	(21)
Profit arising from investment properties	89	53

- (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 year, the Group has sold Narayana property at Delhi having gross block of Rs. 153 lakhs and accumulated depreciation of Rs 25 lakhs under "Property, Plant and Equipment", Rs 55 lakh shown under the head "Investment Property" and Rs 22 lakh shown under "Right of use of assets" for a consideration of Rs. 900 lakhs.
- (e) During the current year, building situated at Pune location has been reclassified from "Property plant and equipment" to "Investment Property" (Building gross carrying amount Rs. 97 lakhs and Accumulated depreciations of Rs. 32 lakhs)
- (f) During the current year, land situated at Pune location has been reclassified from "Right-of-use asset" to "Investment Property" (gross carrying amount Rs. 4 lakhs).

Note 6 - Intangible assets**(Rs. in lakhs)**

Description	Computer Software	Total
Gross carrying value		
As at 1 April 2020	693	693
Additions	39	39
Deductions	12	12
As at 31 March 2021	720	720
Additions	25	25
Adjustments	-	-
Deductions	-	-
As at 31 March 2022	745	745
Accumulated amortisation		
As at 1 April 2020	605	605
Additions	50	50
Deductions	11	11
As at 31 March 2021	644	644
Amortisation charge	35	35
Deductions	-	-
As at 31 March 2022	679	679
Net carrying value		
As at 31 March 2021	76	76
As at 31 March 2022	66	66

Note 7 - Intangible assets under development

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	-	-
Add : Addition during the year	4	-
Less : Capitalised during the year	-	-
Total	4	-

(Rs. in lakhs)

Intangible assets under development Project in Process	Amount in CWIP for a period of 31 March 2022				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	4	-	-	-	4
Projects temporarily suspended	-	-	-	-	-
Total	4	-	-	-	4

(Rs. in lakhs)

Intangible assets under development Project in Process	Amount in CWIP for a period of 31 March 2021				Total
	Less than 1 year	1-2 years	2-3 years	above 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Note : There are no overdue projects or projects which has exceeded costs compared to original plan, other than mentioned above

Note 8 - Loans (Non-current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loan to employees	30	15
Total	30	15

Break-up:

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans considered good - Unsecured	30	15
Total	30	15

Note 9 - Other financial assets (Non-current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit	179	160
Fixed deposits held as lien by bank against bank guarantees	750	723
Total	929	883

Note 10 - Income Tax (current-tax) assets (net)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income tax (net of provision)	1,192	1,192
MAT credit availment	14	14
Total	1,206	1,206

Notes:**(a) The following table provides the details of income tax assets and liabilities:****(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Income tax assets	4,223	4,223
Current income tax liabilities	3,031	3,031
Net balances	1,192	1,192

Note 11 - Deferred tax assets (net)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets on account of:		
Employee benefits	202	151
Expected Credit Loss	817	673
Deferment of revenue	-	36
	1,019	860
Deferred tax liabilities on account of:		
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	746	779
Financial asset measured at FVTPL	5	1
	751	780
Net deferred tax assets	268	80

Note 12 - Other non-current assets**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances considered good [Refer notes (a) below]	23	23
Capital advances credit impaired [Refer notes (a) below]	27	27
Less : Loss allowance	(27)	(27)
	23	23
Balances with government authorities considered good	1,353	1,939
Balances with government authorities credit impaired	1,053	831
Less : Loss allowance [Refer notes (b) below]	(1,053)	(831)
	1,353	1,939
Prepaid Expenses	18	15
Total	1,394	1,977

Break-up:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Other assets considered good - Secured	-	-
Other assets considered good - Unsecured	1,394	1,977
Other assets credit impaired	1,080	858
Other assets which have significant increase in credit risk	-	-
Loss allowance	(1,080)	(858)
Total	1,394	1,977

Notes:**(a) Capital advances include:****(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Land at Silvassa	27	27
Less : Provision for capital advances	(27)	(27)
Furniture and fixtures	-	14
Building	12	-
Plant and equipment	11	9
Total	23	23

- (b)** The Group has created a provision towards doubtful recovery from the government authorities amounting to Rs. 1,053 lakhs (Previous year FY 2020-21 : Rs. 831 lakhs (out of this, Rs. 819 lakhs have been shown as exceptional items in the Statement of Profit and Loss in previous year)).

Note 13 - Inventories

(Valued at lower of cost or net realisable value)

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Raw materials, components and packing material	3,771	2,044
Work-in-Progress	1,026	1,063
Finished Goods *	3,423	2,454
Stock-in-trade	136	109
Stores, spares, parts, scrap etc.	283	249
Right to receive inventory	358	327
Total	8,997	6,246

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Write-downs of inventories to net realisable value amounted to Rs. 38 lakhs (31 March 2021: Rs. 100 lakhs). These write down were recognised as an expense during the year and included in the 'Changes in inventories of finished goods, work-in-progress and stock-in-trade' in the Statement of Profit and Loss.

* Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS), while the Company's application for License was pending BIS approval, as BIS is alleging that the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The matter is still pending before BIS and Company is awaiting for the outcome of the same.

Note 14 - Investments (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Financial assets classified and measured at fair value through profit or loss		
(A) Investment in mutual funds (Unquoted)		
Axis Bluechip fund - growth-direct plan (31 March 2022: 140,799.06 units, 31 March 2021: Nil)	70	-
Axis Strategic Bond fund - growth-direct plan (31 March 2022: 641,195.41 units, 31 March 2021: Nil)	154	-
Birla Sunlife Low Duration fund - direct plan-growth (31 March 2022: 60,854.154 units, 31 March 2021: Nil)	351	-
HDFC Credit Risk Debt fund - growth - direct plan (31 March 2022: 749,799.09 units, 31 March 2021: Nil)	155	-
HDFC Short Term Debt fund - growth - direct plan (31 March 2022: 486,071.23 units, 31 March 2021: Nil)	127	-
ICICI Prudential Medium Term Bond fund - growth - direct plan (31 March 2022: 399,964.54 units, 31 March 2021: Nil)	154	-
ICICI Prudential Short Term fund - growth - direct plan (31 March 2022: 249,850.69 units, 31 March 2021: Nil)	128	-
HDFC Balanced Advantage fund - regular plan - growth (31 March 2022: 108,461.36 units, 31 March 2021: 43,137.551 units)	310	102
Birla Sunlife Liquid fund - growth - regular plan (31 March 2022: Nil, 31 March 2021: 253,098.63 units)	-	833
Kotak Bluechip fund -growth - direct plan (31 March 2022: 23,816.45 units, 31 March 2021: Nil)	97	-
Mirae Asset Focused fund -growth - direct plan (31 March 2022: 345,780.12 units, 31 March 2021: Nil)	69	-
Mirae Asset Large Cap fund -growth - direct plan (31 March 2022: 84,312.81 units, 31 March 2021: Nil)	71	-
SBI Focused Equity fund -growth - direct plan (31 March 2022: 27,428.11 units, 31 March 2021: Nil)	70	-
UTI Flexicap fund - growth - direct plan (31 March 2022: 35,883.81 units, 31 March 2021: Nil)	92	-
Birla sunlife floating rate fund - growth - direct plan (31 March 2022: 4,048.083 units; 31 March 2021: 4,048.083 units of Rs. 100 each)	11	11
Birla sunlife arbitrage fund - growth - direct plan (31 March 2022: 25,184.984 units; 31 March 2021: 25,184.984 units of Rs. 100 each)	6	5
Birla sunlife arbitrage fund - growth - regular plan (31 March 2022: 160,644.404 units; 31 March 2021: 160,644.404 units of Rs. 10 each)	36	33
SBI Magnum low duration fund - growth plan (31 March 2022: 606.083 units; 31 March 2021: 606.083 units of Rs. 100 each)	18	17

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Aditya Birla sunlife arbitrage fund - growth - regular plan (31 March 2022: 30,761.186 units; 31 March 2021: 30,761.186 units of Rs. 100 each)	7	6
IDFC Banking and PSU Debt fund - growth - regular plan (31 March 2022: 35,493.508 units; 31 March 2021: 35,493.508 units of Rs. 100 each)	7	7
Aditya Birla sunlife equity hybrid 95 fund - growth - direct plan (31 March 2022: 1,245.128 units; 31 March 2021: 1,245.128 units of Rs. 100 each)	15	12
HDFC Corporate bond fund - growth - regular plan (31 March 2022: 43,871.772 units; 31 March 2021: 43,871.772 units of Rs. 100 each)	11	12
Investment in mutual funds	1,959	1,038
(B) Investment in bonds (Quoted)		
9.60% Tourism Finance Corporation Limited Bonds_2028 (31 March 2022: 2 units, 31 March 2021: 2 units of Rs. 10 lakhs each)	20	20
9.65% Tourism Finance Corporation Limited Bonds_2033 (31 March 2022: 1 unit, 31 March 2021: 1 unit of Rs. 10 lakhs)	10	10
Investment in bonds	30	30
Total (A+B)	1,989	1,068
Aggregate amount of investments and its market value		
Quoted	30	30
Unquoted	1,959	1,038

Note 15 - Trade receivables

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	9,089	10,509
Receivables from related parties (Refer note 50)	226	34
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	2,193	1,856
Less : Loss allowance	(2,193)	(1,856)
Total	9,315	10,543

Break-up:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Secured, considered good [Refer notes (a) below]	295	297
Unsecured, considered good [Refer notes (b) below]	9,020	10,246
Unsecured, credit impaired	2,193	1,856
Less : Loss allowance	(2,193)	(1,856)
Total	9,315	10,543

Trade Receivable aging schedule as at 31 March 2022

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	7,046	304	480	131	164	8,125
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	96	90	255	62	222	725
(iv) Disputed Trade Receivables – considered good	-	1,061	-	129	-	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	1,425	-	5	38	1,468
Total	7,142	2,880	735	327	424	11,508

Trade Receivable aging schedule as at 31 March 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,189	605	472	65	22	9,353
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	2	79	41	5	209	336
(iv) Disputed Trade Receivables – considered good	1,061	-	129	-	-	1,190
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	1,454	-	16	38	12	1,520
Total	10,706	684	658	108	243	12,399

Notes :

- (a) Secured by letter of credit
- (b) Refer notes 53(A) for information on credit risk and details regarding past dues receivables and movement in provisions of loss allowance.

Note 16 – Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	5	7
Balances with banks in current accounts	656	1,697
Total	661	1,704

Note 17 – Other bank balances

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Earmarked balances with banks [Refer note (a) below]	94	112
Unspent corporate social responsibilities balances with banks	8	–
Total	102	112

Note:

(a) There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at 31 March 2022 and as at 31 March 2021.

Note 18 - Loans (Current)

Unsecured, considered good (unless otherwise stated)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Loans and advances to employees	39	30
Others	2	5
Total	41	35

Break-up:

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2021
Loans considered good – Secured	–	–
Loans considered good – Unsecured	41	35
Loans which have significant increase in credit risk	–	–
Loans – credit impaired	–	–
Total	41	35

Note 19 – Other financial assets (Current)

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2021
Security deposits	37	80
Unbilled revenue [Refer note 58]	–	130
Interest accrued but not due on fixed deposits	2	1
Other receivables		
(a) from related parties	3	1
(b) from others	49	61
Total	91	273

Note 20 – Other current assets

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2021
Contract assets	125	184
Advance to suppliers	1,234	612
Prepaid expenses	159	108
Duty entitlement on hand	14	–
Duty drawback and export incentives receivable	12	60
Input tax credit receivable	221	66
Other receivables	30	187
Total	1,795	1,217

Note 21 – Asset classified as held for sale

(Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2021
Leasehold land (Refer note (a) below)	–	1
Buildings (Refer note (a) below)	–	105
Ownership Premises (Refer note (b) below)	7	–
Total	7	106

Note: Asset classified as held for sale (Ind AS 105)

- (a) During the Current year, the Group has sold/transferred its right in Ahmednagar property admeasuring 66,108 square meters, as is where basis, for a consideration of Rs. 1,462 lakhs which has been duly approved by Board.
- (b) During the Current year, the Group has entered into an agreement for the sale of one flat at Silvassa , for a consideration of Rs. 20 lakhs which has been duly approved by Board. The Group has received Rs. 14 lakhs as advance against the transactions. The transactions is likely to be completed in FY 2022-23, hence same has been classified as 'Assets classified as held for sale'.

Item wise net carrying value as at 31 March 2022 of the Asset classified as held for sale is as follows:

(Rs. in lakhs)

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Ownership Premises	9	2	7
Total	9	2	7

Item wise net carrying value as at 31 March 2021 of the Asset classified as held for sale is as follows:

(Rs. in lakhs)

Particulars	Gross carrying value	Accumulated depreciation	Net carrying value
Leasehold land	1	-	1
Buildings	406	301	105
Total	407	301	106

Note 22 - Equity share capital

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised shares 30,000,000 (31 March 2021: 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 2021: 13,598,467) equity shares of Rs. 10 each fully paid up	1,360	1,360
Contribution from Holding company	-	-
Total	1,360	1,360

Note 22 a- Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares	(Rs. In lakhs)	No. of shares	(Rs. In lakhs)
Equity shares				
Shares outstanding at the beginning of the year	1,35,98,467	1,360	1,35,98,467	1,360
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,35,98,467	1,360	1,35,98,467	1,360

Note 22 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 and every 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 22 c- Shares held by holding company

Particulars	As at 31 March 2022		As at 31 March 2021	
	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%

Note 22 d- Details of shares held by shareholders holding more than 5% of aggregate shares in the company

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs. 10 each				
J.B.Advani & Company Private Limited	68,00,531	50.01%	68,00,531	50.01%
Nippon Life India Trustee Ltd-A/C Nippon India Value Fund (Reliance Capital Trustee Company Limited)	-	-	8,64,065	6.35%
Total	68,00,531	50.01%	76,64,596	56.36%

* During the current year, shareholding of Nippon Life India Trustee Ltd in the Company is reduced below 5%, hence not reported in the current year.

Note 22 e- Details of shares held by promoters in the Company

Name of Promoter	As at 31 March 2022						As at 31 March 2021				
	No. of shares held at the beginning of the year	change in the no. of shares during the year (Purchase / (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year	No. of shares held at the beginning of the year	change in the no. of shares during the year (Purchase / (Sold))	No. of shares held at the end of the year	Percentage of total shares	Percentage change during the year	
J B Advani And Company Pvt Limited	68,00,531	-	68,00,531	50.01%		68,00,531	-	6800531	50.01%		
Aruna B. Advani	2,95,480	-	2,95,480	2.17%		2,95,480	-	295480	2.17%		
Aditya T. Malkani	1,23,198	-	1,23,198	0.91%		1,03,626	19,572	123198	0.91%	0.15%	
(Late) A. T. Mirchandani	64,430	-	64,430	0.47%		64,430	-	64430	0.47%		
N. Malkani Nagpal	81,052	1,12,900	1,93,952	1.43%	0.82%	81,052	-	81052	0.60%		
Michelle Gulu Malkani	79,200	-	79,200	0.58%		79,200	-	79200	0.58%		
Guishan Gulu Malkani	1,11,900	(1,11,900)	0	0.00%	-0.82%	1,11,900	-	111900	0.82%		
Rajbir Tarachand Malkani	64,507	-	64,507	0.47%		64,507	-	64507	0.47%		
Privadarshini Lambert	49,050	-	49,050	0.36%		49,050	-	49050	0.36%		
Vimla A. Lalvani	19,490	-	19,490	0.14%		19,490	-	19490	0.14%		
Ravin A. Mirchandani	8,002	-	8,002	0.06%		8,002	-	8002	0.06%		
Deep A. Lalvani	19,419	-	19,419	0.14%		19,209	210	19419	0.14%	0.00%	
Reshma A. Lalvani	3,680	-	3,680	0.03%		3,680	-	3680	0.03%		
Shirin Aditya Malkani	15,873	-	15,873	0.12%		15,873	-	15873	0.12%		
Pravena K Matthur	900	-	900	0.01%		900	-	900	0.01%		
Total	77,36,712	1,000	77,37,712	56.90%		77,16,930	19,782	77,36,712	56.89%		

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 2022.

Note 23 - Borrowing (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Vehicle Loan from Bank of Baroda *	60	-
Total	60	-

* The Group has availed Vehicle loan from Bank of Baroda @ 7.1%, repayable in 84 EMI of Rs. 1.06 lakhs. The above loan is hypothecated against a vehicle having a gross block of Rs. 94 lakhs and WDV of Rs. 86 lakh as at 31 March 2022.

Note 24 - Other financial liabilities (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Rent deposit	3	14
Rent deposit from related parties [Refer note 50]	15	14
Other deposit	-	2
Total	18	30

Note 25 - Provisions (Non-current)

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity [Refer note 49(II)]	469	359
Total	469	359

Note 26 - Other non-current liabilities

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income	3	5
Total	3	5

Note 27 - Borrowings**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Borrowings		
From banks		
Working capital loan repayable on demand [Refer notes (a) and (b) below and note 56]	-	2,800
Current Maturities of long term borrowing	8	-
Total	8	2,800

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 amount as at 31 March 2022 is Rs. Nil (31 March 2021: Rs 2,800 lakhs) is secured first pari passu charge by way of hypothecation of Holding 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 Holding Company and on the land and building of the Holding Company located at survey no. 59/11/1, 59/11/2, 59/11/3, 59/12 and 59/13 situated at village Masat, Silvassa Dadra and Nagar Haveli. Working capital loan repayable on demand, Rate of interest 7% p.a. (31 March 2021: 7.20% p.a.)

(ii) Guarantees given by banks to third parties amounting to Rs. 2,657 lakhs (31 March 2021: Rs. 2,202 lakhs) on behalf of the Holding Company are secured against securities mentioned in (i) above.

Note 28 - Trade payables**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Dues to micro, small and medium enterprises [Refer notes (a) below]	192	249
Others	6,678	7,027
Amounts due to related parties [Refer note 50]	232	118
Sub-total	7,102	7,394
Accrued expenses	649	330
Total	7,751	7,724

Trade Payable ageing schedule as at 31 March 2022**(Rs. in lakhs)**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - MSME	179	1	1	-	181
(ii) Undisputed - Others	5,540	1,265	15	90	6,910
(iii) Disputed dues - MSME	-	-	-	11	11
(iv) Disputed dues - Others	-	-	-	-	-
	5,719	1,266	16	101	7,102
Accrued expenses					649
Total	5,719	1,266	16	101	7,751

Trade Payable ageing schedule as at 31 March 2021

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - MSME	236	-	-	2	238
(ii) Undisputed - Others	6,960	39	63	83	7,145
(iii) Disputed dues - MSME	-	-	-	11	11
(iv) Disputed dues - Others	-	-	-	-	-
	7,196	39	63	96	7,394
Accrued expenses					330
Total	7,196	39	63	96	7,724

Notes:

- (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:

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Principal amount due remaining unpaid to supplier as at the end of accounting year	192	249
Interest due remaining unpaid to supplier as at the end of accounting year	1	1
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)	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	1	1
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.

Note 29 - Other financial liabilities (Current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Deposits:		
(a) Rent deposit	14	12
(b) To distributors	293	264
(c) From others	8	13
Employee benefits payable:		
(a) To related parties (Refer note 50)	21	13
(b) To others	450	234
Unclaimed dividend	94	112
Creditors for capital goods	5	36
Corporate Social Responsibility liability	4	-
Other payables:		
(a) to related parties (Refer note 50)	49	-
(b) to others	48	63
Total	986	747

Note 30 - Other current liabilities**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Advances received from distributors on behalf of customers	22	22
Advances received from customers*	490	221
Statutory dues	407	656
Advance received against sale of asset	14	585
Advance Income	-	4
Total	933	1,488

* Includes an amount of Rs. 364 lakhs (31 March 2021: Rs. 33 lakhs) on account of Flare & Process Equipment Division.

Note 31 - Provisions (Current)**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits		
Gratuity [Refer note 49(II)]	71	27
Provision for Compensated Absences [Refer note 49(III)]	262	213
Other provisions [Refer notes (a) below]		
Provision for warranties [Refer notes (b) below]	96	53
Provision for sales return	222	200
Total	651	493

Notes:**(a) Movement in provision:**

Particulars	(Rs. in lakhs)	
	Provision for warranties	Provision for sales return
As at 01 April 2020	55	186
Additional provision recognised	53	200
Amount used (charged against provisions) during the year	(55)	(186)
As at 31 March 2021	53	200
Additional provision recognised	96	222
Amount used (charged against provisions) during the year	(53)	(200)
As at 31 March 2022	96	222

- (b) Provision of Rs. 96 lakhs (31 March 2021: Rs. 53 lakhs) has been recognised for expected warranty claims on welding equipment and goods traded during the current financial year. It is expected that all these expenditures will be incurred in next financial year.

Note 32 - Current tax liabilities (net)

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Provision for income tax (Refer note below)	41	2
Total	41	2

Note : Provision for income tax is net of advance tax. Current Year : Provision for Income tax Rs. 1473 lakhs and advance tax Rs. 1432 lakhs (Previous year : Provision for Income Tax Rs. 2 lakhs and advance tax Rs. Nil)

Note 33 - Revenue from operations

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of goods (Refer notes (a), (b) below and Refer note 50)		
Domestic	62,504	42,955
Export	3,142	2,450
Sale of services	54	87
Derecognition of sales	-	(918)
Other operating revenue		
Sale of scraps and others	448	194
Total	66,148	44,768

Notes:

- (a) Refer note 58 for information on Revenue from contracts with customers under Ind AS 115 .
- (b) During the previous year 2020-21, Group has derecognised revenue of Rs. 918 lakhs which was recognised in earlier financial years and was part of unbilled revenue in the balance sheet, as the Holding Company was not able to invoice it as work was not done as per client specifications.

Note 34 - Other income**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<u>Interest income on financial asset measured at amortised cost</u>		
(i) Fixed deposits with banks	36	39
(ii) Overdue amount from customers	36	12
(iii) Others	14	10
Realised gain on financial assets measured at fair value through profit or loss	19	119
Rent received (Refer notes 47 and 50)	122	92
Duty drawback and export incentive	60	62
Insurance recovered (net of expense)	15	41
Foreign currency fluctuation gain (net)	100	196
Provisions / liabilities no longer required now written back	70	96
Fair value change of financial asset measured at fair value through profit or loss	33	14
Insurance claims received	7	3
Miscellaneous income	36	55
Total	548	739

Note 35 - Cost of raw materials and components consumed**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock	2,044	3,190
Add: Purchases	43,852	31,474
Less: Closing stock	(3,771)	(2,044)
Total	42,125	32,620

Note 36 - Purchase of stock-in-trade**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Welding products	5,210	179
Welding accessories	640	328
Chemicals and minerals	-	440
Total	5,850	947

Note 37 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	At the beginning of the year			
Finished goods (including Right to receive inventory)	2,781		1,749	
Stock-in-trade	109		113	
Work-in-progress	1,063	3,953	902	2,764
At the end of the year				
Finished goods (including Right to receive inventory)	3,175		2,781	
Stock-in-trade	742		109	
Work-in-progress	1,026	4,943	1,063	3,953
Total		(990)		(1,189)

Note 38 - Employee benefits expense**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Salaries, wages and bonus	4,086		3,209
Contribution to provident and other funds [Refer note 49(I)]	278		226	
Contribution to gratuity [Refer note 49(II)]	77		81	
Staff welfare expenses	425		254	
Total	4,866		3,770	

Note 39 - Finance costs**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022		Year ended 31 March 2021	
	Interest expense on borrowings	242		487
Interest on lease liability [Refer note 46]	13		11	
Interest on supplies	112		132	
Interest on others	5		11	
Total	372		641	

Note 40 - Other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Manufacturing and other expenses [Refer note 40(a)]	3,730	2,674
Electricity expenses	15	16
Rent [Refer note 46]	220	10
Freight	1,410	687
Legal and professional fees	377	331
Insurance	42	44
Repairs and maintenance - others	210	174
Travelling, conveyance and vehicle expenses	467	283
Directors fees [Refer note 50]	5	8
Telephone, postage and telegram	133	113
Rates and taxes	93	53
Advertisement and sales promotion expenses	31	33
Commission paid	54	46
Bad debts written off	24	757
Expected Credit Loss	106	72
Donations	3	-
Loss on sale of property, plant and equipment (net)	10	53
Property, plant and equipment written off	21	79
Other assets written off	-	103
Printing and stationery	60	57
Auditors remuneration [Refer note 40(b)]	50	35
Corporate social responsibility	58	39
Selling and distribution incentive	168	160
Housekeeping and Security Charges	207	194
Bank charges	208	175
Miscellaneous expenses	758	414
Total	8,460	6,610

Note 40(a)- Manufacturing and other expenses

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores, spare parts and scraps	894	602
Power and fuel	1,440	1021
Repairs to machinery	153	101
Repairs to building	22	23
Payment to contract labours	732	517
Other manufacturing expenses	489	410
Total	3,730	2674

Note 40(b)- Auditors' remuneration (excluding taxes)

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Statutory audit fees (including limited review fees)	25	25
Tax audit fees	7	7
Certification and other matters	17	2
Reimbursement of out of pocket expenses	1	1
Total	50	35

Note 41 - Tax (credit)/ expense

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current tax for the year	1,473	139
Additional provision for earlier years	-	19
	1,473	158
Deferred tax		
Change in deferred tax assets	(138)	(481)
Change in deferred tax liabilities	(30)	(45)
	(168)	(526)
Total	1,305	(368)

Notes :

- (a) The reconciliation of estimated income tax (credit)/ expense at tax rate to income tax expense reported in profit or loss is as follows for 31 March 2022 and 31 March 2021:

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (Loss) before tax as per books	5,821	(1,406)
Applicable income tax rate	25.17%	25.17%
Estimated income tax expenses /(credit)	1,465	(354)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	28	51
Current tax pertaining to prior periods	-	19
Tax on income at different tax rates	(183)	4
Other items	(5)	(88)
Reported income tax expenses / (credit)	1,305	(368)

(b) Deferred tax related to the following:**(Rs. in lakhs)**

Particulars	As at 31 March 2022	Recognised through profit and loss and OCI	As at 31 March 2021	Recognised through profit and loss and OCI	As at 1 April 2020
Deferred tax assets on account of:					
Provision for Gratuity	136	39	97	(2)	99
Leave encashment	66	12	54	(4)	58
Expected credit loss	817	144	673	455	218
Deferment of revenue	-	(36)	36	10	26
Total deferred tax assets	1,019	159	860	459	401
Deferred tax liabilities on account of:					
On timing difference between book depreciation and depreciation as per Income Tax Act, 1961	746	(33)	779	(50)	829
Financial asset measured at FVTPL	5	4	1	1	-
Total deferred tax liabilities	751	(29)	780	(49)	829
Deferred tax assets/(liabilities) (net)	268	188	80	508	(428)

Note 42 - Other comprehensive income**(Rs. in lakhs)**

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Items that will not be reclassified to profit or loss		
Actuarial gains/(loss) on defined benefit obligations	(81)	70
Income tax effect on above	20	(18)
Total	(61)	52

Note 43 - Contingent Liabilities not provided for :**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Disputed sales tax as the matters are in appeal (advance paid 31 March 2022: Rs 105 lakhs; 31 March 2021: Rs 392 lakhs)	1,376	1,199
(b) Disputed excise duties as the matters are in appeal (advance paid 31 March 2022: Rs 900 lakhs; 31 March 2021: Rs 900 lakhs)	922	922
(c) Disputed income tax as the matters are in appeal (advance paid 31 March 2022: Rs 13 lakhs; 31 March 2021: Rs. 13 lakhs)	63	63
(d) Custom Duty refund (advance paid 31 March 2022: Rs 46 lakhs; 31 March 2021: Rs. 46 lakhs)	46	46
(e) Bank guarantees	2,657	2,202
(f) Other matters	98	111
(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
(h) Inventory Certain imported inventory amounting to Rs. 336 lakhs, which has been detained by the Bureau of Indian Standards (BIS), while Company's application for License was pending BIS approval, as BIS is alleging that the said imported inventory doesn't meet the standards as specified in the notification issued by BIS. The matter is still pending before BIS and Company is awaiting for the outcome of the same.	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 44 - Estimated amount of contracts remaining to be executed**(Rs. in lakhs)**

Particulars	As at 31 March 2022	As at 31 March 2021
On Capital account and not provided for (net of advances)	182	26

Note 45 - Borrowings secured against current assets of Holding Company :

Disclosure of current assets secured and filed with the banker against borrowings availed

(Rs. in lakhs)

Quarter Ended	Name of Bank	Particulars of securities provided	FY 2021-22			FY 2020-21			Comment
			As per books of account	Reported to Bank	Amount of difference	As per books of account	Reported to Bank	Amount of difference	
Jun	HDFC Bank	Working capital *	12,859	13,038	179	19,024	18,866	(158)	Refer note (a) below
	IDFC Bank	Working capital *	12,859	13,038	179	19,024	18,866	(158)	Refer note (a) below
Sep	HDFC Bank	Working capital *	13,141	13,644	503	15,387	17,131	1,744	Refer note (a) & (b) below
	IDFC Bank	Working capital *	13,141	13,644	503	15,387	17,131	1,744	Refer note (a) & (b) below
Dec	HDFC Bank	Working capital *	14,465	14,513	48	12,739	13,914	1,175	Refer note (a) & (c) below
	IDFC Bank	Working capital *	14,465	14,513	48	12,739	13,914	1,175	Refer note (a) & (c) below
Mar	HDFC Bank	Working capital *	11,335	11,532	197	9,699	11,577	1,878	Refer note (a) & (d) below
	IDFC Bank	Working capital *	11,335	11,532	197	9,699	11,577	1,878	Refer note (a) & (d) below

* Trade Receivables + Inventories + Unbilled Revenue/Contract asset - Trade Payables

Note for discrepancies :

- The Bank returns were prepared and filed before the completion of all financial statements closure activities including Ind AS related adjustments / reclassifications, as applicable, which led to these differences between the final books of accounts and the bank returns which were based on provisional books of accounts.
- Difference is due to restatement as entry was passed in the month of April 21 during closing of Mar 21.
- Figures reported to bank were before considering provision of Rs.400 lakhs (Penalty for delay in office site Mobilization & Non Maintenance of adequate Manpower).
- Figures reported to bank were before considering provision of Rs.1,400 lakhs of receivable from Binyam International Company for General Trading & Contracting WLL

Note 46- Leases: Ind AS 116

The Group recognized right-of-use assets and lease liabilities amounting to Rs. 400 lakhs (31 March 2021: Rs. 11 lakhs) and Rs. 43 lakhs (31 March 2021: Rs. 11 lakhs) respectively. During the year ended, the Company had recognized interest expense on lease amounting to Rs. 13 lakhs (31 March 2021: Rs. 11 lakhs) and depreciation on right-of-use assets amounting to Rs. 26 lakhs (31 March 2021: Rs. 16 lakhs).

Right-of-use assets:

Additional information on the right-of-use assets by class of assets are as follows:

(Rs. in lakhs)			
Particulars	Gross carrying value	Accumulated depreciation [refer note (a) below]	Net carrying value
As at 31 March 2022			
Leasehold Land	364	5	359
Ownership premises	125	48	77
Computers	54	9	45
Total	543	62	481
As at 31 March 2021			
Leasehold Land	26	-	26
Ownership premises	126	36	90
Computers	11	-	11
Total	163	36	127

The following is the movement in Right-of-use assets for the year ended:

(Rs. in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	163	130
Addition during the year [Refer notes (b) below]	400	33
Deductions during the year [Refer notes (c) below]	(20)	-
Gross	543	163
Accumulated depreciation [Refer notes (a) below]	(62)	(36)
Net	481	127

Lease liabilities:

Lease liabilities are presented in the balance sheet are as follows:

(Rs. in lakhs)		
Particulars	As at 31 March 2022	As at 31 March 2021
Non-current lease liabilities	127	106
Current lease liabilities	26	13
Total	153	119

The following is the movement in lease liabilities for the year ended:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	119	126
Addition during the year [Refer notes (b) below]	42	11
Deductions during the year	-	(4)
Finance cost accrued during the year [Refer notes (c) below]	13	11
Revaluation of lease liability	9	(4)
Payment of lease liabilities	(30)	(21)
Total	153	119

Notes:

- The aggregate depreciation expense on Right-of-use assets is included under "Depreciation and amortization expense" in the statement of Profit and Loss.
- During the current year 2021-22 in Right-of-use assets and lease liabilities, there is addition of Rs 43 lakhs towards laptops taken on rental basis.
- 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 Group has opted not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). The Group 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. 17 lakhs (31 March 2021: Rs 10 lakhs). [Refer note 40]

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities is as follows:

Particulars	(Rs. in lakhs)	
	Minimum lease payment	
	As at 31 March 2022	As at 31 March 2021
Amount due within one year	33	20
Amount due from one year to five years	99	71
Amount due from five years and above	69	84
Total	201	175

Note 47- Lease rental

The Group 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. 122 lakhs (31 March 2021: Rs. 92 lakhs). [Refer note 34]

(Rs. in lakhs)

Particulars	Minimum lease payment	
	As at 31 March 2022	As at 31 March 2021
Amount due within one year	83	124
Amount due from one year to five years	226	254
Amount due from five years and above	37	37
Total	346	415

Note 48 – In the current year, Group operations are at normalcy and there is no impact of pandemic on the Group's financials for the year ended 31 March 2022. However, the Management is continuously monitoring the current COVID-19 developments and possible effects that may result from the current pandemic on its financial conditions, liquidity, operations and actively working to minimise the impact of this unprecedented situation.

Note 49 – 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 Group 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 Group's defined contribution plans are superannuation, employees state insurance and provident fund as the Group has no further obligation beyond making the contributions. The Group's defined benefit plans consists of gratuity only. The employees of the Group are entitled to compensated absences as per the Group's policy.

I. Defined Contribution Plan:

- (i) Superannuation fund
- (ii) Provident fund
- (iii) Employees State Insurance fund

During the year, the Group has recognised the following amounts in the Statement of profit and loss*:

Contribution to Defined Contribution Plan, recognized as expense for the year is as under:

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employer's Contribution to Superannuation	40	36
Employer's Contribution to Provident fund	223	179
Employer's Contribution to Employees state insurance fund	15	11
Total	278	226

* included in Note 38- '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:-

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(i) Actuarial assumptions		
Discount rate (per annum)	6.50%	6.35%
Salary escalation rate (per annum)	7.00%	7.00%
Attrition rate		
21 years to 44 years (per annum)	18.45%	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	457	466
Current service cost	54	59
Interest on defined benefit obligation	26	27
Remeasurements during the period due to:		
Actuarial (gain) /loss arising from change in financial assumptions	(5)	(1)
Actuarial loss/(gain) arising on account of experience changes	84	(42)
Benefits paid	(42)	(52)
Present Value of obligation at the end of the year	573	457
(iv) Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	71	80
Interest on plan assets	3	4
Remeasurements during the period due to:		
Actual return on plan assets less interest on plan assets	(2)	27
Contributions by employer	3	12
Benefits paid	(42)	(52)
Fair Value of Plan Assets at the end of the year	33	71

(Rs. in lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
(v) Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	573	457
Less: Fair value of plan assets at the end of the year	(33)	(71)
Net liability recognised	540	386
Recognised under provisions (Refer note 25 and note 31)		
Non current provisions	469	359
Current provisions	71	27

(Rs. in lakhs)

Particulars	Year ended	
	31 March 2022	31 March 2021
(vi) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	54	59
Interest on net defined benefit liability/ (asset)	23	23
Net gratuity cost recognised in current year	77	81
Included in note 38 'Employee benefits expense'		
(vii) Expenses recognised in other comprehensive income		
Remeasurements during the period due to:		
Actuarial (gain) / loss arising from change in financial assumptions	(5)	(1)
Actuarial loss/(gain) arising on account of experience changes	84	(42)
Actuarial loss/(gain) arising on account of Actual return on plan assets less interest on plan assets	2	(27)
Net cost recognised in other comprehensive income	81	(70)

(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 2022		31 March 2021	
	Discount Rate	Salary escalation rate	Discount Rate	Salary escalation rate
Impact of increase in 50 bps on DBO	(2.81%)	2.93%	(2.94%)	3.07%
Impact of decrease in 50 bps on DBO	2.96%	(2.81%)	3.10%	(2.93%)

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 analyses.

(ix) Maturity Pattern:

Maturity Profile	(Rs. in lakhs)	
	31 March 2022	31 March 2021
Expected benefits for year 1	104	98
Expected benefits for year 2	82	68
Expected benefits for year 3	78	52
Expected benefits for year 4	56	49
Expected benefits for year 5	53	38
Expected benefits for year 6	50	36
Expected benefits for year 7	77	34
Expected benefits for year 8	43	50
Expected benefits for year 9	33	28
Expected benefits for year 10 and above	318	245

Note:

- The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

III. Compensated absences

- An amount of Rs. 73 lakhs (31 March 2021 : Rs 15 lakhs) has been recognised as an expense in the statement of profit and loss account and included in "Salaries, wages and bonus" under Note 38 "Employee benefits expenses".
- Balance sheet reconciliation

Particulars	(Rs. in lakhs)	
	Short term current provisions	
	As at 31 March 2022	As at 31 March 2021
Liability as per actuarial valuation	262	213

The liabilities are split between different categories of plan participants as follows:

Defined Benefit obligations and employer contributions (Active members)	Gratuity	Compensated Absences
As at 31 March 2022	531	531
As at 31 March 2021	518	518

* deferred members - Nil (2020-21 : Nil)

* retired members - Nil (2020-21 : 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 Group and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Group 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 50 - 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) 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) Executive Mantra Search Services Private Limited (Common director)
(iv) Key management personnel:	Ms A. B. Advani- Executive Chairman (upto 18 November 2019) Mrs. N. Malkani Nagpal - Executive Chairman (w.e.f. 19 November 2019) Mr. A. T. Malkani - Managing Director (w.e.f 14 September 2020) Mr. S. M. Bhat - Managing Director (upto 7 September 2020) Mr. D. A. Lalvani - Whole Time Director (Executive) Mr. R. A. Mirchandani - Director (Non-executive) Ms. T. H. Advani - Director (Non-executive) Mrs. Nita Dempo Mirchandani - Director (Independent & Non-executive) Mr. M. K. Maheshwari - Ex- Director (Independent & Non-executive) (upto 7 December 2020) 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, Legal & Company Secretary Mr. G. A. Patkar - Chief Financial Officer (upto 9 September 2020) Mr. Surya kant Sethia - Chief Financial Officer (w.e.f 8 February 2021)

(II) Transactions during the year:

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Sale of Fixed assets		
– Holding Company		
J. B. Advani & Company Private Limited	7	–
	7	–
Purchases of Fixed assets		
Ador Powertron Limited	15	–
	15	–
Sale of goods		
– Holding Company		
J. B. Advani & Company Private Limited	146	37
– Fellow subsidiaries		
Ador Powertron Limited	127	19
Ador Fontech Limited	281	154
	554	210
Purchase of goods and services received		
– Holding Company		
J. B. Advani & Company Private Limited	1,103	641
– Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited	29	7
Ador Fontech Limited	148	45
– Other related party		
1908 E-Ventures Private Limited	3	1
Executive Mantra Search Services Private Limited	–	6
	1,283	700
Rent received		
– Holding Company		
J. B. Advani & Company Private Limited	27	24
– Fellow subsidiaries		
Ador Fontech Limited	3	1
	30	25
Recovery of expenses (received)		
– Holding Company		
J. B. Advani & Company Private Limited	8	8
– Fellow subsidiaries		
Ador Powertron Limited*	0	0
Ador Fontech Limited	2	1
	10	9

(Rs. in lakhs)

Description of the nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Reimbursement of expenses (paid)		
– Holding Company		
J. B. Advani & Company Private Limited	33	6
– Subsidiary Company and fellow subsidiaries		
Ador Powertron Limited	7	–
	40	6
Remuneration paid		
Short Term Benefit paid		
– Key Management Personnel		
Mrs. N. Malkani Nagpal – Executive Chairman (w.e.f. 19 November 2019)	105	97
Mr. S. M. Bhat – Managing Director (upto 7 September 2020) (Refer note (1) below)	–	40
Mr. A. T. Malkani – Managing Director (w.e.f 14 September 2020) (Refer note (2) below)	106	53
Mr. D. A. Lalvani (Whole Time Director)	116	108
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	41	35
Mr. G. A. Patkar – Chief Financial Officer (upto 9 September 2020) (Refer note (3) below)	–	13
Mr. Surya kant Sethia – Chief Financial Officer (w.e.f 8 February 2021) (Refer note (4) below)	41	3
Post employment benefit		
– Key Management Personnel		
Mrs. N. M. Nagpal (Executive Chairman)	19	19
Mr. S. M. Bhat (Ex – Managing Director) (Refer note (1) below)	–	7
Mr. A. T. Malkani (Managing Director) (Refer note (2) below)	17	8
Mr. D. A. Lalvani (Whole Time Director)	20	19
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	6	3
Mr. Surya kant Sethia (Chief Financial Officer) (Refer note (4) below)	4	1
	475	406
Professional fees and reimbursement		
– Key Management Personnel		
Ms A. B. Advani – Executive Chairman (upto 18 November 2019) (Refer note (5) below)	–	72
	–	72

Description of the nature of transactions	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Recovery of Commission for previous years		
– Key Management Personnel		
Ms A. B. Advani – Executive Chairman (upto 18 November 2019) (Refer note (5) below)	–	3
Mrs. N. Malkani Nagpal – Executive Chairman (w.e.f. 19 November 2019)	–	4
Mr. D. A. Lalvani (Whole Time Director)*	–	0
	–	7
Sitting fees		
– Key Management Personnel		
Mrs. Nita Dempo Mirchandani – Director (Independent & Non-executive)	0	1
Mr. M. K. Maheshwari – Ex – Director (Independent & Non-executive) (upto 7 December 2020)	–	1
Mr. P. K. Gupta – Director (Independent & Non-executive)	1	2
Mr. R. N. Sapru – Director (Independent & Non-executive)	2	1
Mr. K. Digvijay Singh – Director (Independent & Non-executive)	1	2
Mr. G. M. Lalwani – Director (Independent & Non-executive)	1	1
	5	8
Rent Deposit Received		
Ador Fontech Limited	1	–
	1	–
Commission		
– Key Management Personnel		
Mr. R. A. Mirchandani – Director (Non-executive)	7	–
Ms. T. H. Advani – Director (Non-executive)	7	–
Mr. P. K. Gupta – Director (Independent & Non-executive)	7	–
Mr. R. N. Sapru – Director (Independent & Non-executive)	7	–
Mr. K. Digvijay Singh – Director (Independent & Non-executive)	7	–
Mr. G. M. Lalwani – Director (Independent & Non-executive)	7	–
Mrs. Nita Dempo Mirchandani – Director (Independent & Non-executive)	7	–
	49	–

(III) Amount outstanding at the year end:

(Rs. in lakhs)

Description of the nature of transactions	As at 31 March 2022	As at 31 March 2021
Trade receivables		
– Holding Company		
J. B. Advani & Company Private Limited	55	2
– Fellow subsidiaries		
Ador Powertron Limited	42	22
Ador Fontech Limited	129	10
	226	34
Rent deposit payable		
– Holding Company		
J. B. Advani & Company Private Limited	14	14
– Fellow subsidiaries		
Ador Fontech Limited	1	–
	15	14
Other receivables		
– Holding Company		
J. B. Advani & Company Private Limited	–	–
– Fellow subsidiaries		
Ador Powertron Limited*	0	0
Ador Fontech Limited*	2	0
– Key Management Personnel		
Mr. V. M. Bhide (Corp. Admin, IA, Legal & Company Secretary)	1	1
	3	1
Trade payables		
– Holding Company		
J. B. Advani & Company Private Limited	95	113
– Fellow subsidiaries		
Ador Powertron Limited	–	2
Ador Fontech Limited	137	3
– Other related party		
1908 E-Ventures Private Limited*	0	0
	232	118
Employee benefits payable		
– Key Management Personnel		
Mrs. N. Malkani Nagpal – Executive Chairman (w.e.f. 19 November 2019)	7	–
Mr. A. T. Malkani – Managing Director (w.e.f 14 September 2020) (Refer note (2) below)	7	11
Mr. D. A. Lalvani (Whole Time Director)	7	2
	21	13

Description of the nature of transactions	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Other payable (Commission payable)		
Mr. R. A. Mirchandani – Director (Non-executive)	7	–
Ms. T. H. Advani – Director (Non-executive)	7	–
Mr. P. K. Gupta – Director (Independent & Non-executive)	7	–
Mr. R. N. Sapru – Director (Independent & Non-executive)	7	–
Mr. K. Digvijay Singh – Director (Independent & Non-executive)	7	–
Mr. G. M. Lalwani – Director (Independent & Non-executive)	7	–
Mrs. Nita Dempo Mirchandani – Director (Independent & Non-executive)	7	–
	49	–

* Amounts below Rs 0.50 lakh have been rounded off.

Notes:

- Mr. S. M. Bhat (DIN:051 68265) had resigned from the office of / position of the Managing Director/ Employee/ Director of the Company with effect from 7 September 2020. The Board of Directors accepted his resignation with immediate effect and relieved him from his duties as the Managing Director.
- Mr. Aditya T. Malkani (DIN:01585637) has been appointed as the Managing Director of the Company with effect from 14 September 2020 for a period of three (3) years by the Board of Directors of the Company.
- Mr. Girish Anant Patkar had resigned from the office of / position of the Chief Financial Officer & Key Managerial Personnel of the Company with effect from 9 September 2020.
- Mr. Surya kant Sethia was appointed as Chief Financial Officer & Key Managerial Personnel of the Company with effect from 8 February 2021.
- All the above transactions with related parties are net of Goods and Service Tax.

Note 51 – Segment reporting

Post change in top management, the Group's chief operating decision maker (CODM) examines the Group's performance and has identified three reportable segments of its business instead of two segment as reported earlier:

- Consumables
- Equipment and automation
- Flares & Process Equipment Division*

The above operating segments have been identified considering:

- The internal financial reporting systems
- The nature of the products/ process
- 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 and Chennai plant.
b) Equipment and automation	Equipment, spares, cutting products and agency items related to equipments, cutting products etc. from Chinchwad plant.
c) Flares & Process Equipment Division*	Flares & Process Equipment Division (FPED) 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 and EPC contracts from Chinchwad plant.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Expenses, which related to the Group 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 related 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	Year ended 31 March 2022			Year ended 31 March 2021		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment revenue						
Consumables	53,571	(31)	53,540	35,233	(13)	35,220
Equipment and automation	9,878	(24)	9,854	7,125	(36)	7,089
Flares & Process Equipment Division*	2,843	(89)	2,754	2,473	(14)	2,459
Total revenue	66,292	(144)	66,148	44,831	(63)	44,768
2. Segment result						
(a) Segment result before exceptional items						
Consumables			6,060			4,268
Equipment and automation			784			573
Flares & Process Equipment Division*			(90)			(2,496)
Unallocable			(1,575)			(1,019)
			5,179			1,326
(b) Exceptional items (net) profit / (loss)						
Consumables			-			(236)
Equipment and automation			(380)			(575)
Flares & Process Equipment Division*			(820)			(1,549)
Unallocable			2,098			(37)
			898			(2,397)

(Rs. in lakhs)

Particulars	Year ended 31 March 2022			Year ended 31 March 2021		
	External	Inter Segment	Total	External	Inter Segment	Total
(c) Segment result after exceptional items						
Consumables			6,060			4,032
Equipment and automation			404			(2)
Flares & Process Equipment Division*			(910)			(4,045)
Unallocable			523			(1,056)
Total Segment result			6,077			(1,071)
Interest and finance charges (unallocable)			(256)			(335)
Profit / (Loss) before tax			5,821			(1,406)
Tax (credit)/expenses			(1,305)			368
Net profit / (loss) after tax			4,516			(1,038)
3. Capital expenditure						
Consumables			749			353
Equipment and automation			92			123
Flares & Process Equipment Division*			22			27
Unallocated			453			52
Total capital expenditure			1,316			555
4. Depreciation and amortisation						
Consumables			639			660
Equipment and automation			276			304
Flares & Process Equipment Division*			62			55
Unallocated			113			98
Total depreciation and amortisation			1,090			1,117

* Earlier known as "Projects".

(Rs. in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other information		
Segment assets		
Consumables	22,193	20,135
Equipment and automation	7,595	7,682
Flares & Process Equipment Division*	4,245	4,996
Assets classified as held for sale (unallocable)	7	106
Unallocated	5,242	4,602
Total assets	39,282	37,521
Segment liabilities		
Consumables	6,036	5,712
Equipment and automation	1,897	1,918
Flares & Process Equipment Division*	2,456	4,152
Unallocated	684	1,985
Total liabilities	11,073	13,767
Capital employed		
Consumables	16,157	14,423
Equipment and automation	5,698	5,764
Flares & Process Equipment Division*	1,789	844
Unallocated	4,565	2,723
Total capital employed	28,209	23,754

* Earlier known as "Projects".

B) Geographical segment**Revenue from external customers:**

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Within India	63,006	43,236
Outside India	3,142	1,532
Total	66,148	44,768

Domestic Segment includes sales and services rendered to customers in India.

Overseas Segment includes sales and services rendered to customers located outside 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, financial assets and investments of the geographical area in which the assets are located:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Within India	13,752	13,927
Outside India	99	106
Total	13,851	14,033

C) Other disclosures

- The Group is currently focused on three business segments : Consumables, Equipment and Automation and Projects. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.
- The geographical information considered for disclosure are :
 - Sales within India
 - Sales outside India
- No Single external customer represents 10% or more of the Group's revenue from operations for the year ended 31 March 2022 and 31 March 2021.

Note 52 - Fair value measurements

Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Particulars	31 March 2022		31 March 2021	
	Fair value through profit or loss	Amortised cost	Fair value through profit or loss	Amortised cost
Financial Assets - Non-current				
Loans	-	30	-	15
Other non-current financial assets	-	929	-	883
Financial Assets - Current				
Investments	1,989	-	1,068	-
Trade receivables	-	9,315	-	10,543
Cash and cash equivalents	-	661	-	1,704
Other bank balances	-	102	-	112
Loans	-	41	-	35
Other current financial assets	-	91	-	273
Financial Liabilities - Non-current				
Borrowings	-	60	-	-
Lease liabilities	-	127	-	106
Other non-current financial liabilities	-	18	-	30
Financial Liabilities - Current				
Borrowings	-	8	-	2,800
Lease liabilities	-	26	-	13
Trade payables	-	7,751	-	7,724
Other financial liabilities	-	986	-	747

All the above amounts are net of provisions for impairments.

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 the 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 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	Investment in Mutual funds	Investment in Bonds	Total
As at 31 March 2022			
Level 1	1,959	-	1,959
Level 2	-	30	30
As at 31 March 2021			
Level 1	1,038	-	1,038
Level 2	-	30	30

IV. Fair value of financial assets and liabilities measured at amortised cost for which fair values are disclosed:

Particulars	(Rs. in lakhs)			
	31 March 2022		31 March 2021	
	Fair Value	Carrying amount	Fair Value	Carrying amount
Financial assets - Non-current				
Loans	30	30	15	15
Other financial assets	929	929	883	883
Financial liabilities - Non-current				
Borrowings	60	60	-	-
Lease liabilities	127	127	106	106
Other non-current financial liabilities	18	18	30	30

During the years 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 53 – 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 Group.

The Group's principal financial assets include loans, investments, trade and other receivables, and cash and 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 and 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 2022	Year ended 31 March 2021
Upto 1 month	5,397	6,842
1-2 months	539	1,122
2-3 months	376	721
3-6 months	734	565
6-12 months	1,365	605
More than one year	904	688
Total	9,315	10,543
Expected Credit Loss	2,193	1,856

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 2022	Year ended 31 March 2021
Opening provision	1,856	798
Add: Additional provision made	374	1,611
Less: Utilised during the year	(37)	(553)
Closing provisions	2,193	1,856

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'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 Group'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 Group's 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 2022					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Borrowings	-	13	38	22	73
Lease liabilities	-	32	67	69	168
Other non-current financial liabilities	-	-	13	5	18
Financial Liabilities - Current					
Borrowings	8	-	-	-	8
Lease liabilities	26	-	-	-	26
Trade payables	7,751	-	-	-	7,751
Other current financial liabilities	986	-	-	-	986
Total	8,771	45	118	96	9,030

As at 31 March 2021					(Rs. in lakhs)
Particulars	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total
Financial Liabilities - Non-current					
Lease liabilities	-	20	51	83	154
Other non-current financial liabilities	-	14	12	4	30
Financial Liabilities - Current					
Borrowings	2,800	-	-	-	2,800
Lease liabilities	13	-	-	-	13
Trade payables	7,724	-	-	-	7,724
Other current financial liabilities	747	-	-	-	747
Total	11,284	34	63	87	11,468

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 Group'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's 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 Company's exposure to unhedged foreign currency risk at the end of reporting period are as under:

(Rs. in lakhs)

Particulars	As at 31 March 2022				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	605	-	1,198	-	1,803
Bank balances	15	45	-	-	60
Total exposure to foreign currency risk (assets)	620	45	1,198	-	1,863
Financial liabilities					
Trade payables	58	-	1,198	10	1,266
Lease liabilities	-	105	-	-	105
Total exposure to foreign currency risk (liabilities)	58	105	1,198	10	1,371

(Rs. in lakhs)

Particulars	As at 31 March 2021				
	USD	AED	KWD	EUR	Total
Financial assets					
Trade receivables	620	-	1,198	-	1,818
Bank balances	91	23	-	-	114
Total exposure to foreign currency risk (assets)	711	23	1,198	-	1,932
Financial liabilities					
Trade payables	320	-	1,201	3	1,524
Lease liabilities	-	103	-	-	103
Total exposure to foreign currency risk (liabilities)	320	103	1,201	3	1,627

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 2022		31 March 2021	
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	28	(28)	20	(20)
AED	(3)	3	(4)	4
KWD	-	-	-	-
EUR	(1)	1	-	-

(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 2022	31 March 2021
Impact on profit before tax for 5% increase in NAV/ Price	99	53
Impact on profit before tax for 5% decrease in NAV/ Price	(99)	(53)

Note 54 - 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 Group 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:

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
(a) Net debt [Refer note (59)]	(440)	1,231
(b) Equity	28,209	23,754
(c) Gearing ratio (a/b)	(0.02)	0.05

B. Dividends

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Final dividend		
Final proposed dividend - Rs.12.5 for each fully paid up share for 31 March 2022 (31 March 2021- Rs. Nil per share for each fully paid share)	1,700	-

Note 55 - Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net Profit (loss) after tax for the year (Rs. in lakhs)	4,516	(1,038)
Profit (Loss) attributable to equity share holders (Rs. in lakhs)	4,516	(1,038)
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.)	33.21	(7.63)
Face Value per Share (Rs.)	10.00	10.00

Note 56 - Assets Pledged as security:

The carrying amounts of assets of holding company pledged as security for current borrowings are:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(Rs. in lakhs)		
Current Assets		
Financial Assets		
Investments	1,878	965
Trade Receivables	9,315	10,533
Cash and cash equivalents	638	1,688
Other bank balances	102	112
Loans	43	35
Other financial assets	89	272
Non Financial Assets		
Inventories	8,997	6,246
Other current assets	1,794	1,217
Total Current Assets Pledged as security	22,856	21,068
Non Current Assets		
Plant and Machinery	3,739	4,026
Land and building at Silvassa plant	1,477	1,543
Land and building at Chennai plant	373	393
Other moveable fixed assets	1,262	1,032
Total Non-current Assets Pledged as security	6,851	6,994
Total Assets Pledged as security	29,707	28,062

Note 57 - Revenue expenditure incurred during the year on research and development amounts to Rs. 332 lakhs (31 March 2021: Rs. 290 lakhs) (including depreciation Rs. 28 lakhs (31 March 2021: Rs. 28 lakhs) and capital expenditure thereof amounts to Rs. 2 lakhs (31 March 2021: Rs. 9 lakhs)).

Note 58- Revenue from contracts with customers: Ind AS 115

The Group 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 Group 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 Group has three reportable segments of its business :

- (i) Consumables
- (ii) Equipment and automation
- (iii) Flares & Process Equipment Division*

The Group's revenue disaggregated by pattern of revenue recognition for the year ended 31 March 2022 and 31 March 2021 are as follows:

Sr. No	Particulars	(Rs. in lakhs)	
		Year ended 31 March 2022	Year ended 31 March 2021
1	<u>Goods transferred at a point in time</u>		
	(i) Consumables	53,540	35,219
	(ii) Equipment and automation	9,854	7,090
2	<u>Goods transferred over time</u>		
	(iii) Flares & Process Equipment Division*	2,754	2,459
	Total	66,148	44,768

* Earlier known as "Projects".

b) (i) Contract balances information

Particulars	(Rs. in lakhs)		
	Trade receivables	Contract Assets (Refer note (ii) below)	Contract Liabilities (Refer note (ii) below)
Balance as at 1 April 2020	12,978	4,786	396
Net Increase/(decrease)	(2,435)	(4,472)	111
Balance as at 31 March 2021	10,543	314	507
Net Increase/(decrease)	(1,228)	(189)	298
Balance as at 31 March 2022	9,315	125	805

Notes:

- The significant changes in contract Assets includes contracts are billed during the year for an amount of Rs. 186 lakhs (31 March 2021: Rs. 3,787 lakhs) and unbilled revenue written off during the year for an amount of Rs. 3 lakhs (Previous year : 1,320 lakhs).
 - The significant changes in contract liabilities includes customer and distributors advance during the year increased by Rs. 298 lakhs (31 March 2021 increased by Rs. 111 lakhs).
- (ii) **Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price as on 31 March 2022 and 31 March 2021 as follows:**

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue as per contracted price	66,370	44,968
Adjustments:		
Sales return	(222)	(200)
Revenue from contract with customers	66,148	44,768

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 2022 and 31 March 2021 as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2022	Year ended 31 March 2021
Revenue expected to be recognised	2,577	2,656

Note 59- Net debt reconciliation

Particulars	(Rs. in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents	661	1,704
Borrowings	(68)	(2,800)
Lease liability	(153)	(119)
Interest Payable	-	(16)
Net debt	440	(1,231)

(Rs. in lakhs)					
Particulars	Cash and cash equivalents	Borrowings	Lease liability	Interest Payable	Total
Net debt as at 1 April 2020	518	(8,191)	(126)	(32)	(7,831)
Cash flows	1,186	-	-	-	1,186
Repayment of borrowing	-	5,391	-	-	5,391
Leases	-	-	7	-	7
Finance costs recognised	-	-	(11)	(631)	(642)
Finance costs paid	-	-	11	647	658
Net debt as at 1 April 2021	1,704	(2,800)	(119)	(16)	(1,231)
Cash flows	(1,043)	-	-	-	(1,043)
Repayment of borrowing	-	2,802	-	-	2,802
Proceeds from borrowing	-	(70)	-	-	(70)
Leases	-	-	(34)	-	(34)
Finance costs recognised	-	-	(13)	(359)	(372)
Finance costs paid	-	-	13	375	388
Net debt as at 31 March 2022	661	(68)	(153)	-	440

Note 60- Exceptional items :

(Rs. in lakhs)		
Particulars	Year ended 31 March 2022	Year ended 31 March 2021
1. Balances with government authorities-		
The Group has written off Rs. 380 lakhs towards disputed VAT input credit matter which was pending before CESTAT, VAT tribunal during the current year. The Group has decided to avail benefit of Amnesty scheme announced by Government of Maharashtra.	380	-
The Group is carrying certain amount as receivables from various tax authority. During the previous year Group has evaluated its potential recovery considering the various factors like movement in collection of C forms, Assessment order received during the year etc. and accordingly, the management has created a provision of Rs. 380 lakhs (Previous year : Rs. 819 lakhs) and written off Rs. Nil (Previous year : Rs 29 lakhs).	-	848
2. Flares & Process Equipment Division *		
During the year, the Group has sold one project, which was in progress (as is where as basis) to the third party and booked an additional cost of Rs. 535 lakhs towards compensation to buyer for future estimated losses, expected liquidated damage and other incidental costs. (It includes provision of Rs. 230 lakhs and Rs.305 lakh towards write off)	535	-
During the year, the Group has made provision of Rs. 285 lakhs towards cost incurred on crematorium projects of MCGM and expected liquidated damages, as estimated by the Management.	285	-

(Rs. in lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
The Management has evaluated the recoverability of the receivables from its various projects and created the appropriate provisions in the books amounting to Rs. 1,549 lakhs which includes Rs. 1,305 lakhs receivables from a project executed in the Kuwait, for which appropriate actions has been taken by the Group and the matter is pending in the Court of Law of Kuwait.	-	1,549
3. Profit on sale of Property During the year, the Group has sold three properties situated at Delhi-Narayana, Silvassa and Ahmednagar and the profit on sale has been recognised as an exceptional item.	(2,098)	-
Total	(898)	2,397

* Earlier known as "Projects".

Note 61 – Disclosure of Ratios :

Sr. No.	Nature of Ratio	Description		As at 31 March 2022 Ratio	As at 31 March 2021 Ratio	% change from Previous year	Reason for change more than 25%
		Nominator	Denominator				
1	Current Ratio	Current Asset	Current Liabilities	2.21	1.61	38%	During the year, working capital cycle has improved (due to new trade and commerce policy and incentive policies), which resulted into positive cash flow from operations, which helped us to reduce our current borrowing significantly.
2	Debt-Equity Ratio	Borrowings	Net worth	0.00	0.12	-98%	As stated above, improved working capital cycle, helped us to reduce borrowing significantly.
3	Debt Service Coverage Ratio	Profit After Tax (before exceptional Item)+ Depreciation + Interest on borrowing	Interest on borrowings	20.45	6.08	236%	Our revenue from operations increased significantly as compared to last year, hence it resulted in improved Profit. Also, the finance cost is reduced due to reduction of borrowings.

Sr. No.	Nature of Ratio	Description		As at 31 March 2022	As at 31 March 2021	% change from Previous year	Reason for change more than 25%
		Nominator	Denominator	Ratio	Ratio		
4	Return on Equity Ratio	Profit After Tax (before exceptional Item)	Average Shareholders fund	14%	6%	148%	Profit After Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
5	Inventory turnover ratio	Cost of Goods sold	Average Inventory	6.16	5.19	19%	N.A.
6	Trade Receivables turnover ratio	Revenue from operations	Average Trade receivables	6.66	3.81	75%	Improvement in credit cycle, as Group has introduced turnover incentive scheme for distributors.
7	Trade payables turnover ratio	Credit purchase	Average trade payables	7.09	4.49	58%	Due to improved collection cycle, Group's ability to serve its creditors improved significantly and hence Group renegotiated credit terms with creditors to avail better price in lesser credit period.
8	Net capital turnover ratio	Revenue from operations	Working Capital	5.25	5.57	-6%	N.A.
9	Net profit ratio	Profit After Tax (before exceptional Item)	Sales (Revenue from Operations)	5%	3%	80%	Profit After Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
10	Return on Capital employed	Earning Before Interest and Tax (before exceptional item)	Capital employed (Net worth + Total debt)	18%	6%	228%	Earning Before Interest and Tax has improved compared to last year, due to improvement in turnover. Also, profit margin was impacted in previous year due to pandemic.
11	Return on investment	Return on investment	Average of Investment	3%	18%	-82%	Group has invested in Mutual fund and bonds in FY 22, overall market rates are low in FY 22.

Note 62 – 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)		Share in total comprehensive income / (loss)	
	31 March 2022	31 March 2021	% of consolidated net assets	Amount	% of consolidated profit	Amount	% of consolidated OCI	Amount	% of consolidated OCI	Amount
Parent:										
Ador Welding Limited										
31 March 2022	–	–	99.98%	28,201	100.07%	4,519	100.00%	(61)	100.07%	4,458
31 March 2021	–	–	100.55%	23,743	115.40%	(1,199)	100.00%	52	116.21%	(1,147)
Subsidiary:										
Ador Welding Academy Private Limited										
31 March 2022	100%	–	0.77%	218	-0.07%	(3)	0.00%	–	-0.07%	(3)
31 March 2021	–	100%	0.94%	223	-1.92%	20	0.00%	–	-2.03%	20
Intercompany Elimination and Consolidation Adjustments										
31 March 2022	–	–	-0.76%	(213)	0.00%	–	0.00%	–	0.00%	–
31 March 2021	–	–	-1.49%	(353)	-13.47%	140	0.00%	–	(0)	140
Total										
31 March 2022	–	–	100.00%	28,206	100.00%	4,516	100.00%	(61)	100.00%	4,455
31 March 2021	–	–	100.00%	23,613	100.00%	(1,039)	100.00%	52	100.00%	(987)

Note 63 - The Board has recommended a dividend for the financial year 2021-22 @ Rs.12.5 per share, i.e. 125% of the face value of Rs.10 each.

Note 64 - The Group evaluated subsequent events from the balance sheet date to 20 May 2022, the date at which the financial statements were available to be issued and determined that there are no item to report.

Note 65 - Amounts below Rs 0.50 lakh have been rounded off.

The accompanying notes form an integral part of the consolidated financial statements

This is a summary of significant accounting policies and other explanatory information referred to in our other report of even date.

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

Firm Registration No: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 042423

Place : Mumbai

Date : 20 May 2022

Vinayak M. Bhide
**Head - Corp. Admin,
Legal and Company
Secretary**

Surya kant Sethia
**Chief Financial
Officer**

Tanya H. Advani
Non-Executive Director
DIN : 08586636

Aditya T. Malkani
Managing Director
DIN : 01585637

Place : Mumbai

Date : 20 May 2022

For and on behalf of the Board of Directors

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 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 Rs.)

Sl. 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, since it is same as Holding Company
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. (1,35,13,411/-)
8.	Total assets	Rs. 2,26,60,277/-
9.	Total Liabilities	Rs. 8,26,707/-
10.	Investments	Rs. 1,09,18,679/-
11.	Turnover	NIL
12.	Loss / Profit before taxation	Rs. (1,99,181/-)
13.	Provision for taxation	Rs. 1,44,494/-
14.	Profit after taxation	Rs. (3,43,675/-)
15.	Proposed Dividend	Nil
16.	Extend of shareholding (in %)	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations- **Nil**
- Names of subsidiaries which have been liquidated or sold during the year- **Nil**

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

Tanya H. Advani
Non-Executive Director
 DIN: 08586636

Place: Mumbai
Date: 20th May, 2022

Vinayak M. Bhide
**Head- Corp. Admin, Legal,
 HR & Company Secretary**

Surya kant Sethia
Chief Financial Officer

Aditya T. Malkani
Managing Director
 DIN: 051868265

WELDING TRAINING DIVISION

In the Nation's rapid progress on the world stage, we are constantly aligning our efforts to achieve vision of 'Skilled India' by developing and upskilling welders of high standard and filling the gap of global demand and supply of skilled welders/welding personnel. Our #WELDING ONLINE webinar series will be continued for delivering welding education.

Ador Training Division has successfully trained nine hundred and eighteen (918) candidates In-house, onsite, online including trade testing of welders, to move them abroad.

Our trained students are placed in esteemed organizations. Our knowledge partnerships with entrepreneurs for setting

up welding skill development centres will provide access to the following:

- 1) Design, delivery, and commissioning of state of 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 to welding.
- 3) Training of trainers
- 4) Handholding during pilot phase of implementation
- 5) Assessment & Certification
- 6) Assistance in placement





ADOR WELDING LIMITED

Registered Office: Ador House, 6, K. Dubash Marg, Fort, Mumbai 400 001-16, Maharashtra, India.

+91 22 6623 9300 +91 20 4070 6000 investor services@adorians.com

www.adorwelding.com

